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Asian Recorder

A WEEKLY DIGEST
OF ASIAN EVENTS
WITH INDEX

1964

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ASIAN RECORDER news sheets are issued weekly. They are numbered consecutively from the first issue in January, 1955.

Events in all the countries of Asia are listed under each country, arranged alphabetically, with a summary for each if necessary.

Events about Asia happening outside Asia are listed under a separate heading —ASIA OUTSIDE ASIA.

Sport is listed at the end, without regard to country.

Each item is acknowledged to the source from which it is taken—newspaper, periodical, Radio, Embassy or Government Department—to give it authority.

Every three months, these news-sheets are accompanied by an INDEX. Each year, the Annual INDEX will incorporate all the three previous quarterly indices. An explanation of the INDEX is given on the back cover.

To insert news-sheets in the cover-binder, open the binder by the back-flap, unscrew the nuts, raise the flat rod and insert the news-sheets : thereafter, let the flat rod rest on the sheets, press the flat rod firmly and screw down the nuts.

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M. Henry Samuel

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Mr. A. D. Mani, M.P. ; and

Mr. Frank Moraes, journalist.

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ASIAN RECORDER

A Weekly Digest Of Asian Events With INDEX

January 1—7, 1964

Regd. No. D-727

Vol. X No. 1

CHINA

SUMMARY: Soviet Move For Normalization Of Relations: Economic Difficulties; New Role For Philosophers; Wheat Deals.

A. Soviet Move For Normalization Of Relations: Mr. Nikolai Podgorny, a member of the Communist Party Presidium, told the October Revolution Day rally in the Kremlin on November 6, 1963 that the Soviet Union "sincerely wishes to normalise relations with the People's Republic of China."

He said: "There are no objective reasons to prevent restoration of the good relations which existed between USSR and the People's Republic of China in the past."

Mr. Podgorny, giving the traditional "state of the nation" speech in the Kremlin Palace of Congresses, added that the Soviet party was not responsible for the "differences of opinion". He said polemical methods, "impermissible between comrades", were "distracting attention from the struggle with imperialism and colonialism". He urged solidarity in the struggle against "the common enemy... imperialism and colonialism".

He said that world developments bore out "the outstanding importance and correctness of Lenin's idea of the peaceful co-existence of States with different social systems...." He added that a German peace settlement "remains one of the most important problems in the world today" in any future moves to relax international tension.

The Soviet Premier, Mr. Khruschev said the same day (November 6) that Russia was trying its best to remove the friction with China, and told Americans to keep their noses out of eventual Sino-Soviet discussions for which a method would be found.

Questioned at an interview in his Kremlin office with 21 leading American businessmen about the state of relations between China and Russia, he said: "...The friction that we have with China...is something that causes us deep concern and we are doing our utmost to remove that friction and restore the good and friendly relations between our communist parties and peoples. But the friction we have with China merely causes joy on your part and you would like that friction to become even greater and to be even more profound..."

He added: "So let's take the whole matter off the agenda, because it is one that concerns only ourselves and China. We will find a method to discuss this with China and I do not think your nose would be quite in place in such a discussion."

Chinese Reaction:

By November 15, it was known that Mr. Khruschev's appeal to China to discontinue open polemics was not cutting much ice in Peking, because it was regarded there as "nothing but a trick" to cover up Russia's "more frenzied anti-China activities."

China's answer to Mr. Khruschev's appeal came on November 15 in the form of a **Hsinhua** despatch, prominently reported in the Peking Press, which accused the Soviet Union of "vigorously keeping up" its anti-China campaign.

Hsinhua said that over 2,000 articles and other items had been published by the Soviet Press since the July 14 open letter of the Soviet Communist Party's Central Committee in maintaining the anti-China campaign.

Ridiculing Mr. Khruschev's appeal, **Hsinhua** charged that the Soviet papers' "wanton attacks on China had continued as usual, after the so-called appeal was made." The **People's Daily**, organ of the Chinese Communist Party, described the appeal as "nothing but a cover for their wanton attacks on China."

Hsinhua accused the articles in the Soviet Press of "distorting" and "slandering" China's stand on international issues, and its line for building socialism and other policies and "even hurling abuse" at Mao Tse-tung. "The Soviet Press would not interrupt its anti-China campaign even during the celebrations of the 46th anniversary of the October Revolution."

(*The Statesman*, Calcutta and *The Hindu*, Madras)

[Prev. ref. 5520:CHI:A]

B. Economic Difficulties: A statement issued to the Press on December 3 at the end of the 1963 session of the National People's Congress after more than two weeks of secret debate claimed that China had overcome the economic difficulties caused by three successive years of serious natural calamities and by the "perfidious action of those who unilaterally tore up agreements and withdrew experts."

The statement said that the deputies had debated a resolution on the economic plans and Budget for 1963 and 1964 and various other reports.

It said: "China is now capable of designing quite a number of big, modern, industrial enterprises, including iron and steel plants, coal mines and oil refineries each with an annual capacity of more than a million tons, hydro-electric power stations of more than 600,000 kw, chemical fertilizer plants with an annual output of 100,000 tons of nitrogenous fertilizer, etc."

The agricultural situation had improved for the third year in succession. This year's harvest had been "relatively good" with a new increase in foodgrain output and a fairly big growth in "major industrial crops".

This year's plans for industrial production would be fulfilled in all major respects while capital construction had increased compared with 1962.

Both the plan for the total retail sales of commodities and the foreign trade plan would be over-fulfilled. "There had been a wage increase of 40 per cent for the workers and staff in 1963 and the money paid as awards had also increased."

China had continued to pay the debts and the interest owed to the Soviet Union. All would be cleared by the end of 1965.

The main task for China in 1964 was to try for a still better harvest. The second task was to "strive for a continued steady rise in industrial production on the basis of raising the technical level including quality and increasing variety".

Other tasks included strengthening the construction of basic industry, farm irrigation products, and the national defence industries.

On international affairs, the statement said that Chinese international prestige and influence continued to expand. "US imperialism, the reactionaries, and the modern revisionists had become increasingly isolated. The unity of the Chinese people with the people of other socialist countries grew ever closer."

According to observers, the National People's Congress produced little that was really new in Chinese policy either in politics or economics. The one new feature was that the next Congress, to be elected before September, 1964, would have twice as many deputies.

The general tenor of the meeting was that the country would continue to develop along the paths which it had followed since the beginning of 1961, at which time the Great Leap Forward was declared officially over. There is, however, more emphasis on industrial production. This, taken with reports of moderate successes in agriculture, may be taken to indicate greater optimism by

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China's leaders. The economic situation has undoubtedly improved in the past year.

Heavy industry is probably still recovering from the effects of the Great Leap Forward, and claims for increases in total production of commodities like steel and oil must be viewed with doubt unless the increase is allowed to be a small one. One of the difficulties, which the Chinese have in building up a solid base for industry is the lack of skilled men, and though they claim that "an army of technicians is coming into being", the fact is that if a new plant is opened all its skilled labour must be brought from some other plant which suffers correspondingly.

The Congress statement modestly claimed a relatively good harvest, which is probably fair, but "with a new increase in the output of foodgrains", rather surprising in view of the drought disaster which affected this year's rice crop. Experts in Peking believe that there is not likely to have been any increase in grain, though they are inclined to accept that there has been an improvement in the industrial crops.

"People's Daily" Comment:

Commenting on the Congress session, a *People's Daily* editorial discussed on December 3 how the withdrawal of Soviet aid and experts had created economic difficulties for China.

The paper admitted that "for a period in recent years, because of lack of experience in construction work and absence of a complete and perfect set of policies on certain specific practical questions and because some of the work was not done in conformity with the spirit of the general line for socialist construction, some shortcomings and mistakes occurred in practical work resulting in difficulties in economic construction."

It also accused the Soviet Union of perfidy in its relations with China. "In this period we also encountered an unexpected difficulty. This was caused by the Soviet authorities who in July, 1960 seized the opportunity to bring pressure to bear upon us and extend the ideological differences between the Chinese and the Soviet parties to the sphere of State relations.

"They (the Soviet authorities) suddenly and unilaterally decided to withdraw all their experts totalling 1,390, who were assisting China in its work, tore up 343 contracts and supplementary provisions concerning the experts and annulled 257 items of scientific and technical cooperation. After that they heavily slashed supply of whole sets of equipment and crucial parts of installations.

"This caused heavy losses to China's work of construction and dislocated its original plan for the development of national economy, greatly aggravating our difficulties."

The National People's Congress—judging from the communique—had not touched upon the problem of the Nationalist Chinese stronghold of Formosa and the Sino-Indian border question.

Peking's preoccupation, therefore, is primarily with its relations with the Soviet Union and internal difficulties.

China is now having yearly plans and not five-year plans because it is not in a position to look that far ahead. While the communique referred to the 1964 Plan, it has not given the slightest hint as to what it is like.

(*The Times*, London, *The Statesman*, Calcutta and *The Times of India*, Bombay)

[Prev. ref. 5351:CHI:A]

C. New Role For Philosophers: Newspapers in China reported on November 25, 1963 that a conference called by the Chinese Academy of Sciences had urged philosophers and social scientists to play an active part in the Communist party struggle against modern revisionism in the international Communist movement.

The report, which appeared across the front pages of all newspapers under the headline "Oppose Modern Revisionism; Study Contemporary Revolutionary Questions", said the questions discussed at the conference were: "The active struggle against modern revisionism in the sphere of philosophy and social science, another drive to study Marxism-Leninism and a study of Mao Tse-tung's thinking."

It said: "A great debate of tremendous historical importance is being waged... in the present day international communist movement." Modern revisionists had "completely altered the revolutionary line and fundamental theories of Marxism-Leninism. They were challenging all the basic principles of Marxism in philosophy, political economy, the theories of socialism and communism, history, the theories of literature and art and in other fields".

Philosophers and social scientists "could not steel themselves as worthy revolutionaries and militant Marxists" unless they took an active part in the struggle against modern revisionism.

The report said the conference agreed to continue the policy of "letting a hundred schools of thought" contend in the academic field—but only so long as none of the hundred schools contained liberal, revisionist or anti-Marxist ideas and so long as all based themselves on Mao Tse-tung's thinking.

(*The Times*, London)

D. Wheat From Australia: The Australian Wheat Board has made a further bulk sale of about 41 million bushels of wheat valued at more than £A30 million to China.

The Board said on November 22, 1963 that China had bought more than 260 million bushels valued at almost £A200 million at regular intervals during the past three years and was regarded as an established and potential long-term market.

Wheat sold under the latest contract would be shipped from the 1963-64 crop, deliveries of which had already begun in some States. The Board said that in recent weeks it could have sold forward more wheat than it was at present in a position to offer. Practically no surplus stocks were in sight in Australia to offer for sale to other than established customers until the prospects of the 1964-65 harvest took shape.

Canadian Wheat:

The Canadian Wheat Board announced on December 4, 1963 that China had made a second 18,700,000-bushel wheat purchase under the long-term Agreement signed last April.

Worth about $35 million, the wheat will be shipped from Pacific ports between February 1 and June 30, 1964.

China has agreed to take a minimum of 112 million bushels of wheat and a maximum of 187,600,000 bushels in a three-year period starting August 1.

The payment terms are 25 per cent cash when the wheat is loaded into a vessel bound for China, and the balance within 18 months.

(*The Times*, London)

[Prev. ref. 5400:CHI:A]

E. Trade Fact With Finland: China and Finland have agreed to exchange goods up to the value of 8.5 million roubles each way.

Among commodities to be exported from Finland to China in 1963 were: chemical pulp, mechanical pulp, bare and insulated wire, steel-cored aluminium conductors, machinery and equipment for wood-working industries, ships and equipment for ships, excavators and spare parts, tractors and spare parts, trucks and buses and spare parts, saw-blades, and electrical machines.

(*Far East Trade*, London)

F. Irrigation System: A giant irrigation system between the Yangtze and Huai Rivers is being extended to irrigate nearly 200,000 hectares —50,000 hectares more than was irrigated in 1962.

(*Far East Trade*, London)

INDIA

SUMMARY: UN Observer's Verdict On Pakistan's Violation Of Cease-fire In Chaknot; King Hussein's Visit; Japanese Reparations; Effects Of 1963 Taxes.

A. Pakistan's Violation Of Cease-fire Agreement In Chaknot —Chief UN Observer's Verdict: The Minister of State for External Affairs, Mrs. Lakshmi Menon disclosed in the Lok Sabha on December 9, 1963 that the Chief UN Military Observer in Kashmir had given a clear verdict that it was Pakistan and not India which violated the Cease-fire Agreement by concentrating troops in the Chaknot area.

After drawing attention to the "fuss" made recently by Pakistan over Chaknot, Mrs. Menon pointed out that the UN Observers' report had demonstrated the extent to which the Pakistani authorities could go "in their crusade of hatred against India, and in their determination to mislead the world about Indo-Pakistan relations".

She added: "It is not our policy to hold out threats of force, although we shall naturally defend ourselves, if attacked. At the same time, as we believe in solving difficulties by peaceful methods, we will give every assistance to the UN Observers to preserve and maintain the inviolability of the cease-fire."

In the same statement she disclosed that Pakistan was known to have distributed arms to the civilian population in "Azad Kashmir" and that there were authoritative reports in Pakistan about the training of guerrillas although, naturally, it was not possible to get precise information on this point.

But she added emphatically that Pakistan's allegation that the civilian population was being armed to "resist Indian troops raiding villages in Pakistan to lift cattle and molest women" was "completely false, baseless and malicious".

When Members inquired if India was adequately prepared to meet the threat

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of Pakistani guerrillas, the Prime Minister, Mr. Nehru intervened to say that that was so.

(*The Statesman*, New Delhi)

[Prev. ref. 5525:INI:B]

B. King Hussein's Visit: Warm greetings were exchanged between the President, Dr. S. Radhakrishnan and King Hussein of Jordan when the King arrived in New Delhi on December 3, 1963 on a 12-day State visit.

Welcoming the King, Dr. Radhakrishnan thanked him for being the first to express his sympathies "unequivocally" with India during the Chinese aggression.

He congratulated him for the many improvements he had introduced in his country. Describing him as perhaps the youngest ruler in the world, he said that a youthful mind with a spirit of adventure was best suited to the changing conditions in the world.

The King, in his reply, said that they were proud to have "the best of relations" with India—a country with which they shared "the same principles and the same ideals of freedom, love of peace and dignity."

He expressed the hope that he and members of his party would benefit from this visit as Jordan was a small country with a small population and they were trying their utmost to build it as "an example to others around us". In this respect "you have a lead over us".

The Vice-President, Dr. Zakir Hussain, the Prime Minister, Mr. Nehru, Central Ministers, the Mayor of Delhi and diplomats were among those who received the King at the airport. On his arrival he was given an inter-Services guard of honour and a 21-gun salute.

The King's party included Mr. Bahjat al-Talhouni, Chief of the Royal Court and a former Prime Minister, Dr. Hazim Nusseibeh, Minister for the Royal Court; Mr. Amin Younis al-Husseini, Minister for Social Welfare and Mr. Nassouh al-Taher, Vice-Chairman of the Development Board.

State Banquet:

At a State banquet on December 3, Dr. S. Radhakrishnan and King Hussein stressed the need for further strengthening the friendly ties between India and Jordan.

Dr. Radhakrishnan said: "Our relations with you in trade and culture are increasing steadily and your visit will strengthen the bonds which already bind our two countries.

"When we had this trouble with China, you were among the first to declare unequivocally your sympathies with the Indian people and you gave us courage and cheer at a time when we felt rather depressed. I thank you for that.

"War is our greatest enemy. We must all become partners in the quest for peace, stand by one another, not in enmity, not in arming ourselves but in trying to protect the vital interests of humanity."

King Hussein in his reply said: "As for our stand during the crisis which this great country and nation faced, we were not alone. Millions of people all over the world who share our beliefs and share our pride in being free and have the same ideals and cherish them, were worried and were anxious at that time when they felt that force, brute force, and aggression cannot alter or affect what this country stands for and what this country inspires others through its stand.

"We were worried and we stood by you, but we were only part of a larger family—a family that is in all the free world, the family to which we belong, those who believe in our principles and cherish our ideals and are free.

"We are also proud of the friendly ties that exist between us and the good relations that exist between us. We know that these relations will grow stronger with the passage of time."

Civic Reception:

At a civic reception on December 4, King Hussein re-iterated his country's "unwavering and unflinching" pledge to stand by India in the "just and righteous cause" of defending her freedom and integrity.

He was cheered by Delhi's "good and friendly citizens" as he called them when he made this declaration in a rich and resonant voice in reply to an address presented to him on the flood-lit lawns of Red Fort.

He did not mention China by name, but the inference was clear in his reference to the aggression on India's northern borders. He drew loud applause, when he declared that Jordan's spontaneous support for India at the time of the aggression sprang from the firm conviction that "any loss India may suffer will be a loss to us."

He referred to the "free, tolerant and democratic way of life" which both Jordan and India held sacred and to the ever-growing bonds of friendship and co-operation between the two countries.

Jordan's relations with India were as old as time, he said, and expressed the hope that his visit would solidify them to meet the challenges of the modern world.

A similar hope was expressed earlier by the Mayor, Mr. Nur-ud-Din Ahmed, in the civic address. Since the dawn of history, he said, India had had intimate contacts with the Arab world.

"We have had mutually profitable exchanges in art and culture, philosophical thought and language with Arab countries during the past many centuries".

The relations between Jordan and India had been most cordial and friendly. "The most recent manifestation of solid Indo-Jordanian friendship was provided by the spontaneous support extended to us last year by Your Majesty's Government at the time of our great national crisis when we were the victims of naked aggression on our northern borders."

The Mayor presented to the King on behalf of Delhi citizens an ivory souvenir made by the skilled craftsmen of the Capital.

Reception By Jamiat And Indo-Arab Society:

On December 5, at a reception by the Jamiat Ulema-e-Hind and the Indo-Arab Society, King Hussein said that the people of Jordan appreciated India's efforts to promote world peace.

He said that he was impressed by the efforts of the people and the Government of India for the development of the country.

He thanked the Jamiat and the Indo-Arab Society for organizing the reception and assured them that he would do his best to strengthen the ties of friendship between India and his country.

Mufti Atiq-ur-Rehman, working president of the Jamiat, presenting an address of welcome to King Hussein, praised him for the progress made by his country. It was only his sincerity and dedication which had accelerated the pace of development in Jordan.

Dr. Syed Mahmud, who welcomed the King on behalf of the Indo-Arab Society, said that India was keen to maintain the old ties of friendship with the Arab world and wanted an Arab federation to be formed soon.

Mrs. Lakshmi Menon, Minister of State for External Affairs, who also spoke, paid a tribute to King Hussein for his dedication to his people.

King Hussein also visited the National Physical Laboratory, the Indian Agricultural Research Institute and the IARI dairy.

Giving his impressions of the Laboratory, the King said: "I am most impressed with whatever I have seen." Work was going on in different fields all over India and he was sure that the country had a very bright future.

In the afternoon, the King witnessed an exhibition polo match.

Earlier in the day, Mr. Dinesh Singh, Deputy Minister for External Affairs, called on the King. He was with him for about an hour.

A group of Jordanian students at present studying in Indian universities met the King in the morning.

On December 6, King Hussein left New Delhi on a tour of the country. Among the places he visited were Agra, Dehra Dun, Ambala, Ahmedabad, Bangalore, Madras, Hyderabad and Bombay. He left India on December 16.

Joint Communique:

In a joint *communique* issued on December 16, King Hussein and Mr. Nehru expressed the hope that there would be increasing co-operation between the two countries in the cultural, economic and technical fields.

Mr. Nehru assured India's continued readiness to co-operate in Jordan's development.

The communique contained two significant points. The King supported India's stand in relation to Chinese aggression, while Mr. Nehru "expressed understanding and appreciation of the Palestine problem".

They found "similarity of approach" in regard to many issues of international concern as "both countries are vitally interested in the maintenance of peace in the world".

They welcomed the agreement on the partial nuclear test ban Treaty as a first step towards the relaxation of international tension and further agreement on questions relating to general disarmament.

Dr. Radhakrishnan and Mr. Nehru accepted the King's invitation to visit Jordan.

(*The Times of India* and *The Statesman*, New Delhi)

[Prev. ref. 1263:JOR:A]

C. Canadian Loans: On December 4, 1963, Canada made long-term loans to India of $8,000,000 for locomotives, $8,000,000 for a hydro-electric station and $1,000,000 towards an aluminium smelter being built by a private company in Kerala.

Agreements on the loans, backed by the Export Credits Insurance Corporation, were signed in Ottawa by the Trade Minister, Mr. Mitchell Sharp, and the Indian High Commissioner, Mr. C. S. Jha.

The $1 million loan is part of a joint financing transaction to supply foreign exchange for a $12 million expansion of the Kerala smelter and a foil mill being

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built in the Bombay area for Indian Aluminium Company Limited.

Another $2,700,000 will come from the Aluminium Company of Canada Limited in Montreal. Its parent, Aluminium Limited, has a 60 per cent interest in the Indian company. The Canadian company will act as general contractor to co-ordinate purchases from various Canadian suppliers.

The $8 million loan for locomotives will cover the purchase of 37 diesels and spares from the Montreal Locomotive Works. The order is expected to provide 700,000 man-hours of work in Canada. The locomotives will go to the Indian Railways.

The other $8 million loan is to cover the purchase of Canadian power plant and sub-station equipment, and Canadian engineering services by Rajasthan for use at one of three dams on a $40 million power and irrigation project. All three Government loans are at 6 per cent interest.

The locomotives loan calls for repayment to start after three years and continue for 12-1|2 years. The Rajasthan loan is repayable over 20 years, starting four years after it is made. The smelter loan repayments will start in the fourth year and continue for 15 years.

(*The Statesman*, Calcutta)

[Prev. ref. 5527:INI:G and H]

D. **Atomic Loan Agreement With USA:** India took a major step into the atomic age by signing in New Delhi on December 7, 1963 with USA a Rs. 38.1-crore Loan Agreement to construct its first atomic power plant at Tarapur, near Bombay.

Mr. Nehru, who was present at the signing ceremony, hailed the occasion as one of "considerable importance and significance." He re-iterated India's resolve not to use atomic energy for "any warlike purposes".

The Agreement was signed by Mr. Chester Bowles, the US Ambassador, Dr. H. J. Bhabha, Secretary of the Department of Atomic Energy and Mr. L. K. Jha, Secretary of the Department of Economic Affairs.

The 300-mw power plant at Tarapur will be among the largest atomic stations in the world.

While USA will give the foreign exchange component of the project under the Loan Agreement, India will finance the local costs estimated at Rs. 16.1 crores.

The US Atomic Energy Commission will sell India enriched uranium for the plant under a contract being negotiated to cover both the initial and continuing requirements for fuel.

The Tarapur plant will go a long way towards attaining India's high priority goal of raising power production from 5,700 mw at the start of the Third Plan to 12,700 mw by 1966. Over half of the foreign exchange required for this scheme is being met by US long-term credits.

The plant will be operated by the Tarapur Atomic Power Project authority under the Department of Atomic Energy. There are already three nuclear reactors, including one of the largest research reactors of its kind in the world, in operation at the Atomic Energy Establishment at Trombay besides over 1,400 nuclear scientists and engineers, over 100 of whom have received training in USA since 1955 under the AID and the Atoms-for-Peace programmes of USA.

The loan is repayable in dollars over 40 years, with no payments on the principal over the first 10 years, and a credit fee of ¾ of 1 per cent per year.

Mr. Bowles said the Agreement would project India further into the nuclear age. "At a time when most of the world was seeking to reduce the danger of a continuing nuclear arms race, we see here a practical example of a great nation which has given its highest priority to the cause of peace. It is an example that will be noted and applauded around the world."

Those present at the signing ceremony included the Finance Minister, Mr. T. T. Krishnamachari and Mr. C. Tyler Wood, Minister-Director of the US Agency for International Development Mission.

(*The Times of India*, New Delhi)

[Prev. ref. 5407:INI:L]

E. **Japanese Reparations:** Japan agreed on December 14, 1963 to pay India $25,000 for damages sustained by Indian nationals during the Sino-Japanese War.

The Agreement completed settlement of all claims against Japan under the Peace Treaty ending World War II. It was signed by the Japanese Foreign Minister, Mr. Masayoshi Ohira, and the Indian Ambassador in Tokyo, Mr. Lalji Mehrotra.

India's World War II claims against Japan have already been settled.

(*The Japan Times*, Tokyo)

[Prev. ref. 5210:JAP:A]

F. **Credit Agreement With Austria:** Austria and India signed in Vienna on December 11, 1963 an Agreement providing India with credit of 100 million Austrian schillings to buy investment goods from Austria.

Under the Agreement—signed by the Austrian Foreign Minister, Dr. Bruno Kreisky, and the Indian Charge d'Affaires, Mr. P. Dasgupta—the credit bears interest of 5½ per cent and the money is to be spent by the end of 1964.

The credit is repayable in ten years starting from 1967.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5406:INI:K]

G. **New Iraqi Envoy:** According to an official announcement in New Delhi on December 14, 1963, Mr. Munir Rashid has been appointed as the Ambassador of Iraq in India.

Mr. Munir Rashid had been serving as the Charge d'Affaires of Iraq in New Delhi since July 29, 1963.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 4260:INI:D]

H. **Diplomatic Appointments:** It was officially announced in New Delhi on December 16, 1963 that Mr. R. S. Mani, till recently India's Ambassador to Burma had been appointed Ambassador to Yugoslavia and concurrently Ambassador to Greece.

He is expected to assume charge of his new assignment early in 1964.

Mr. Purshottam Lal Bhandari, Ambassador of India to Mexico, has been appointed High Commissioner for India to Nigeria.

He is also expected to assume charge of his new assignment early in 1964.

(*The Times of India* and *The Hindustan Times*, New Delhi)

[Prev. ref. 5527:INI:I]

I. **State Of Economy—Mr. T. T. Krishnamachari's Statement:** In a statement on the state of the economy in the country made in the Lok Sabha on December 16, 1963, the Central Finance Minister, Mr. T. T. Krishnamachari disclosed that the exemption limit both for industrial licensing and issues control had been raised from Rs. 10,00,000 to Rs. 25,00,000.

Simultaneously, as a first step in the gradual and orderly relaxation of some of the more onerous controls, it had been decided to end price control in respect of 16 items principally of industrial use.

The list consists of rayon yarn, staple fibre, caustic soda, soda ash, hydrochloric acid, chlorine calcium carbide, bleaching powder, chilean nitrate, muriate of potash, sulphate of potash, washing soap, tyres and tubes, sheet glass, paper board (but not paper) and natural rubber.

He also announced suspension of the premium collections under the emergency risks insurance scheme for the next quarter. This had been decided to afford some relief to the hard-pressed business community and had become possible because a substantial amount had already been collected under this head and the generally easy revenue position. But, of course, this was not to be construed as an end to the scheme.

Owing to the continuing demands of defence and development, he said, the budgetary outlay in 1964 was likely to be even higher than during the current 12-month period. Non-Plan expenditure too was likely to go up in pursuance of the Government's anxiety to extend its social security measures "to the maximum extent possible."

Though small savings might turn out to be a little better than anticipated, market borrowings were not expected to register significant increases. Since deficit financing was ruled out in the present context of a pressure on prices—particularly of rice and sugar—and since taxation had attained substantial proportions, the only avenue left was to rationalise and modify the tax structure so as to improve the performance of the economy. The changes should stimulate savings, investment and production and thus heighten the present buoyance of public revenues.

He said the hopeful trend noticed earlier in the returns of indirect taxes was unlikely to be maintained, though in the end the Budget estimate was likely to be fulfilled. Indirect taxes were expected to do better than anticipated. Altogether, the budgetary deficit might turn out in the end to be smaller than the Rs. 181 crores envisaged at the beginning of the financial year.

Astute and stringent measures were necessary to put an end to large-scale tax evasion, which not only robbed the Exchequer of a sizable slab of revenue but also drove ill-gotten gains underground and thus out of productive economy.

Referring to the desirability of maximising the surpluses of public sector undertakings, he said that over the years more reliance would have to be put on this source than on taxation and it appeared that at least part of the increase could be achieved only through an adjustment in the pricing policy.

This is the context in which he brought up the issue of relaxation of price control generally. In a planned economy, a modicum of control was essential, particularly in regard to scarce items, but it often happened that the actual working of controls hampered those very forces which might eliminate shortages and introduce some measure of competition.

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He made it clear that though curbs on consumption had a definite place in a developing economy, in the Indian context, where a majority of the people lived at sub-marginal levels of existence, the solution was to tackle any imbalances or shortages at higher levels of supplies.

With regard to the foreign exchange situation, he said this could be viewed with cautious optimism. Export earnings were on the increase though the drop in invisibles indicated that some of the export incentives were being abused.

(*The Times of India*, New Delhi)

[Prev. ref. 5531:INI:B]

J. **Steps To Check Corruption, Public Grievances And Administrative Inefficiency:** The Central Home Minister, Mr. Gulzari Lal Nanda, announced in New Delhi on December 7, 1963 that three high-power bodies would be set up to deal with corruption, public grievances and administrative inefficiency.

These, he said, would include an "independent" central vigilance commission on the lines of the Union Public Service Commission, a central agency to deal with public grievances and a Union Department of Administrative Reforms.

Mr. Nanda, who was addressing Parliament's Informal Consultative Committee for his Ministry, said that the Vigilance Commission would have extensive functions, so that it could take prompt and effective action against corrupt officials. The Commission would submit an annual report which would be placed before Parliament. It would mention all cases where its advice had not been accepted by the Government.

He was confident that a visible and striking change would be achieved within two years through this measure. The Commission would function with the help of the Special Police Establishment, commissioners for departmental inquiries and departments.

The States, he hoped, would adopt the anti-corruption measures taken by the Centre with suitable modifications. A district-level set-up would also have to be evolved to check corruption.

The public grievances agency would deal with citizens' complaints of administrative malpractices, unsound procedures, wrong though not necessarily dishonest exercise of discretion, delays and lack of courtesy in governmental activity.

The Department of Administrative Reforms would aim at adapting the administrative set-up to changing conditions. It would take action on the recommendations of various committees on the subject and might also make a new study of the governmental structure.

Some members at the meeting suggested greater powers for the Vigilance Commission and stressed the need for care in the selection of its members.

(*The Statesman*, New Delhi)

[Prev. ref. 5547:INI:L]

K. **Effects Of 1963 Taxes—ACCI's View:** The 1963 taxes have undermined confidence and investment in new projects has been retarded. This was the view expressed in a resolution adopted at the annual meeting of the Associated Chambers of Commerce of India (ACCI) in Calcutta on December 9, 1963.

In another resolution the Chambers stated that the inability to achieve a substantial increase in agricultural output constituted the greatest single obstacle to the country's economic advancement.

The resolution on power suggested that expansion of generating capacity should continue to receive a high priority in the Government's investment programme.

The resolution on prices stated that controls were ineffective and that the only lasting solution to the problem was increased productivity. ACCI adopted three other resolutions: on food and agriculture, export and industry and defence production.

The resolution on taxation pointed out that because of the tax measures, particularly the Super-Profits Tax, the cash resources of companies were being eroded to an extent that must force recourse to bank borrowing to meet commitments.

As the total tax collections had been substantially greater than was expected there was a case for re-examination of the current structure of taxation.

The Chambers stressed the need for certain concessions in the matter of tax on inter-corporate dividends and bonus shares, and the abrogation of the provision for disallowance of remuneration of Indian nationals in excess of Rs. 5,000 a month. Personal taxation, the resolution said, was unreasonably high in its incidence, constituted a severe disincentive to extra effort, saving and investment and would increasingly hamper the creation and retention of high-calibre administrative and technical staff.

On power, the Chambers stated that the shortage continued to be a major obstacle to industrial production.

Experience in certain areas emphasized the need to supplement the existing hydro-electric sources by thermal generating stations and to speed the development of State and regional grids. The resolution suggested that power development plans should be the subject of centralized and high-level study and agreement.

The Chambers' resolution on prices recognized that the price problem presented peculiar difficulties at the present time because of the need for combating inflationary pressure arising from the strain of a developing economy coupled with the demands of defence, while at the same time providing incentives which would encourage increased production. Stating that the only solution to the problem was increased production, the resolution advocated an adequate return on capital to finance expansion and attract fresh investment. It urged that where the Government did not find it possible to abolish controlled prices for industrial products, those prices should be realistically fixed, taking full account of increased manufacturing costs.

(*The Statesman*, Calcutta)

[Prev. ref. 4348:INI:D]

L. **Social Security Scheme For Central Government Employees:** A new social security scheme for the families of Central Government employees was announced in the Lok Sabha on December 13, 1963 by the Finance Minister, Mr. T. T. Krishnamachari. It came into force on January 1, 1964.

It will ensure a life pension of between Rs. 25 and Rs. 150 a month to the widow of an employee who has completed only one year's service. It also provides for payment of allowances to minor children if the widow dies.

The employee will, however, be required to surrender a small portion of the death-cum-retirement gratuity due to him, equal to two months' emoluments as a token contribution.

The scheme will also apply to Railway employees who opt for or are already on a pension scheme. In regard to Defence Services personnel, the scheme will practically be non-contributory, because no gratuity is payable to them in addition to the service pension.

In cases where the minimum pension admissible at present is lower than Rs. 25, it will be brought on a par with the minimum under the new scheme.

Mr. Krishnamachari said that while the Government was examining the broader question of providing social security to the weaker sections of the population, it considered it necessary and desirable to make a beginning with its own employees by revising "very substantially" the existing Family Pension Scheme.

Under this scheme an officer normally has to complete 20 years' service before his widow becomes entitled to a pension, which is for a maximum of 10 years.

Mr. Krishnamachari said that the existing Extraordinary Pension Scheme would be suitably revised to provide for "somewhat higher benefits" to bring it in line with the new scheme.

He explained that the annual funded cost of the new scheme in about 25 years was estimated at Rs. 12.15 crores on the civil side and Rs. 5 crores on the defence side.

(*The Statesman*, New Delhi)

M. **Scope Of Indigenous Supply Of Equipment For Bokaro Steel Plant:** A Technical Committee, which has been considering the scope of indigenous supply of equipment for the first stage of the Bokaro Steel Plant, has expressed the view that in terms of weight, between 50 and 66 per cent of the machinery needed can be built in India.

This was disclosed by the Central Minister of Steel, Mines and Heavy Engineering, Mr. C. Subramaniam at a meeting of the Informal Consultative Committee of Parliament in New Delhi on December 11, 1963.

He said that the technical committee was of the opinion that in raw material stocking and handling systems, about 75 per cent of the equipment required could be made in the country; in coke ovens, about 66 per cent; in by-product plants, 60 per cent; in blast furnaces, 60 per cent; in steel melting shops, 20 per cent; and in mills, 10 to 20 per cent.

Besides, almost all the electrical equipment required could be built indigenously, with an import content of 30 to 35 per cent. All cranes below 100 tonnes could also be made in the country, while in maintenance shops and foundries, about 50 per cent machinery could be locally made. In structurals, about 90,000 tonnes out of 140,000 tonnes required for Bokaro could be fabricated in the country.

He said that the expert team, now examining the Bokaro project report submitted by Dastur and Co., would submit its conclusions before the end of December. Detailed specifications of all plant and equipment might be ready within six months. Global tenders for items required from abroad were likely to be floated by the middle of 1964.

(*The Financial Express*, Bombay)

[Prev. ref. 5269:INI:D]

N. **Company Law Amendment Bill:** According to the Company Law Amendment Bill, which was introduced in the Lok Sabha in December, 1963, a board will be set up for better and convenient administration of companies by the Government.

The board, according to provisions in the amending Bill, will exercise and discharge such powers and functions of the Government conferred on it by the Companies Act.

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The board will consist of a maximum of five members, all to be appointed by the Central Government by notification in the Gazette.

The Bill also provides that no act done by the board shall be called in question on the ground only of any defect in the constitution of, or the existence of any vacancy in the company law board.

This step has been taken by the Government in order to facilitate quick action against persons involved in cases of fraud, misfeasance and other such malpractices and irregularities in the management of companies.

Such action will be taken by a tribunal to be appointed by the Central Government.

The tribunal will hear applications under Sections 203, 397 and 398 of the Companies Act and in this respect will be empowered to exercise the powers and functions of the court.

In order to prevent the use of voting rights attached to shares held by trusts for the advancement of personal interests of donors, it is proposed to empower the Central Government to appoint a person to exercise voting rights in respect of trusts with significant shareholding, when necessary, with a view to securing proper management of the company in the interests of shareholders.

The Bill also empowers the Government to direct the conversion of loans advanced by it to a company into shares of that company on fair and equitable terms without going through the procedure prescribed in the Companies Act in regard to such conversion.

Bill Passed:

The Bill was adopted by the Lok Sabha on December 16 with an official amendment reversing the Select Committee's suggestion to limit the scope of converting Government loans to joint stock companies into shares.

The effect of this is that past loans can also be covered, contrary to the Select Committee's majority view. Its further suggestion that conversion need take place only in case of default of repayment of loans or interest on them even after a three-month notice was deleted by the official amendment.

The Finance Minister, Mr. T. T. Krishnamachari, however, agreed through another amendment to lay a copy of every order proposed to be issued in regard to such conversion before both the Houses of Parliament for a period of 30 days. That should enable Members to scrutinize the orders and make any suggestions to alter or amend them.

Otherwise the Bill as reported by the Select Committee was approved after a division on the official amendment to the loans conversion clause which resulted in 147 voting for and 15 against it.

The Swatantra and Jan Sangh groups opposed tooth and nail the changes made by the Government in the Select Committee report. They were also against the provision which would take away voting rights of trustees.

The Rajya Sabha passed it on December 19.

(*The Indian Express*, Bombay and *The Times of India*, New Delhi)

[Prev. ref. 5531:INI:A]

O. Productivity Waste In Textile Industry: Installed spinning and weaving capacity, costing about Rs. 460 crores, is being wasted in the third shift by the textile industry, according to a recent estimate made by some productivity experts in Bombay on December 11, 1963.

It was stated that no country crying for scarce capital resources can afford the luxury of allowing installed capacity to remain unutilised on such a huge scale. It was considered surprising why no determined efforts are being made even by the Government to maximize the utilization of the existing capacity for increasing production of cloth which is actually falling.

The output of cotton cloth by textile mills in the first 10 months of 1963 has been lower around 3,977 million yards against 4,157 million yards in the corresponding period in 1962.

It was pointed out that out of 14.3 million installed spindles, 12.4 million spindles work in the first shift, 12.4 million in the second shift and 7.9 million in the third shift. This comes to an approximate utilization of 86 per cent of the installed capacity in the first shift, 85 per cent in the second and 55 per cent in the third shift. Similarly, out of about 2,00,000 looms, 1,80,000 (90 per cent) work in the first shift, 1,74,000 (87 per cent) in the second and only about 50,000 (25 per cent) in the third shift.

It was argued that it would require about Rs. 190 crores to instal 4.5 million spindles and Rs. 270 crores to instal 1,50,000 looms which at present remain unutilized in the third shift alone. In other words, machinery costing over Rs. 460 crores (at the present prices) is allowed to remain idle in the industry.

The present position in regard to under-utilization of capacity should induce the Government to impress upon the industry the necessity of operating at least 90 per cent of the spindle capacity in all the three shifts.

It may be that in the third shift, the utilization of spindles can be up to 80 per cent instead of 90 per cent, but there is considerable scope of increasing the use of the loomage capacity in the third shift.

(*The Financial Express*, Bombay)

[Prev. ref. 5452:INI:I]

P. Increase In Dearness Allowance And Bonus—National Campaign Launched: The All-India Dearness Allowance and Bonus Conference launched on January 1, 1964 a country-wide campaign in support of demands set out in an 11-point charter.

The AITUC-sponsored Conference in Bombay on December 13, 1963 appointed a national campaign committee, including Mr. S. A. Dange, Mr. S. S. Mirajkar and Mr. Datta Deshmukh.

It expressed the view that the rising prices of food and essential commodities was basically "man-made" and that the Government had contributed "massively" to this by its inflationary budgets and "its deliberate policies of adding to the crushing burden of indirect taxes which directly affect the common man's pocket."

The Conference adopted several resolutions on a national campaign for reduction in prices, increase in wages, dearness allowance and bonus.

The charter of demands consisted of the following points: (1) A 25 per cent reduction in prices, especially in foodgrains and essential commodities; (2) An all-round 25 per cent increase in wages; (3) Linking of dearness allowance with the consumer price indices on a sliding scale; (4) A cent per cent neutralization for every rise in the cost of living through a sliding-scale dearness allowance; (5) Correction of the fraudulent index numbers; (6) Immediate fixation and wherever necessary, revision of minimum wages for industries and trade covered by the Minimum Wages Act, and immediate implementation of wages already fixed thereunder; (7) Publication of the Bonus Commission's report by the end of 1963 and announcement of the Government's decision on the same within a month; (8) Acceptance and implementation of the minimum guaranteed bonus in both private and public sectors; (9) Introduction of State trading in foodgrains and wholesale business; (10) Fixation of minimum prices for agricultural produce and supply; and (11) Nationalization of banks, export-import trade and the oil and sugar industries.

(*The Times of India*, Bombay)

[Prev. ref. 5070:INI:L]

Q. Mr. M. S. Kannamwar Passes Away: The Chief Minister of Maharashtra, Mr. M. S. Kannamwar, died in Bombay on November 24, 1963 after an attack of coronary thrombosis.

He had been ailing for the past two days and his condition became serious following the attack of coronary thrombosis. He was admitted to hospital at 4 p.m. and died at 10-15 p.m. He was 63.

Mrs. Gopikabai Kannamwar and Mr. Homi J. H. Taleyarkhan, State Minister for Civil Supplies, was at the hospital when Mr. Kannamwar passed away.

The acting Governor of Maharashtra, Mr. H. K. Chainani, who was then in Poona was telephonically informed of the death of Mr. Kannamwar.

Mr. Kannamwar, who succeeded Mr. Y. B. Chavan as Chief Minister on the latter's joining the Central Cabinet as Defence Minister, was barely in office for a year.

Mr. V. P. Naik Elected Leader Of Maharashtra Congress Legislature Party:

On December 1, Mr. V. P. Naik was unanimously elected leader of the Maharashtra Congress Legislature Party to succeed the late Mr. M. S. Kannamwar as the State's Chief Minister.

His name was proposed at the meeting of the Party by Mr. P. K. Savant, Maharashtra's Home Minister, who was at one time a claimant to the office.

Mrs. Indira Gandhi attended the meeting as observer of the Congress Parliamentary Board.

Mr. Y. B. Chavan, Defence Minister and Maharashtra's Chief Minister before Mr. Kannamwar, came to Bombay from Delhi and at his suggestion the Maharashtra Pradesh Congress executive nominated Mr. Naik to succeed Mr. Kannamwar. This decision was endorsed by the Bombay PCC.

The Maharashtra PCC also suggested that the new Ministry should not have more than 20 members.

A similar suggestion was resisted by the late Mr. Kannamwar on the ground that there was a danger of groups being formed in the party.

Mr. Naik, who had been Minister for Revenue, is the third Chief Minister of Maharashtra since the formation of the State three years ago.

New Cabinet:

On December 4, Mr. V. P. Naik announced a new Cabinet consisting of 14 Ministers and 10 Deputy Ministers. They were sworn-in on December 5.

Two Ministers, Mr. M. G. Mane and Mr. S. A. Kader, and four Deputy Ministers of the outgoing 30-member Ministry were dropped. Mr. Mane and Mr. Kader

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held portfolios of Labour and Prohibition, respectively, in the outgoing Ministry.

Mr. N. M. Tidke, who was Deputy Minister for Rural Development, was promoted as Minister for Labour.

An important change in the portfolios was the transfer of the Home Affairs portfolio to Mr. D. S. Desai, the Deputy Leader, from Mr. P. K. Savant, who took over as Minister for Agriculture.

Mr. Naik took over General Administration, Planning and Forests in addition to his original portfolio of Revenue.

Mr. S. K. Wankhede, who was Minister for Industries, and Mr. S. G. Barve, who was Finance Minister exchanged their portfolios.

The Ministry contained no new entrants.

The following are the names of the Ministers and their portfolios:

Mr. V. P. Naik—Revenue, General Administration, Planning and Forests;

Mr. D. S. Desai—Home Affairs;

Mr. P. K. Savant—Agriculture;

Mr. G. B. Khedkar—Rural Development;

Mr. Shantilal Shah—Public Health, Law and Judiciary;

Mr. S. K. Wankhede—Finance;

Mr. S. B. Chavan—Irrigation, Power, Electricity and Urban Development;

Mr. S. G. Barve—Industries;

Mr. Homi J. H. Taleyarkhan—Food, Civil Supplies, Housing, Printing Press, Fisheries, Small Savings and Tourism;

Mr. D. Z. Palaspagar—Prohibition;

Mrs. Nirmalaraje Bhosle—Social Welfare;

Mr. M. D. Chowdhury—Building, Communication and Education;

Mr. K. S. Sonawane—Co-operation; and

Mr. N. M. Tidke—Labour.

The allocation of portfolios to Deputy Ministers was announced on December 7.

There is no Deputy Minister for Prohibition, Social Welfare, Housing, Printing Presses and Small Savings but there is a Deputy Minister for Finance in the new Cabinet. The Home and Labour portfolios were given to one Deputy Minister.

The distribution of portfolios among Deputy Ministers is as follows:

Mr. G. D. Patil—Planning, Industries and Electricity;

Dr. N. N. Kailas—Education;

Mr. Y. J. Mohite—Agriculture;

Mr. M. A. Vairale—Irrigation and Power and Building and Communications;

Mr. R. A. Patil—Revenue and Forests;

Mr. H. G. Vartak—Public Health, Khar Lands and Fisheries;

Mr. B. J. Khatal—Co-operation, Food and Civil Supplies;

Dr. Rafiq Zakaria—Finance, Urban Development and Waqfs;

Mr. K. P. Patil—Home and Labour; and

Mr. D. S. Jagtap—Rural Development and Legislative Affairs.

(*The Times of India*, Bombay)

[Prev. ref. 4934:INI:L]

R. Kerala Land Reforms Bill Passed: The Kerala Land Reforms Bill was passed by 58 votes to 27 in the State Assembly in Trivandrum on December 4, 1963 amid cheers from Congress members and cries of "shame" from Communists.

Three Praja-Socialists voted with the Communists. No Muslim League member was present.

The Bill will replace the Agrarian Relations Act which was put on the statute book by a former Communist Ministry.

The leader of the Communist group, Mr. E. M. S. Namboodiripad, described the Bill as "a big leap forward for landlords." It was a "big leap backward" for the tenants and the landless.

He said his party would use the earliest opportunity to amend the Bill and make it "peasant-oriented." He warned the Government that there would be agrarian unrest if the Bill was enacted. The Communist Party would be wholeheartedly with the peasants in their struggle for a better deal.

Mr. P. T. Chacko, the State Home Minister, said that speedy action would be taken to prepare a record of rights of undocumented tenants and to keep a register of kudikidappukars.

He added that the State Government was consulting the Kerala High Court about the feasibility of appointing land tribunals to re-adjust landlord-tenant relations in the State quickly.

He said the Government would have to adopt more legislative measures to "implement fully our aspirations to make the tiller a peasant-proprietor and to prevent the concentration of land in the hands of a few."

The Kerala Land Reform Act prohibits the eviction of tenants and limits the size of the family holding to 12 standard acres.

The Act also provides for resumption of land by the landlord, prescribes a uniform fair rent and enables the cultivator to purchase the land.

In drafting the Bill the Government accepted the "broad objectives of land reform as laid down by the Planning Commission." The basic aims of the Agrarian Relations Act have also been incorporated.

The Act, it was stated, "is fair and equitable to the various interests on land." It is capable of smooth implementation without any undue financial burden on the State. The Government may have to spend about Rs. 5,00,000 annually for the first five years to implement the legislation. It justifies the new measure on the ground that a mere amending legislation to the Agrarian Relations Act would not have been sufficient.

The Land Reform Act provides for the constitution of land tribunals and courts. These tribunals and courts will help the tenants purchase the land they cultivate and also assign the excess land surrendered to the Government to landless peasants.

Compensation for the excess land will be paid at the rate of 8-1/3 times the net annual income from the land. The right of resumption of land by a landlord is limited to cases where the tenants enjoyed the fixity of tenure before January 21, 1961. He has also the right to sue for eviction in default of payment of the rent for two consecutive years. The Kudikidappukaran (hut-dweller) can be made to vacate only after providing an alternative site to build a hut.

The purchase price of land by the tenant is fixed at 16 times the fair rent. The fair rent will be roughly 17½ per cent of the value of the gross produce.

Religious, charitable and educational institutions need not give the ownership right of their land to tenants. In such cases, the right of land will vest in the Government which will pay them a perpetual annuity, totalling about Rs. 50,00,000, from the rent payable by tenants.

The tenant of an individual landlord can purchase the land direct from the landlord by applying to a land tribunal.

(*The Hindu*, Madras)

[Prev. ref. 4349:INI:F]

S. West Bengal Cabinet—Re-allocation Of Portfolios: It was announced in Calcutta on December 9, 1963 that the portfolios that the Chief Minister, Mr. P. C. Sen will hold following the resignation of two Cabinet Ministers under the Kamaraj Plan had been re-allocated.

The two Cabinet Ministers who resigned were Mr. Sankar Das Banerjee, Finance Minister, and Mr. Ajoy Mukherjee, Irrigation Minister.

Mr. Sen will now look after Home, General Administration, Police, Political and Anti-Corruption departments, besides Food Supply and Agriculture.

The Finance portfolio was given to Mr. Sailo Kumar Mukherjee, who also holds charge of Local Self-Government, Panchayat Department and Transport Department.

Mrs. Purabhi Mukherjee, who was Minister for Jails, now becomes Health Minister. The Information Department was given to Mr. Bijay Singh Nahar.

Mr. Sama Das Bhattacharjee took over Irrigation, in addition to Revenue.

(*The Statesman*, Calcutta)

[Prev. ref. 4865:INI:H]

LEBANON

A. Formation Of Arab Common Market—Proposal Referred To States' Chambers: The 21st session of the Council of the Arab Federation of Chambers of Commerce, Industry and Agriculture has decided to refer the draft proposal on the Arab Common Market to the Arab Chambers for their comments.

The conference, which began on November 8, ended on November 11, 1963 after taking a number of unimportant administrative and economic decisions. It was attended by Syria, Jordan, Iraq, Saudi Arabia, Tunisia, Kuwait, UAR, Qatar and Lebanon.

The creation of the Arab Common Market was the most important issue before the meeting. The permanent office of the Council, in compliance with instructions given at the last meeting of the Council, had prepared a draft proposal for the Common Market.

The Council decided that various Arab Chambers be given three months time of study and comment on the draft. It also appointed a Technical Committee to study both the original draft and comments of the Arab Chambers and to compile them into one report to be placed before the Council for consideration.

The decision to study the feasibility of a Common Market, on the pattern of the European Common Market had been taken by the general body meeting of the Federation held in Tunis in 1962. The Council was directed to submit concrete recommendations on the subject to the next general body meeting of the Federation.

Many Arab countries have put forward plans and all of them call for an initial trial period during which tariff barriers will be gradually lowered, allowing ultimately a greater freedom in exchange of goods between the Arab countries. This would create a vast economic unit stretching from North Africa to the Southern Arabian Sheikhdoms.

The Federation will also submit a detailed report to the Arab League which is also discussing the question during the meetings of its Economic Council.

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The Council also studied a plan for economic co-operation between Arab States as agreed upon by the last meeting and industrial co-ordination among Arab countries with a view to avoid unhealthy competition.

The Council approved the 1964 budget of the permanent office authorising it to receive revenue and incur expenses. The permanent office was instructed to publish in 1964 three issues of the Arab economic report and from the beginning of 1965 four issues every year. The permanent office was also entrusted with the task of fixing the time and place of the next meeting.

Among other things, the Council also discussed the construction of an inland route between the Arab Gulf (Persian Gulf) and the rest of the Arab countries. It further reviewed the development of Arab economies during 1962.

(*Dawn*, Karachi)

[Prev. ref. 4073:IRQ:B]

NEPAL

A. India Setting Up Industrial Estate: King Mahendra opened on November 28, 1963 a Rs. 31,00,000 industrial estate being set up with Indian collaboration in Patan district.

Speaking on the occasion, Mr. Vedanand Jha, Minister for Commerce and Industry, said that three medium or large-scale industrial units would be set up in the private sector in 1964.

Of the 22 workshops proposed to be constructed in the estate, 12 have already been set up. The estate is expected to be completed by the end of Nepal's Third Plan.

(*The Times of India*, New Delhi)

[Prev. ref. 5484:NEP:A]

PAKISTAN

A. CENTO Exercises Off Karachi: Two American servicemen were killed on November 15, 1963 during "Midlink Six"—the biggest CENTO air-sea exercises undertaken so far in Pakistan. But news of the exercises was blacked out in Pakistan.

Power failure struck a helicopter from the aircraft-carrier USS Essex and it plummeted into the north Arabian Sea. Two of the five aboard were killed and one critically injured. Identification of the dead and injured was to be disclosed by the Defence Department in Washington.

The accident was not reported in Pakistan, nor the massing of aircraft carriers, jet fighters, submarines and destroyers—125 aircraft, 43 ships and 19,000 men from the United States, Britain, Pakistan, Iran and Turkey. It was the biggest exercise in CENTO's history.

Pakistani authorities, who had taken full control over all information to be released in Karachi about "Midlink Six" only released one brief official statement, when the exercises began on November 11.

British and American officials said that no reason was given for the publicity clampdown. A Pakistani publicity official said it did not matter if the news was sent abroad, but there was a need locally for "security."

Observers in Karachi said that since the West began military aid to India last Autumn, there had been much nationwide questioning whether Pakistan should remain allied with the West in the CENTO and S-EATO pacts.

Relations with America have soured somewhat and those with China sweetened.

The first phase of the current sea exercises—submarine fighting plus fighter planes and anti-aircraft crew of the two big carriers fighting off simulated attacks from F-86 fighters—ended in a 2,000 square-mile-area off Karachi on the night of November 15.

Warships of the five CENTO nations steamed back to Karachi on November 22 as the exercises ended.

Rear-Admiral J. F. Scotland, commander of the Blue Force in the exercises said the 1,600-mile four-day final manoeuvres were successful. He said the 43 ships, 125 aircraft and 9,000 men provided "striking evidence" of how Pakistani, American and British navies could defend a ship convoy against submarine and air attack.

(*The Statesman*, Calcutta and *The Indian Express*, Bombay)

[Prev. ref. 5309:PAK:F]

B. World Bank Mission: Eight representatives of the World Bank, led by Mr. Stewart Mason, arrived in Pakistan on November 4, 1963 on a six-week visit to discuss current and future development projects as well as the foreign exchange requirements for the remaining part of the Five-Year Plan and for the Third Plan of 1965-70.

The first two weeks of the talks were devoted to the study of communications projects. The Bank's representatives were given a progress report on the western railway for which the Bank gave a loan of $18.25 million in September, 1962. Of this loan, the sum of $16.2 million has already been utilized and the Pakistan authorities are applying for a further loan of $22.8 million to cover further purchases of equipment and rolling stock. The Minister of Communications has applied for another loan to finance the construction of three bridges on the Karachi-Lahore highway.

The President of the World Bank, Mr. George D. Woods, accompanied by the Vice-President, Sir William Iliff, and two other officials of the Bank, arrived in Karachi a week later to conduct separate talks with the Central Government on the subject of the Tarbela Dam project, which the Pakistanis still consider an essential part of the Indus Basin scheme in spite of adverse opinion by technical advisers. The top-level mission from the Bank has, therefore, been invited to hear the views of the Central Government in the hope that an acceptable formula can be worked out.

Talking to newsmen, Mr. Woods said "the important question is to determine the most intelligent and efficient plan for using the waters of the three rivers—Indus, Jhelum and Chenab—for irrigation and power."

He said he would not put special emphasis on Tarbela Dam and instead he underlined the importance of "sound planning spread over 10 to 15 years for storage and full use of the waters."

He said the World Bank had "quite an investment" in Pakistan and the object of his visit was "to tie up various loose ends between the Bank and Pakistan."

On November 12, the World Bank team began its first round of talks in Rawalpindi on Indus Basin development.

Those participating in the discussions included Sir William Iliff, special consultant to the World Bank of the Indus Basin projects, and Mr. Ghulam Ishaque, Chairman of East Pakistan Water and Power Development Board.

Communique:

A *communique* issued in Karachi on November 14 said that the President of the World Bank, Mr. George Woods, and President Ayub Khan had agreed on arrangements for financing the giant Mangla Dam now being built by American contractors.

This will include the vast system of subsidiary dams and canals being built to irrigate immense areas of arid West Pakistan and produce more electricity than the whole country now uses.

The **communique** also said that Pakistan and the World Bank had agreed upon "arrangements for a comprehensive survey to determine the soundness of the Tarbela Dam".

An American AID official said recently that American and the other donating countries did not intend financing the Tarbela Dam, expected to cost $760 million from out of the Indus Basin Development Fund.

The following is the text of the **communique:**

"During the past several days conversations have taken place between the President of Pakistan, and Mr. George Woods, the President of the World Bank, with regard to the most effective utilization of the water resources of West Pakistan for irrigation and power purposes. Arrangements were agreed upon for financing the completion of the Mangla Dam, the barrages and link canals and the agreed remodelling programme.

"In addition, arrangements were made for a comprehensive survey by qualified independent consultants to be organized by the World Bank, to determine and recommend a programme for the long-term future. The determination of the soundness of Tarbela will be given first priority in this survey.

"The conversations were held in a cordial and constructive atmosphere. Mr. Woods, on his return to Washington, will recommend to the Governments who are the contributors to the Indus Basin Development Fund and to the Executive Directors of the World Bank, the necessary financial arrangements to facilitate the implementation of this programme."

(*Middle East Economic Digest*, London, *The Statesman*, Calcutta and *Dawn*, Karachi)

[Prev. ref. 4448:PAK:D, 5458:PAK:A]

C. First Atomic Energy Agricultural Research Centre: The External Affairs Minister, Mr. Z. A. Bhutto, inaugurated on November 22, 1963 Pakistan's first Atomic Energy Agricultural Research Centre at Tandojam, about 10 miles from Hyderabad (Sind).

He said that the Government would do everything possible to help the scientists, engineers and doctors of the Pakistan Atomic Energy Commission to have the most modern laboratories for their work and to grant them that status in society which talented men deserve.

(*Dawn*, Karachi)

[Prev. ref. 5540:PAK:B, 5542:PAK:H]

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SAUDI ARABIA

A. Budget For 1963-64: The Budget for the fiscal year 1963-64, which started on November 15, was announced in the third week of November, 1963.

Revenue and expenditure will balance at 2,686,000,000 riyals (£590,920,000).

It is the largest Budget to date, the figure for the previous Budget being 2,450,000,000 riyals. (Riyals 12.6=£).

The Budget specifically lays down that no new posts, with the exception of the appointment of Ministers and Cabinet Ministers and temporary posts in relation to planning, may be created in the coming year.

On the revenue side, exploitation dues and income-tax payments will produce 2,102,500,500 riyals from Aramco, compared with 1,732,052,500 in 1962-63; 112,050,000 from Getty, compared with 113,750,500 the previous year; and 34,330,500 from the Japanese Arabian Oil Company compared with 72,000,000 the previous year. The only other really large slice of revenue comes from customs duties which are estimated at 136,000,000 riyals, a reduction of 89,000 riyals on the previous year's figure of 136,089,000 riyals.

On the expenditure side, 243,771,000 riyals (approx. $53 million) will be spent on education, which is to be free to everyone; an increase of 34,383,740 riyals (approx. $7.5 million) over the previous year. The budget for health services has increased from 87,447,000 riyals (approx. $19 million) the previous year to 103,445,000 riyals ($22.7 million) in the coming year. Another important item of expenditure is communications, of which railways are allocated 31,910,000 riyals, roads 13,650,000 riyals, ports 1,237,000 riyals and Jeddah port an additional 7,413,000 riyals; 47,687,000 riyals is to be spent on agriculture and irrigation.

The Privy Purse is considerably reduced and stands at 183,140,754 riyals compared with 248,000,000 riyals two years ago. Defence and the national guard are allotted 479,554,000 riyals. Development projects receive the same allocation as the previous year—550,000,000 riyals—compared with 400,000,000 riyals two years ago.

(*Middle East Economic Digest*, London)

[Prev. ref. 4387:SUA:A]

SYRIA

A. Baath Party Congress—Decision On Merger Of Syria And Iraq In Stages: The sixth international Congress of the Baath Party, meeting in Damascus, has unanimously approved Iraq joining Syria in a federal, democratic, socialist State.

The Congress, which began on October 5, ended on October 28, 1963.

A statement summing up the Congress said that after the failure of the projected tripartite federation with UAR the Baath Party found itself bound to set up a bilateral union between Baath-governed Iraq and Syria as "a step towards creating new conditions for further unionist stages".

The major decision was that the "Baathist State" of which a union between Syria and Iraq will be the nucleus, is to be called the "Arab Democratic Peoples' Republic".

It was further decided, according to reports, that Major-General Amin Al-Hafez, President of the Syrian Revolutionary Council, would be the first President of the Baathist State. Baghdad would be the State Capital.

Unity Talks Successful:

The Planning Minister, Brigadier Hassan Haddad, announced in Damascus on November 7 that Syria and Iraq had agreed on the broad lines of their forthcoming economic union in a major step towards welding the two Arab countries into a federal State.

Brigadier Haddad headed a 28-man delegation to Iraq where he held talks for five days over the question of economic unity. He said that the talks were a total success. "We faced no difficulties and full agreement was reached over all matters discussed."

He said an Iraqi official delegation would visit Damascus soon to put the final touches on the economic union proclamation expected some time in November.

He added that a cultural union would be proclaimed after the economic union and soon after that the constitutional federation of the two countries would be proclaimed.

(*Damascus Radio*)

[Prev. ref. 5477:SYR:D]

THAILAND

A. British Assistance: A Thai Government spokesman said in Bangkok on November 10, 1963 that his country had accepted an offer by British organizations to send volunteers to help the country's economic and industrial development.

The offer, made through the British Embassy, came from various organizations in Britain, including the "Freedom-from-Hunger" campaign and the Oxford Committee for Famine Relief.

The British volunteers would help in the fields of education, engineering and construction, medicine, agriculture and forestry, and social and economic welfare.

(*Bangkok World*)

YEMEN

A. U Thant's Report On UNYOM: The UN Secretary-General, U Thant issued a report to the Security Council on the work of the UN Yemen Observation Mission (UNYOM) on October 30, and a supplement to that report on October 31, 1963.

In the supplementary report, he said that after issuing the main report he had received a new and urgent message from the Government of Saudi Arabia, saying that it had decided to participate in the financing of UNYOM for a further period of two months from November 5, 1963.

He said that, since the United Arab Republic had previously said that the Mission should be extended, and in view of the fact that the Government of Yemen had indicated that such an extension would be desirable and helpful, it would be continued.

"In the light of these circumstances", stated the supplementary report, "and particularly of the new development incident to the latest message from the Government of Saudi Arabia, I have ordered the cancellation of the preparations that were under way for the withdrawal of the United Nations Mission by November 4. That Mission, therefore, in approximately its present form and size, will continue from that date for a further period of two months, and its expenses will be borne in equal shares by the Governments of Saudi Arabia and the United Arab Republic."

In his earlier report, he had said that after reviewing the present situation in Yemen and the positions of the other two Governments involved, it was necessary for him to take preparatory steps towards the complete withdrawal of UNYOM by November 4 beyond which date there would be no financial support for it.

However, he said that it was his intention to maintain a civilian United Nations presence in the area, given the necessary agreement of the parties directly concerned.

In this report, he recalled that in his first Yemen report of September 4 he had been unable to say that "encouraging progress had been registered towards effective implementation of the disengagement agreement", despite the co-operation of both Governments with the Mission, and added that "there has been no decisive change in that situation in the subsequent two months".

The report stated that by the provisions of the disengagement agreement, the functions of UNYOM were limited to "observing, certifying and reporting". It noted that in the period reviewed "no military assistance of significance had been provided to the royalists from Saudi Arabia", while the United Arab Republic activity "has considerably decreased" and air attacks over Saudi Arabian territory and the demilitarized zone had ceased. It added that, in general, it could be reported that in many areas where there was active fighting in early July, "the fighting has since then almost entirely ceased", and military operations were at present confined to the Sada area and were of a sporadic nature.

(*United Nations*)

[Prev. ref. 5481:YEM:C; 5485:YEM:A]

B. Health Drive: The Minister of Health, Mr. Hussein el Mokaddemy, said in Sanaa on October 30, 1963 that an allocation of about 4,000,000 rials had been made for the medical services in the second year of the Revolution.

Several hospitals and 20 medical units would be established in different parts of the country at an estimated cost of 100,000 rials. The cost of nine of these medical units would be met from the financial assistance given by Kuwait.

He said that a plan for fighting smallpox and ophthalmia would shortly be carried out by the Ministry of Health in co-operation with the World Health Organization.

He disclosed that the World Health Organization had offered to the Yemeni Government 10 medical scholarships and UNICEF 18 nursing scholarships.

He said that the total number of physicians now engaged in hospitals in Yemen had reached 37 and that a Yemeni medical mission was visiting Cairo to buy medical equipment within the limit of £E30,000.

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A Cairo report on October 31 said that the UAR Ministry of Health had decided to send 13 doctors, specialists in various branches of medicine, to Yemen for service in accordance with the Technical and Cultural Agreement concluded between the two countries.

There were on October 31 40 UAR specialists working in Yemen. This was in addition to many Yemeni patients who were under medical treatment in Cairo and Alexandria hospitals free of charge.

(*The Egyptian Gazette*, Cairo)

[Prev. ref. 5059:YEM:A]

C. British Offer Of Demilitarized Zone Rejected: A Cairo message on November 30, 1963 said that Yemen had turned down a British proposal to form a 10-square-mile demilitarized zone between the territory of the Yemen Republic and the British-protected Sultanate of Beihan in the Federation of South Arabia.

The British suggestion was conveyed to Yemen two weeks earlier through the American Embassy, which looks after British interests in Yemen.

In rejecting the proposal, Yemen appears to have taken the stand that it could not discuss the subject until Britain accorded diplomatic recognition to the Republican regime.

Yemen is also reluctant to grant tacit approval to what it calls British occupation of South Arabia, which it has traditionally claimed as part of the Yemeni territory.

(*The Times of India*, Bombay)

[Prev. ref. 5092:YEM:A; 5288:YEM:A]

ASIA OUTSIDE ASIA

A. President John F. Kennedy Assassinated—Mr. L. B. Johnson Sworn-in: On November 22, 1963, President John Fitzgerald Kennedy of the United States was shot dead by an assassin while driving in an open car in Dallas, Texas.

Mr. John Connally, the Governor of Texas, was also hit, but Mrs. Kennedy and Mrs. Connally, who were in the car, were unhurt. Witnesses said that three shots were fired.

The Vice-President, Mr. Lyndon Baines Johnson, was sworn-in as the new President the same day. He took the oath on board the presidential aircraft while it stood on Love Field, Dallas, preparing to fly to Washington.

Mr. Kennedy was still alive when he reached the hospital. He was taken into an emergency room where facilities were said to be adequate. Two Roman Catholic priests were called and the last rites were administered. Mr. Kennedy died about 35 minutes after the shots were fired.

A young man was immediately taken into custody and the search led to a second arrest, of a 30-year-old white man. A rifle with telescopic sights was recovered.

Mr. Lyndon Johnson escaped because his car, following the presidential vehicle, was delayed by the large crowds.

President Kennedy was shot through the throat and head, possibly by the same bullet, according to Dr. Malcolm Perry, the surgeon who attended him. Dr. Perry said that a tracheotomy was performed to relieve Mr. Kennedy's breathing and blood and fluid were administered intravenously. Chest tubes were inserted, and Dr. Perry tried chest cardiac massage, but to no avail.

President Kennedy's journey to Texas, described as non-political, had been undertaken to bring some order to the state's faction-ridden Democratic Party. The electoral votes of the state were considered vital for his re-election in 1964. The state party was not only divided between liberals and conservatives, but also by the extreme Right-wing.

At the time of the assassination many cars in the city were decorated with placards bearing legends such as "US, not UN." In November, Mr. Adlai Stevenson, the United States Permanent delegate to United Nations, was struck and spat upon in Dallas. Presumably because of this incident all leave had been cancelled for the local police and extraordinary precautions were taken.

Washington was stunned by the news and an emergency forum was called in the Senate. Senator Mike Mansfield, the Senate majority leader, said: "This is terrible. I cannot find words."

Senator Everett Dirksen, the minority leader, said: "Oh God! This is the most distressing thing that could ever happen. I am shocked."

Mr. Dean Rusk, the Secretary of State, and other Cabinet officers were on their way to Japan, and the aircraft immediately turned round. The New York Stock Exchange closed.

Within an hour of his death Mr. Kennedy's body was removed from the hospital in a plain wooden coffin and placed upon an aircraft for Washington. It was accompanied by Mrs. Kennedy.

Three US Presidents have been shot and fatally wounded by assassins in the past 100 years. Attempts were made on the lives of others.

(1) President Abraham Lincoln was shot in a Washington theatre on April 14, 1865, and died the following day.

(2) President James A. Garfield was shot on July 2, 1881 in Washington, and died on September 19 that year.

(3) President William McKinley was shot in Buffalo, New York, on September 6, 1901, and died on September 14.

An attempt was made to assassinate Mr. Franklin D. Roosevelt, then President-elect, in Miami, Florida, on February 15, 1933, but the bullet killed the Mayor of Chicago, who was also on the platform.

Puerto Rican nationalists attempted to assassinate President Harry S. Truman on November 1, 1950; they failed to shoot their way into Blair House in Washington. A White House guard was killed.

Lee Harvey Oswald Arrested:

On November 22, Lee Harvey Oswald was arrested and charged with the murders of Mr. Kennedy and a policeman. Oswald denied he had fired the shot.

Police had "obtained very good results" from a paraffin test performed on Oswald's hands on November 22, a police official said. Results of another paraffin test made on Oswald's face were less positive.

Oswald, who went to live in the Soviet Union in 1959 and returned in 1962 with a Russian wife and a baby daughter, had identified himself with the pro-Castro "Fairplay for Cuba" committee, but committee spokesmen disclaimed knowledge of him.

Oswald Shot Down By Jack Ruby:

Lee Harvey Oswald, accused of killing President Kennedy, was himself shot down on November 24 as he was being transferred from one jail to another. He died in the same hospital where President Kennedy had died on November 22.

The gunman was Jack Ruby (50), owner of a night club. He fired only one shot, hitting Oswald in the stomach from point-blank range.

The police said that Ruby jumped on the prostrate Oswald who was moaning and grabbing his stomach. The police disarmed the fiercely struggling assailant. He was taken upstairs for questioning while an ambulance rushed Oswald to an emergency room in the Parklands Hospital, only 10 feet from the emergency room where President Kennedy died.

Doctors tried to save Oswald's life with an emergency operation that was expected to last several hours. But he died about an hour after the shooting.

The police said that Ruby told them he shot Oswald because of a deep sense of feeling for Mrs. Jacqueline Kennedy. He added that he wanted to spare her the ordeal of the trial of the accused killer. Ruby was later charged with murder.

From the start of the Oswald investigation, Ruby had been mingling freely with the police and newsmen covering the case. This was how he managed to gain admission to the building despite the strict security precautions.

Mr. J. F. Kennedy's Funeral:

President Kennedy was laid to rest at Arlington National Cemetery in Washington on November 25.

Earlier, his body was carried in a horse-drawn gun-carriage from the Capitol rotunda, where it had lain in State for almost 24 hours, to Arlington Cemetery, the final resting place.

The cortege halted briefly at the White House as kings, princes, Presidents and Prime Ministers took their places in the procession for the last half-mile of the way.

They comprised the greatest assemblage of world figures ever to do homage to a nation's leader and included an emperor, a king, a queen, six Presidents, eight princes and 12 Prime Ministers.

Their presence was a demonstration of respect and admiration transcending all national, religious and ideological differences.

They included Prince Philip, representing Queen Elizabeth; the British Prime Minister, Sir Alec Douglas-Home; the Labour Opposition leader, Mr. Harold Wilson; President de Gaulle of France; the Soviet Deputy Premier, Mr. Anastas Mikoyan: Emperor Haile Selassie of Ethiopia; King Baudouin of the Belgians; President Heinrich Luebke and Chancellor Ludwig Erhard of West Germany.

Following an hour-long Requiem Mass, celebrated by Richard Cardinal Cushing of Boston, the procession moved in a fleet of cars to Arlington National Cemetery.

There, amid the nation's fallen heroes, Mr. Kennedy's remains were committed to the earth.

President L. B. Johnson's Address To Congress:

In an address to a joint session of Congress on November 27, President L. B. Johnson told the nation and the world that the ideas and ideals of the late President Kennedy

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"must and will be translated into effective action".

He specifically called for early enactment of the civil rights legislation and the $1,000,000,000 tax cut proposed by Mr. Kennedy.

He said: "No memorial, oration or eulogy could more eloquently honour President Kennedy's memory than the earliest possible passage of the Civil Rights Bill for which he fought. No act of ours could more fittingly continue the work of President Kennedy than the earliest passage of the Tax Bill for which he fought.

"This is no time for delay—it is a time for action," he said, appealing at the same time for an "end to the teaching and preaching of hate and evil and violence".

"The time has come for Americans of all races and creeds and political beliefs to understand and respect one another. Let us put an end to the teaching and preaching of hate and evil and violence. Let us turn away from the fanatics of the far Left and the far Right, from the apostles of bitterness and bigotry, from those defiant of law, and from those who pour venom into our nation's bloodstream."

He expressed the hope that "the tragedy and torment of these terrible days will bind us together in a new fellowship". "Let us here highly resolve that John Fitzgerald Kennedy did not live—or die—in vain. And on this Thanksgiving-eve, as we gather together to ask the Lord's blessing, let us unite in those familiar and cherished words: America, America, God shed His grace on thee and crown thy good with brotherhood from sea to shining sea."

"We have talked long enough in this country about equal rights. We have talked for 100 years or more. Yes, it is time now to write the next chapter—and to write it in books of law."

He called upon Congress to enact a Civil Rights Bill that will help "eliminate from this nation every trace of discrimination and oppression based upon race or colour".

Touching upon foreign affairs, he promised that USA "will keep its commitments from South Viet-Nam to West Berlin". "We will be unceasing in the search for peace; resourceful in our pursuit of areas of agreement even with those with whom we differ; and generous and loyal to those who join with us in common cause."

"Those who test our courage will find it strong and those who seek our friendship will find it honourable."

In a general assertion of foreign policy, he said: "Let all the world know, and none misunderstand, that I rededicate this Government to the unswerving support of United Nations—to the honourable and determined execution of our commitments to our allies—to the maintenance of military strength second to none—to the defence of the strength and stability of the dollar—to the expansion of our foreign trade—to the re-inforcement of our programmes of mutual assistance and co-operation in Asia and Africa—and to our alliance for progress in this hemisphere."

President Johnson Appoints Probe Board For Kennedy Murder:

President Johnson appointed on November 30 a seven-man commission headed by the Chief Justice, Mr. Earl Warren, to investigate the assassination of President Kennedy and the murder of the alleged assassin, Lee Oswald.

The commission was instructed to "do everything possible to satisfy itself that the truth is known as far as it can be discovered and report its findings and conclusions to him, to the American people and to the world."

The bipartisan commission includes Mr. John Sherman Cooper, former Ambassador to India; Mr. Richard Russel, Chairman of the Armed Services Committee and leader of the southern bloc in the Senate; Mr. Hale Boggs, Democratic Whip in the House of Representatives; Mr. Gerald Ford, Junior Chairman of the House Republican Conference; Mr. Allen Dulles, former Intelligence chief and Mr. John McCloy, former President of the World Bank.

UN Memorial Meeting:

In a special memorial meeting of the UN General Assembly held on November 26, representatives of the member-States of UN paid their tributes to the memory of Mr. Kennedy.

The ceremony was opened with remarks by the President of the General Assembly, Dr. Carlos Sosa-Rodriguez, who asked the Assembly to stand in a minute of silent prayer in honour of Mr. Kennedy.

Chinese Reaction:

Chinese newspapers on November 24 carried inside-page reports of the assassination of President Kennedy and portrayed President Johnson as "a firm supporter of all Kennedy's reactionary policies".

All newspapers printed identical 300-word factual reports summarizing the dramatic events in the United States without comment, omitting only the capture of a suspected assassin. They also carried 600-word biographical sketches of the President with caricatures and photographs showing him grim and unsmiling.

There were no messages of sympathy from Chinese leaders and no reports of reaction to Mr. Kennedy's death in other parts of the world.

The trade union newspaper, **Workers' Daily**, printed a cartoon entitled: "Kennedy biting the dust." It depicted the late President lying face downwards with a gaping mouth biting the ground, blood dripping into a pool in the ground from a large bullet hole high in the cheek. His face was puffed and grossly distorted. His tie, lying near the pool of blood, was marked with dollar signs.

(*The Times*, London, *The New York Times*, *The Hindu*, Madras and *The Statesman*, Calcutta)

B. Second Soviet Inter-continental Flight To Antarctica: A hop across four continents and two oceans was made by two Soviet IL-18 planes which took off on November 20, 1963 from Moscow for Antarctica.

The 29,000-km route of the flight lay across Afghanistan, India, Burma, Indonesia, Australia and New Zealand.

The expedition was led by the Director of the Arctic and Antarctic Institute, Dr. Alexei Treshnikov, the well-known explorer of the Polar regions of both hemispheres.

He said: "We are going to explore from the air a vast blank spot in the snow-covered continent south of Queen Maud Land, where man never set foot before."

The first flight from Moscow to the South Polar Observatory at Mirny was made two years ago.

Dr. Treshnikov said that the second inter-continental flight would enable them to use to better advantage the brief Antarctic Summer for carrying out studies.

The majority of the expedition staff sailed for the shores of the south Antarctic continent early in December, 1963 on the Ob diesel electric ship and the passenger motorship **Estonia**.

Details of the expedition, whose members were described as "Polar Cosmonauts" were given to newsmen in New Delhi on November 22. Sixty-seven members of the expedition arrived in the Indian capital on November 21 on their way to Mirny Polar base.

Dr. Treshnikov said that two more groups would shortly be leaving Russia by ship to join the expedition. Some members of the expedition would return after about eight months, but the rest would stay on for 14 months at the Pole.

This was the ninth Soviet expedition to the Antarctic, where four research stations have been established. Another station is to be set up soon.

Mr. Treshnikov said that in the forthcoming International Year of the Quiet Sun research programmes in the Antarctic would be expanded. There were expeditions from 12 countries besides Russia in the region.

Dr. Kapitsa, leader of the traverse party, said that this was the ideal time for the expedition, "when the highest temperature is only 40°C below zero". The party would cover about 3,000 km under difficult conditions with the help of special aircraft. They would go beyond the "Pole of Inaccessibility", in areas where the world's lowest temperature (88°C below zero) had been recorded.

The scientists all work together on special projects as the Antarctica is the only continent in the world where agreements between nations provide for the pooling of scientific knowledge.

(*Tass* and *The Statesman*, Calcutta)

[Prev. ref. 5096:AOA:K]

C. France Becomes Independent Nuclear Power: President Charles de Gaulle unofficially inaugurated on October 11, 1963 France's independent nuclear strike force by attending the French Army's first "atomic" manoeuvres.

Defence Ministry sources said delivery of Mirage IV atom bombers to the Air Force began a month earlier, and mass production of atomic bombs had started several months ago.

Government officials stressed the diplomatic significance of President de Gaulle's presence at the manoeuvres, saying it underlined the French view-point put to the late President Kennedy and Mr. Dean Rusk in Washington during the week. The only real difference between the Washington and Paris Governments was about the definition of the role which America and Europe, respectively, should play inside the alliance.

France, they emphasized, had definitely chosen the path of assuming the greatest possible amount of responsibility for its own defence.

Nuclear Force Budget For France:

The French National Assembly overrode criticism from the Socialist Opposition on November 8 and passed a 369 billion franc ($737,200,000) nuclear force budget for 1964.

The vote on the "force of dissuasion" was 297 to 160 with 20 abstentions.

Mr. Jules Moch (Socialist), a former Minister, led the opposition.

Polynesian deputy John Teariki asked for a referendum in Polynesia on the installation of the thermo-nuclear test centre on the island of Murruroa.

The Defence Minister, Mr. Pierre Messmer told the Assembly that France had

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given priority to its strategic nuclear armament and its principal objective was to provide its forces with H-bombs. "Discussions on the suitability of providing France with an atomic armament can be filed in the archives."

Earlier, Gen. Pierre Billote, chief of the French delegation to the NATO Parliamentarians' Conference said that as soon as France's nuclear strike force became reasonably operational, it could be co-ordinated with the US and British nuclear deterrents.

(*The Times of India*, Bombay and *Le Monde*, Paris)

[Prev. ref. 5488:AOA:A]

D. British And French Trade With West Asian And African Countries: British exports to a group of West Asian and African countries for the period January-June, 1963 have shown an increase over the figures for the similar periods during the past five years and reached a record figure of £155,700,000. Statistics released in London in August, 1963 revealed the following picture of British exports: (The values are in pounds sterling.)

	January-June 1961	January-June 1962	January-June 1963
Pakistan	22,311,470	21,356,372	19,438,698
UAR	11,629,453	11,658,369	16,037,326
Iran	19,195,738	14,755,833	14,645,305
Turkey	11,601,912	10,529,218	14,274,365
Sudan	9,529,448	12,755,624	13,418,309
Kuwait	8,897,126	8,831,694	11,738,541
Israel	10,234,709	11,762,086	11,297,816
Iraq	15,975,364	10,788,431	8,843,268
Libya	5,628,188	6,154,761	7,503,045
Lebanon	10,185,456	6,040,013	6,554,235
Aden (including Protectorate)	5,730,196	5,521,678	6,183,330
Syria	3,164,534	3,681,036	4,888,167
Jordan	3,464,803	3,612,275	4,284,121
Bahrein	4,043,594	4,378,657	4,076,340
Saudi Arabia	3,588,005	5,246,890	4,048,907
Trucial States (excluding Abu Dhabi for year 1963)	1,555,793	2,074,099	2,083,420
Qatar	2,052,741	2,700,527	1,921,057
Abu Dhabi	—	—	1,788,930
Ethiopia	1,630,559	1,282,720	1,481,356
Muscat & Oman	625,495	539,370	673,886
Afghanistan	274,533	285,270	499,748
Yemen	20,780	15,513	15,560
Total	£151,339,897	£143,970,436	£155,695,730

The following figures of French imports and exports to Middle East and African countries for 1962 and 1963 were released in Paris late in September, 1963:

	Imports from Middle East January-June		Exports to Middle East January-June	
	1962	1963	1962	1963
Lebanon	2,271	6,233	76,298	124,075
Israel	15,239	30,580	102,439	120,349
Turkey	38,114	41,492	66,855	90,741
Iran	102,615	95,976	58,230	66,337
UAR	50,753	40,937	28,373	58,333
Syria	40,371	58,537	32,896	36,769
Libya	68	68,853	9,328	28,461
Pakistan	60,432	74,903	17,072	24,925
Sudan	19,867	31,702	11,708	20,965
Kuwait	354,333	316,459	18,726	19,493
Saudi Arabia	98,612	88,925	15,713	15,868
Jordan	27	1,424	6,096	8,781
Ethiopia	8,671	8,263	5,534	6,444
Aden	551	334	4,472	4,284
Iraq	365,529	447,790	2,468	4,085
Bahrein	—	2,754	1,530	3,176
Abu Dhabi	—	16,469	—	1,673
Qatar	63,437	53,111	1,565	1,575
Muscat & Oman	—	—	1,018	1,551
Afghanistan	3,268	5,778	1,126	1,444
Yemen	2,040	1,996	11	60
Total	1,226,203	1,392,566	461,458	639,389

(*Middle East Economic Digest*, London)

[Prev. ref. 5048:AOA:B]

E. World Population In Mid-1961: The world's population was approximately 3,069 million in mid-1961. This was an increase of 61 million since 1960, or an annual increase equivalent to three times the population of Argentina or one-third the population of USA.

In the 11-year period 1950-61, the population of the world increased by some 560 million, which is greater than the total population of India. Asia contributed about 60 per cent of this increase—a net addition of 337 million people.

These figures appeared in the 1962 Demographic Year Book, issued on September 30, 1963. The Demographic Year Book is a compilation of international statistics on area, population, birth, death, marriage, divorce and migration which this year features population census statistics. Data presented on selected characteristics of the population, from censuses taken between 1955 and 1962, include age, sex, marital status, geographic distribution and distribution by type and size of household.

There are now 23 persons for each square kilometre of land in the world, compared with 18 per square kilometre ten years ago. The most densely populated country of the world is the Netherlands, with 346 persons per square kilometre. Monaco has 14,657 persons for each square kilometre of its area, while Australia has less than 1.

Tokyo is the largest city in the world and New York is the second largest. Next in order come Shanghai, Bombay, Peking, Chicago, Cairo, Rio de Janeiro and Tientsin.

(*UN Information Centre*, New Delhi)

[Prev. ref. 4834:AOA:M]

F. ECM Reduce Internal Tariffs Further: The six member-nations of the European Common Market decided in Paris on June 30, 1963 to reduce their internal tariffs by a further 10 per cent, starting on July 1 and will also lower their external tariffs.

The new internal tariff reductions, the sixth to be made by the European Economic Community, bring taxes on industrial goods to only 40 per cent of the 1957 levels.

They show that the "Six" are two years ahead of the tariff programme envisaged in the Rome Treaty, which set January 1, 1965 as the target date for a 50 per cent reduction. Now, the Common Market Commission has proposed that tariffs should be completely abolished by January 1, 1967, instead of by 1970 as originally foreseen in the Rome Treaty.

Common Market experts believe that tariffs among the "Six" have now been reduced to the stage where they no longer constitute an obstacle to trade but are merely an additional form of income for the national treasuries of the member-States.

The "Six" have also agreed on a new move towards a common customs tariff in dealings with the rest of the world. They are to reduce by 30 per cent (the second such reduction since 1957) the difference between the national tariff of each member-country and the Market's joint external customs tariff, which is based on an average of the national tariffs.

In addition, this new 30 per cent reduction is to be based on a joint customs tariff reduced by 20 per cent in anticipation of a reduction of world customs duties following negotiations, in particular the "Kennedy round" of talks due to start in May, 1964.

(*The Times*, London and *Le Monde*, Paris)

[Prev. ref. 5342:INI:I]

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ASIAN RECORDER

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ADEN

A. Grenade Attack At Airport: A powerful hand-grenade was flung into a group of Aden Ministers and top British officials on December 10, 1963 as they prepared to board a plane for key talks in London.

Thirty-five persons were injured, including Sir Kennedy Trevaskis, British High Commissioner for Aden and the South Arabian Federation, according to a correspondent, who was also injured. (In London, the Colonial Office said one person was killed and 39 were injured).

The correspondent said an Indian woman was killed in the blast. She was travelling to London with her husband and a child. A 12-year-old Indian boy was seriously injured in the leg.

Sir Kennedy sustained a hand injury. He was rushed to Government House.

Sultan Ahmed Bin Abdullah al Fadhli, Aden Minister of National Guidance and Information, was wounded in the stomach and feet and was given blood transfusions.

Mr. Kenneth Wrazier, a BBC correspondent was injured in the thigh, but left hospital after first-aid.

The grenade, said an agency report, was apparently thrown from the visitors' balcony as Sir Kennedy and Aden Ministers were waiting to board a BOAC airliner for London. They were to have crucial talks on self-rule for the Colony, the future of the British base in Aden and financial aid.

Emergency Declared:

A State of Emergency was declared throughout the South Arabian Federation following the grenade attack.

The Federal Government said that it was determined to put a stop to such uncivilized acts. The border between the Federation and Yemen was closed until further notice.

Arrests:

Aden police on December 11, 1963 rounded up some political and labour leaders following the grenade explosion at the airport.

According to the figures known on December 11, 1963, 29 arrests were made and 142 Yemenis deported to Yemen. The arrests and deportations followed declaration of a State of Emergency by the Supreme Council of the Federation.

British Reaction:

A despatch to *The Hindu*, Madras on December 12, 1963 said that fears were being expressed in London that the bomb attack at Aden airport may be the prelude to a phase of overt violence in an area of great strategic importance to Britain.

The despatch said:

"While the growing political unrest in the Colony and protectorate has so far shown itself mainly in the form of strikes and demonstrations and appeals to UN, the incident is taken to mean that the dissident nationalists are ready to go over to other methods if necessary.

"One of the first consequences of the attempted assassination is expected to be the indefinite postponement of the constitutional changes that were to be introduced next January, followed by elections soon afterwards.

"Details of these changes have not yet been disclosed, but it is known that the aim is to consolidate the Federation of the South Arabian Sheikhdoms, including Aden Colony, and invest the Federation with a measure of independence.

"There have been no consultations on this with the representatives of the bulk of the Aden population, and in any case they are hostile to the proposed Federation, preferring instead that Aden should break its links with Britain and join up with neighbouring Yemen.

"The blame for the situation is laid here largely at the door of the Yemenis, who provide most of the labour force in the Colony, and to a lesser extent the domiciled Indians. The workers are organized in a strong trade union movement, of which the political wing is the Peoples Socialist Party. The pressure for unification with Yemen is said to have increased since Yemen itself cast off its feudal regime and adopted a modern type of Arab government.

"The present crisis has been precipitated by reports that the forthcoming elections would be held on a franchise excluding the majority of the Yemenis and the Indians, and thus confirming the hold of the Sheikhs over a federation designed as the political prop for the Aden base.

"The future of Aden as Britain's last remaining base in the Middle East is therefore the real issue at stake, and it is an issue which brings Britain into conflict not merely with the local inhabitants but with the wider forces of Arab nationalism."

(*The Hindu*, Madras and *The Statesman*, Calcutta)

[Prev. ref. 5555:ADN:A&B]

B. Economic And Political Prospects: Speaking at a news conference on November 20, 1963 Mr Zain Abdul Baharoon, Chief Minister of Aden, gave his views on the economic consequences and possible future improvements which would depend on the outcome of his constitutional talks with Mr. Nigel Fisher, British Parliamentary Under-Secretary of State for the Colonies, and with other officials, which he was hoping to have in London in the near future.

Mr. Baharoon was aware of the talks being carried on in London at that time between the High Commissioner for Aden, Sir Kennedy Trevaskis and British political and military leaders. The main topic at the London talks was the political, military and economic future of Aden in the rapidly changing situation in the area. Sir Kennedy Trevaskis took with him to London the proposals, still secret, of the Franchise Committee set up last August to re-define the qualifications of voters and candidates, which may well restrict rather than enlarge the electorate, in view of the large proportion of Adeni inhabitants who have come from Yemen and other Arabian States and who now claim Adeni citizenship. Elections are due in January, 1964 and are likely to be stormy.

From the British point of view, a recent decision to increase the size and scope of the Aden military base is linked with the increasing uncertainty of the political future of the Colony. There is growing pressure both within Aden, and from moderate leaders, as well as from Aden's neighbours and from the United Nations Afro-Asian group, for an early ending to Aden's colonial status. While there are conflicting views among British experts on the way forward for Aden, there is an increasing awareness that the stability of the military base must depend on the consent of a future independent government.

On the economic side, a great deal will depend on the size of the rent that Britain will agree to pay for use of the base. At present no rent is paid, and while the future that the British have had in mind is in the region of £12 million, this figure itself being larger than anything Britain had in mind not so very long ago, Aden politicians are now talking in terms of £60 million a year.

One of the reasons for the increase is the current dispute between leaders in the State of Aden and the Government of the Federation; Aden would like to keep the whole of the (proposed) rent for the base for her own budget, while Federation leaders argue that the rent should go to the Federation consisting of 19 local States.

Mr. Baharoon said at the news conference, alluded to above, that schemes for the construction of berths for the larger ships using Aden Harbour are now being studied, that the Government will also participate in making capital available for economic projects, that they propose to encourage the establishment of a local Bank in consultation with the Federal Government and that long-term loans will be made available for people to build their own homes. Finally, he intends to explore possibilities of improving tourist facilities in the State.

The economic importance of the size of the rent that Britain may give for the use of the military base arises from the fact that the Budget for the whole of the South Arabian Federation for the fiscal year 1963-64 is around £8 million and for the State of Aden itself is under £4 million. It may be recalled that the State of Aden has been pressing the British Government for additional financial assistance since it joined the South Arabian Federation, an annual grant of up to £10 million being requested while the British side has been thinking in considerably smaller terms. Agreement on the rent for the military base could end the present stalemate in the financial talks.

(*Middle East Economic Digest*, London)

[Prev. ref. 5363:ADN:B]

C. Restrictions On Aliens—Strict Security Measures: A decree ordering all aliens entering and residing in the South Arabian Federation to register and obtain registration documents was issued on Dec-

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ember 11, 1963 by the Federal Supreme Council (Cabinet).

A Cabinet announcement said that further instructions to aliens would be issued.

This was believed to be the first such restriction that the Federation has imposed on foreigners who normally must have prior approval from the immigration authorities for visiting the Federation. The measure is obviously aimed at the thousands of Yemenis who previously could come from Yemen for work and cross back without let or hindrance.

The Aden Police Commissioner on December 11 offered a £5,000 reward to any one with information leading to the arrest and conviction of the men behind the previous day's hand-grenade incident (see above) in which, according to latest official figures, 53 people were injured. An Indian woman died in hospital.

All the federal territory was under a State of Emergency, which the Cabinet declared the previous night. The long frontier with Yemen has been closed to all traffic indefinitely. Announcing this, the Federal Government said it was thought that "subversive agents" from Yemen were involved in the incident. Recent broadcasts from Sanaa lend colour to this suspicion.

Aden was quiet on December 11, with the police undertaking a mass interrogation of people. Secrecy was being observed by the police concerning the extent of their investigations. No confirmation was available of widespread rumours about the "disappearance" of some leaders of the pro-Yemen People's Socialist Party and its labour wing, the 22,000-strong Aden Trades Union Congress.

(*The Times*, London)

[Prev. ref. 5339:ADN:D]

AFGHANISTAN

A. Progress Of Second Five-Year Plan: It was reported on November 29, 1963 that the Minister of Planning, Mr Abdullah Yaftaly, had hoped that all the Second Five-Year Plan targets would be reached on time.

The Second Plan, which is now in its second year, is more ambitious than the first, a third of the total outlay being allocated to industrial development.

The Plan includes a programme for a net-work of highways and the completion of existing unfinished roads with the aid of American and Russian engineers. There is also a scheme to increase the handling capacity of Qazil Qala port, on the Amu Darya on the Soviet border. The cost is estimated at 36,000,000 afghanis.

In the field of air transport, the Plan includes the construction of two new airports at Ghazni and Lashkargah, each of which will cost 25,000,000 afghanis.

(*Middle East Economic Digest*, London)

[Prev. ref. 5327:AFG:B]

BURMA

A. Budget For 1963-64: The Revolutionary Government released on September 30, 1963 Budget estimates for 1963-64 showing a surplus of K52 crores.

A new finance law provides for a composite income-tax that would replace the existing three separate taxes—income-tax, super-tax and business profit tax. Assessees with many children will now have substantial tax relief. The incidence of the tax will be lighter on persons with incomes not exceeding 9,000 kyats annually and on companies with incomes not exceeding 24,500 kyats annually. The tax is assessed only if the annual income is over 4,200 kyats annually.

According to the Budget, total receipts during 1963-64 are estimated at K785 crores. As against this, total expenditure is estimated at K733 crores. There is thus a surplus of K52 crores.

Current receipts are: (1) Taxes on production and consumption—K75 crores; (2) Income-tax—K37 crores; (3) Taxes on use of State-owned properties—K11 crores; (4) Income on sale of goods and services of Depts—K11 crores; and (5) Miscellaneous—K5 crores.

Total—K139 crores.

Investment to the tune of K88 crores will be made during the budget year, this sum being made up of the K52 crores surplus mentioned above and foreign loans and aids to be received from abroad. Altogether 47.5 per cent of this investment will be used for economic development, 26.1 per cent for improvement of transport and communications, and 26.4 per cent for streamlining the social and administrative services. The percentage of investment used in 1962-63 in these fields were 39.2 per cent, 33.8 per cent and 27.2 per cent respectively.

The Budget shows a marked improvement in the national economy since the take-over by the Revolutionary Government 19 months ago.

Budget estimates for 1963-64 (Abstract)

(Kyats in lakhs)

	Current	Capital	Total
Union Budget—			
(1) Receipts	1,38,01	4,40	1,42,41
(2) Expenditures	1,20,11	32,41	1,52,52
(3) Surplus| Deficit	†17,90	—28,01	—10,11
States Budget			
(1) Receipts	1,20	1	1,21
(2) Expenditures	3,88	1,49	5,37
(3) Surplus| Deficit	—2,68	—1,48	—4,16
Boards and Corporations—			
(1) Receipts	6,45,67	64	6,46,31
(2) Expenditures	6,08,56	53,70	6,62,26
(3) Surplus| Deficit	†37,11	—53,06	—15,95
Public Debt—			
(1) Receipts	1,21	—	1,21
(2) Expenditures	5,99	2,93	8,92
(3) Surplus| Deficit	—4,78	—2,23	—7,71
Loan Account—			
Total Net Loans	—	—14,56	—14,56
Contribution Account—			
Total Contributions	—2,54	—	—2,54
Financial Resources Account—			
Total Financial Resources	—	†55,03	†55,03
Net Surplus| Deficit	—	—	0

The following targets have been set for achievement during the financial year 1963-64:

Production—K646 crores (which will be made up of K247 crores of agricultural production, K97 crores of production from animal resources and fisheries, K26 crores from forests, K18 crores from mines, and K258 crores from industrial enterprises).

This figure is K55 crores above the production of 1962-63.

Exports—K193 crores (i.e. K17 crores greater than that of 1962-63).

Imports—K174 crores (i.e. K18 crores more than that of 1962-63).

At the end of financial year, it is expected that a net increase of K18 crores in foreign exchange will be achieved.

With the increase in both exports and imports, the level of prices in the country will go down further than it did in 1962-63.

According to the Budget, the estimated population of the Union of Burma is 2,37,35,000.

The breakdown by age and sex is as follows:

(1) Number of males under 15 years of age—46,87,000.

(2) Number of females under 15 years—47,07,000.

(3) Males between 15 and 55 years —60,24,000.

(4) Females between 15 and 55 years —63,18,000.

(5) Males above 55 years—9,37,000.

(6) Females above 55 years—10,62,000.

Life expectancies of males and females are estimated as follows:

(1) Males before the War—34.9 years.

(2) Females before the War—36.8 years.

(3) Males in 1952—40.8 years.

(4) Females in 1952—43.8 years.

(*The Nation*, Rangoon)

[Prev. ref. 4873:BUR:B]

B. People's Workers' Council Proposed: A People's Workers' Council is proposed to be formed soon by the Revolutionary Council to promote efficiency and to safeguard the interests of all employees in Government departments, boards, corporations and State-run factories.

The principal tasks of the Council will be: (1) to improve the working conditions of these employees; (2) to ensure that they render their services to full capacity; (3) to arrange for their welfare; (4) to foster harmonious relations among employees both intra-and inter-departmentally; and (5) to promote co-ordination of effort among all the Departments for the fulfilment of the Burmese Way socialist programme.

A Preparatory Executive Committee, headed by the Home Minister, Colonel Kyaw Soe, has been formed by the Chairman of the Revolutionary Council to draw up a draft Constitution for the proposed Council.

In the meantime, the Preparatory Executive Committee will explain to all workers in the various Government Departments, Boards, Corporations and State-owned factories the aims and objects of the projected Council.

The first task to which the Council, after formation, will give its attention will be to improve the working conditions of public employees in the Rangoon Division. Reforms and improvements introduced in Rangoon will then be extended to the districts in gradual stages.

After the creation of the Council, the Preparatory Executive Committee will also continue to function, mainly as the

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co-ordinating agency between the various Departments and Boards.

(*The Nation*, Rangoon)

[Prev. ref. 5328:BUR:D]

C. **Exploitation Of Coal Mines:** The Petroleum and Minerals Development Corporation has decided to exploit the coal mines at Kalewa under a five-year plan beginning in 1963.

This Plan envisages production of 2,43,050 tons of coal during the plan period. The use of this coal by the various departments will result in a saving of foreign exchange to the tune of over K21 million.

The coal produced at Kalewa has to be transported now by private sampans to Ahlone near Monywa. Such method of transport is not only primitive but expensive. The authorities have therefore initiated surveys with the aid of West German technical experts to introduce a modern system of coal transport between Kalewa and Monywa.

Mining operations at Kalewa started in 1949 at a point north of the river Myittha. Around this original mine were found not less than 54 coal seams, each from 6 inches to 9 feet thick. Of these seams, the three in the upper layer and the other four in the bottom layer have a thickness ranging from 3 feet to 9 feet.

According to estimates, the Kalewa mines have a capacity of producing up to about 10,000,000 tons of coal. Surveys and measurements have been made of 4,00,000 tons out of this estimated total tonnage of coal.

(*The Nation*, Rangoon)

D. **Compensation To BOC:** The Burmah Oil Company (BOC) and the Government have reached full agreement on the final settlement of compensation arising out of the State's acquisition of the Company's interests in Burma.

Thus ended the Company's association with Burma and its oil industry going back to 1886.

The Government has paid to BOC £2,419,000 on behalf of Burmah Oil Company, Indo-Burma Petroleum, and British Burmah Petroleum. This was the balance of the agreed purchase price of the companies' shares in BOC (1954) Ltd., and the marketing assets in Burma of Burmah Oil (Burma Trading), Ltd., and the Indo-Burma Petroleum Company.

(*The Times*, London)

[Prev. ref. 5002:BUR:B]

E. **Export-Import Corporation:** The Government has constituted a Corporation which will establish direct business connexions with manufacturers and exporters.

The management of the Corporation has been entrusted to Burmese businessmen experienced in handling the import-export business.

The Corporation will be directly under the People's Stores Corporation Council, Ministry of Co-operation and Supply.

The step has been taken by the Government following the nationalization of import and export trade handled previously by the private sector. All future transactions will be through the Corporation.

It will look after the export of traditional Burmese products like rice, rice products, all kinds of oil-cakes, raw cotton, beans, pulses, maize, seeds, potatoes, garlic, timber, salt, turmeric, rubber, etc and import direct from the foreign manufacturers all consumer goods excluding the trade handled on a Government-to-Government basis.

(*The Nation*, Rangoon and *The Statesman*, Calcutta)

[Prev. ref. 5145:BUR:B]

CAMBODIA

A. **Request For Withdrawal Of US Aid—Clarification:** The Royal Embassy of Cambodia in New Delhi issued the following Press Note on December 6, 1963 on the conflicting reports regarding the recent developments in the Kingdom:

"Certain big American newspapers, referring to the position of Cambodia after its request of withdrawal of American aid, speak of a so-called request that Prince Norodom Sihanouk was to have addressed to France through a Press agency. According to information of the same source, 'French officials say that the request of the Prince was a surprise'; however, it adds that 'an immediate reply would seem disagreeable to the United States and to the West.'

"The Secretariat of the Head of State is authorized to make categorical denial to this Western interpretation of the statements of Prince Norodom Sihanouk who has not submitted any request for aid to France, neither directly nor a fortiori through a Press agency.

"In fact, on many occasions, French correspondents and journalists have intentionally put ambiguous questions to the Prince, Head of State, on the position which Cambodia would adopt if eventually French aid is granted to this country. Prince Norodom Sihanouk has clearly underlined in his replies that if France proposed unconditional aid to Cambodia, it would be favourably welcome.

"It appears regrettable then that a certain Press agency's cables have thought it necessary to suggest that Cambodia resorted to France or was going to do so to replace US aid or even it foresaw French aid would be granted to it shortly. Once again, it is worthwhile to recall that the Prince, Head of State, has always declared that Cambodia could not indulge in the act of begging all countries. Under such conditions, the official French circles have therefore no reason to express their surprise or foresee a reply to a request which was never made.

"However, one will not fail to deplore certain political manoeuvres attempted on our national dignity. It is obvious, in fact, that certain foreign circles think that Cambodia is in a desperate state and is anxious to negotiate quickly with France on an economic and military aid agreement. Certain Press reports did not fear besides to assert or declare that if France refused to accede to the request of Cambodia, this could result in Cambodia resorting to the Soviet Union and China. In this respect, we must emphasize that the Prince, Head of State, has never implied that Cambodia would indulge in an act of blackmail resorted to by other countries with profit. In fact, Prince Norodom Sihanouk simply has evoked the aid that China has spontaneously promised to the Kingdom."

(*Royal Embassy of Cambodia*, New Delhi)

[Prev. ref. 5556:CAM:A]

B. **Proposal For Confederation With South Viet-Nam:** Addressing a delegation of Viet-Namese residing in Cambodia on December 3, 1963, the Head of State, Prince Norodom Sihanouk, proposed a confederation between Cambodia and a neutralized South Viet-Nam.

According to Western agency reports he said: "If South Viet-Nam were to achieve a status of neutrality, Cambodia would agree to constitute a confederation of associated States on an equal footing."

He said the two countries would together constitute a real force in South-East Asia and would have "spotless relations".

He also proposed that the two countries should associate their economies by creating "a common market".

According to him, the biggest advantage of the proposed confederation would be that it would serve peace in Asia and the whole world.

He said South Viet-Nam could very well forgo American aid if it "knew how to exploit the vast resources of the country and above all ensure the return of peace."

He said the entire Communist camp "would be satisfied with a completely neutral South Viet-Nam, as Cambodia is."

He referred to the conference he had proposed for the "neutralization of Cambodia" and said the people of South Viet-Nam could take advantage of the conference "to put an end to this senseless war".

Reports about the confederation proposal attracted much attention. French circles feared that the proposal might sanction the division of Viet-Nam. Commenting on these reactions, Prince Norodom Sihanouk said on December 7 that his proposal was intended only for the "period during which South Viet-Nam will remain detached from the North."

(*Le Monde*, Paris and *The Hindu*, Madras)

[Prev. ref. 5556:CAM:A]

C. **Foreign Assistance For Projects:** A contract has been signed between Cambodia and Yugoslavia for the construction of three hydro-electric power stations in the region of Kirirom.

Two of these stations will be erected on the Au Chhrouw River, and the third on the Kompong Dam Loeu River. They will have a total output of 9,000 kw. These are the first Yugoslav projects in Cambodia.

A new dam built at Tuk Chha with US aid worth 8 million riels supplies irrigation water through a five-kilometre-long canal.

A Soviet-built technological institute is to have faculties for architecture and construction, and for hydro-technical, electro-technical, mining, and textile studies. It will be completed in 1964.

Poland has presented Cambodia with a complete hospital operating-theatre unit.

(*Far East Trade*, London)

[Prev. ref. 4428:CAM:C]

CEYLON

A. **Progress Of Public Sector Projects:** Official figures indicate that public sector projects, except for the Oils and Fats and Paranthan Chemicals Corporations, are producing to capacity.

The Oils and Fats Corporation, which turned out only 17.3 per cent of coconut-oil capacity in 1960, in 1961 manufactured 63.7 per cent of its capacity; and output of poultry and cattle food was raised from 21.6 per cent in 1960 to 50 per cent in 1962. The annual deficit of Rs. 1 million

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before 1961 has been reduced to less than Rs. 400,000.

In the case of Paranthan Chemicals Corporation, output of caustic soda and chlorine reached 61 per cent and 64 per cent of capacity respectively during 1962.

The value of public sector industrial production has increased by more than 200 per cent in this period; investment has risen from Rs. 138 million in 1956 to Rs. 200 million in 1962.

Major developments in the public sector are as follows:

Paper output has gone up from 360 tons in 1956 to 4,690 tons in 1962. The expansion programme now in hand is designed to provide an annual capacity of up to 9,000 tons of writing and printing paper.

More ceramics are available. Kiln capacity at the Ceramics Plant was recently raised to 840 tons a year, and work has started on new factories scheduled to produce an additional 1,600 tons. Actual production rose from 200 tons in 1956 to 441 tons in 1962. The Kaolin Refinery is already in operation, and has a rated capacity of 5,500 tons of refined kaolin a year.

More leather footwear requirements will, it is hoped, be met by the Shoe Factory, which came into production in October, 1962, and can turn out 450,000 pairs a year. Measures have been taken to step up tannery capacity, at present 375,000 lbs of tanned leather.

Textile yarn is being produced at the State Spinning Mills, Veyangoda; in the first 10 months of operation in 1962, yarn was turned out at a rated capacity of 1.5 million lbs. and the mills recorded a profit.

Cement expansion scheme work already under way will increase the present annual output of 80,000 tons to 275,000 tons by 1965.

Mineral exploration has proceeded at a much more rapid pace, and experts have located one of the largest single deposits of magnetic group iron-ore—about 4 million tons—close to Bingirlya. More discoveries are expected in the area.

Work on the iron and steel plant began in 1962 and is on schedule. To be set up with Russian aid, it will produce 60,000 tons of iron and steel, including 10,000 tons of wire and wire products.

Work has also been started on the tyre and tube factory at Kelaniya—maximum capacity: 360,000 tyres and tubes.

Preliminary work in connexion with the setting-up of a hardware factory to manufacture agricultural implements and engineers' and carpenters' tools (capacity 3.4 million pieces) has been undertaken.

A flour mill that will supply 25 per cent of the Island's wheat flour—50,000 tons of wheat flour and 16,500 tons of bran—has been completed.

Two major industries, preliminary work on which has been completed, are the petroleum refinery and the fertilizer plant.

With a capacity of 1.67 million tons, the refinery should cater for all local requirements; and the Government proposes to produce petro-chemicals as the basis of several light consumer industries. The Fertilizer Plant (capacity: 300,000 tons of ammonium sulphate) will meet national demand for that type of fertilizer.

Total foreign exchange savings which these projects are expected to effect was put at Rs. 200 million a year.

(*Far East Trade*, London)

[Prev. ref. 5193:CEY:A]

INDIA

SUMMARY: Movement Of US 7th Fleet In Indian Ocean; East Pakistan Violation Of Assam Border; Asian Population Conference; Re-classification Of Eight Cities; General Elections In Goa.

A. Movement Of US 7th Fleet In Indian Ocean: It was reported by *The Times of India* on December 18, 1963 that about a dozen countries in the Indian Ocean area had been informed in the past two or three days of the US decision to send a part of its Seventh Fleet to South Asian waters.

They included Australia, Indonesia, Malaysia, Thailand, Burma, Ceylon, India, Pakistan, Iran, Saudi Arabia and some East African States.

A Task Force of the US Seventh Fleet, including an aircraft-carrier with its usual complement of escort vessels, will start cruising the Indian Ocean area from February or March, 1964 as soon as political formalities have been completed. It will carry out a series of manoeuvres with or without the co-operation of the regional countries.

The aircraft-carriers of the US Seventh Fleet carry on board supersonic fighter-bombers with nuclear capability to meet any eventuality. Each of the ships has on board 60 to 80 aircraft of all types with a nuclear stockpile of their own to operate as a self-contained air force.

At the time of the Chinese invasion of India in October, 1962, one of the aircraft-carriers of the Seventh Fleet was ordered to the Bay of Bengal to help defend the Calcutta zone if the need arose. But the Chinese announced the cease-fire before the carrier had crossed the Malayan Straits.

The Seventh Fleet's extension to the Indian Ocean area is primarily intended to confront China with a powerful deterrent against further aggression in South Asia.

The US Government is also anxious to deploy enough American power in this area to back up its diplomatic commitments in the regional disputes.

The USA appears to be quite determined to extend its power to South Asia to be able to deal effectively with local disputes—such as an Indo-Pakistan flare-up or a showdown between Malaysia and Indonesia—should the need arise for prompt American intervention. Some of the US diplomats have always held that this gap in the global deployment of American power should be filled by extending the Seventh Fleet to the Indian Ocean area.

One of the reasons given for the extension of the Seventh Fleet to South Asia is that before China explodes a nuclear device in the next year or two the "power vacuum" in the Indian Ocean area should be filled so that the Chinese do not derive any psychological advantage from it. The USA wants to step in, in good time, to establish its own nuclear presence in the Indian Ocean region.

About two or three months ago, the US Government decided to create a separate Indian Ocean Command to meet the requirements of American diplomacy in South Asia, East Asia and Africa south of the Sahara. Hitherto, all American military activity in this area was controlled by CINCEUR and CINCPAC, the Commanders-in-Chief in Europe and the Pacific. Now the jurisdiction of the US Strike Command under Gen. Paul Adams with headquarters in Florida has been extended to include the Indian Ocean area in it.

Hitherto, the Strike Command, which is a global command, had no operational area of its own. Regionally, it had to operate in the Indian Ocean areas under the wings of either CINCEUR or CINCPAC. But now all American military activity in South Asia, East Asia and Africa south of the Sahara—including military aid programmes to countries like India and Pakistan—have been placed directly under Gen. Adams's personal command, in addition to his global responsibilities as Commander-in-Chief of the Strike Command.

But the American brasshats are not free from inter-command wrangles when it comes to sharing the spoils of power. The new Indian Ocean Command under Gen. Adams has been claiming complete control over all American military activity in this area, including the movements of the US naval forces. But the CINCPAC Command at Pearl Harbour, which controls the Seventh Fleet, is not prepared to relinquish its power over units of this fleet deployed in the Indian Ocean.

The Defence Department in Washington was reported to be considering the desirability of detaching a task force from the Seventh Fleet and placing it under Gen. Adams's command to streamline the control of all American military activities in the Indian Ocean area. The decision to extend the US naval power to South Asia has already been taken, but the details of the command structure have not yet been finally settled.

Gen. Maxwell Taylor's View:

A spokesman of the External Affairs Ministry said in New Delhi on December 17, 1963 that Gen. Maxwell Taylor, Chairman of the US Joint Chiefs of Staff, had told the Prime Minister, Mr. J. Nehru that the US Government was "considering the advisability of some of the ships of the Seventh Fleet cruising the Indian Ocean."

He also disclosed that, in his talk with Mr. Nehru, Gen. Taylor had indicated that these ships would be calling at some African ports.

The spokesman said that Gen. Taylor did not say specifically whether the ships of the Seventh Fleet cruising the Indian Ocean area would be calling at any of the Indian ports. But he thought it was quite possible that some of these ships might make "courtesy calls" at Indian ports in the normal course.

On December 19, General Taylor left for Pakistan after three "extremely useful" days in India.

Talking to newsmen at Palam airport, he said that he had come to India to gain a "first-hand impression" of the country's defence effort against the Chinese threat.

He seemed quite satisfied with the talks he had had with the Prime Minister, the Defence Minister, the Service chiefs and others. He said they were "very frank, free and complete."

His overall impression of the visit to India was that the Government was determined to "strike a balance between defence and the preservation of the vital economic problems" facing the country. This, he said, required "careful judgment and great wisdom." He did not see any tendency on India's part "for a runaway military programme unrelated to the requirements of the economy."

After his departure, American diplomats in New Delhi stressed once again that General Taylor did not come to India to discuss the details of US military assistance. He came primarily to get a clearer picture of the country's defence preparation and the general political philosophy behind it. So he neither promised additional US assistance for raising mountain

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divisions nor held out any hopes of supersonic planes to strengthen the Air Force. India, on her part, merely outlined her plans for a balanced defence build-up without making any request for additional equipment.

General Taylor did not also discuss the payments question with the Finance Minister. They merely talked of the need for maintaining a balance between the defence build-up and industrial development to keep the country's economy on an even keel.

Answering a series of questions on the reported US move to extend the operation of the Seventh Fleet to the Indian Ocean, General Taylor said "the general scope of the project when I left Washington was to send an aircraft-carrier, perhaps two or three destroyers and an oiler (tanker). The necessary details had not yet been worked out—it is still a proposal which is still being considered."

Replying to further questions, he said the visiting ships would be "independent" during their cruise in the Indian Ocean. They would not require any port facilities.

Q.: Is there a proposal to call at African ports?

Gen. Taylor: We never talked in terms of touching at ports. That will arise only when we touch specific ports.

Q.: Is it necessary for you to consult the countries in the region for sending the ships to the Indian Ocean?

Gen. Taylor: Not necessary, but I saw the whole thing being discussed by the Press in India. That is why I mentioned it to the Prime Minister.

Mr. J. Nehru's Statement:

The Prime Minister, Mr. J. Nehru stated in the Lok Sabha on December 19, 1963 that if the US Government decided to send a part of its Seventh Fleet to the Indian Ocean area, "all that we need say today is that outside the territorial waters of India, the Ocean is naturally open to them as to the naval vessels of any other country."

Asked by a Communist member whether it was the Government's policy not to protest against Big Powers crossing the high seas and coming near Indian territorial waters, Mr. Nehru replied: "If the thing is obviously to our detriment, we protest. If it is not, we do not."

Answering a calling attention motion by Mr. Nath Pai and 20 others, he said that according to what Gen. Taylor had stated before leaving for Pakistan, an aircraft-carrier with some destroyers would probably come to the Indian Ocean in a month or two, if such a decision was taken by the US Government.

There had been newspaper reports to suggest that the US Government was extending the operational sphere of the Seventh Fleet from the China Sea to the Indian Ocean. "We had no information on the subject, and we had at no stage been consulted by the US Government in the matter. When Gen. Taylor called on me on December 17, among other matters mentioned, he told me that they were considering the advisability of some units of their Seventh Fleet cruising this area with the object of getting acquainted with the seas in this region, but no decision had been taken in the matter. Two or three or four naval vessels of the Seventh Fleet might be used for such cruises."

(*The Times of India*, New Delhi)

[Prev. ref. 5558:INI:B]

B. East Pakistan Violation Of Assam Border: East Pakistani riflemen trespassed into the Lobhacherra tea garden in the United Khasi and Jaintia Hills district on the Sylhet border and fired at the Assam border security patrol on December 9, 1963.

A State Government spokesman said that firing continued on December 10 also.

The Pakistani forces, it was stated, crossed the well-demarcated boundary in Lobhacherra, came within the Indian territory and asked the Indian patrol to withdraw. The Assam border security men were forced to return the fire in self-defence.

An ambush party of the East Pakistan Rifles launched an attack on the Assam border security forces on December 10 also. No casualties were reported so far on the Indian side.

The spokesman said this was the first clash provoked by the Pakistanis on Indian territory across the well-demarcated boundary accepted by both sides.

The boundary line there cuts across the Lobhacherra tea estate and over 100 acres of it fall within the Indian territory.

Another Attack On Karimganj Border:

On December 10, Pakistani forces made a surprise attack on the Indian outpost at Karkhana Putnigaon in the Lathitilla-Dumabari area, on the Karimganj border.

An Assam Government spokesman said that the Indian patrols exercised considerable patience before returning the fire in self-defence.

An Indian security guard was injured in the firing. He was admitted to hospital.

The Pakistani forces began firing at 10-15 p.m. and showered bullets throughout the night on Indian positions at several points on the border.

Cease-fire Agreement:

On December 19, East Pakistan agreed to a cease-fire in the Lobhacherra area on the United Khasi and Jaintia Hills border at a Sector Commander-level meeting held at Tamabil.

The two Commanders agreed to treat the actually demarcated boundary for all practical purposes.

The Pakistani Sector Commander was understood to have assured his counterpart that East Pakistani forces who illegally occupied some areas in Lobhacherra inside Indian territory would vacate it. He also assured the Indian Commander that the newly constructed bunkers and trenches on their side would be dismantled.

According to an Assam Government spokesman Pakistani firing continued intermittently for the 11th day on December 19 till midday.

(*The Times of India*, New Delhi and *The Statesman*, Calcutta)

[Prev. ref. 5545:INI:B]

C. Asian Population Conference: The 10-day Asian Population Conference, which ended in New Delhi on December 20, 1963, has recommended that family planning could be considered only as one of the solutions to the population problems of the region.

It held that no matter how drastic the methods employed, family planning programmes, as already adopted in many Asian countries like India, Pakistan and Korea, could not appreciably affect population growth during the next decade or so.

The Conference, therefore, urged the countries of the region to deal with two "cardinal problems"—the overflow of young people due to continued high birth rates and the shift of population to urban areas.

It felt that since population growth could not be suddenly reduced its challenge should be met by improving the efficiency of each individual so as to accelerate economic growth.

Measures designed to promote fuller utilization of human resources should be accorded the same importance and urgency as those aimed at reducing the growth of population. These included education and training and greater employment opportunities for the people and launching of social welfare, health and housing schemes on a large scale.

High priority should be given to agriculture to feed the increasing population.

The Conference urged the Governments to adopt "positive population policies" related to their individual needs and the needs of the region to bring down the birth rate.

Since population was a vital factor in development, the Conference suggested that population statistics should form an integral part of all economic and social planning in the region.

It adopted a resolution urging orientation of national policies in the light of population trends, and calling for full cooperation among the countries of the region in training and research programmes. It also urged international agencies like ECAFE to give full support to such programmes.

Over 200 delegates and experts from 20 countries participated in the Conference.

Earlier, summing up the achievements of the Conference, the Indian Home Minister, Mr. Gulzari Lal Nanda, said: "Since you cannot reduce the population quickly, you must do something to meet the needs of the newcomers". This realization was an important contribution of the Conference.

He ruled out abortion as practised in Japan as a feasible means of reducing the birth rate, but he advocated sterilization of people with three children as one of the possible remedies.

U Nyun, Executive Secretary of the Conference, said that one of its important objectives was to help the countries of the region achieve a 5 per cent annual increase in their national income during the current "development decade". Acceleration of economic growth was, therefore, just as important as reduction in the birth rate.

(*The Statesman*, New Delhi)

[Prev. ref. 5494:AOA:J]

D. Trade And Payments Agreement With Poland: A new five-year Trade and Payments Agreement was signed in New Delhi on December 18, 1963 between Poland and India, envisaging a trade turnover of about Rs. 16 crores each way during 1964.

Under the Agreement, Indian exports in 1964 will be of the order of Rs. 160 million—about Rs. 35 million more over the current year.

India will export engineering goods, including textile machinery and accessories, machine tools and various other engineering products, including diesel engines.

Under the Agreement, Poland will also buy cotton textiles, handicrafts and handloom products, leather footwear and other new items of manufacture like duplicators, ready-made garments, collapsible tubes, razor blades as well as iron-ore, manganese ore and mica. Other traditional items of export will be de-oiled cake, tea, jute products, spices, shellac, groundnuts HPS and cashew kernels.

(*The Financial Express*, Bombay)

[Prev. ref. 4372:INI:C]

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E. Import Policy During October, 1963—March, 1964: It was officially announced in New Delhi on December 21 that there would be no cuts in the imports to be effected by actual users under annual licences during the October, 1963 to March, 1964 licensing period.

It had already been announced in the beginning of October, 1963 that there would not be any cuts in the imports to be made by established importers in the latter half of the current financial year (October-March).

In the case of industries which have been granted licences for the first half-year's requirement as first instalment, the supplementary licences for the second half-year will be granted.

The Government has also decided that annual licences granted to established importers and actual users for April, 1963-March, 1964 need not be presented to the licensing authorities for endorsement regarding utilization of the second half.

(*The Statesman*, New Delhi)

[Prev. ref. 5237:INI:W]

F. Re-classification Of Eight Cities: More than 1,50,000 Central Government employees will be eligible for higher rates of allowances as a result of re-classification of eight major cities announced in the Lok Sabha on December 21, 1963 by the Central Finance Minister, Mr. T. T. Krishnamachari.

The re-classification took effect from January 1, 1964. The additional cost was estimated at Rs. 2.59 crores per annum.

Mr. Krishnamachari said it had been decided that instead of the existing three classes, A, B and C, there should be four classes A, B-1, B-2 and C.

The population limits for qualifying for these classes would be 16,00,000, 8,00,000, 4,00,000 and 1,00,000 instead of present limits of 20,00,000, 5,00,000 and 1,00,000.

Classes A, B-2 and C will have the rates of allowances now attached to the existing A, B and C classes, respectively. The new class B-1 will have rates intermediate between existing A and B classes.

Under the new system, Madras, now a B class city, would be re-classified as A; four B class cities—Hyderabad, Ahmedabad, Bangalore and Kanpur—would be re-classified as B-1 and three C class cities —Madurai, Allahabad and Jaipur—would be re-classified as B-2.

Other B class cities would be re-classified as B-2 without any change in the allowance rates admissible there.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 4579:INI:I]

G. Banking Laws Bill Passed: The Banking Laws (Miscellaneous Provisions) Bill, which was passed by the Lok Sabha on December 20, 1963 seeks to enable the Reserve Bank to regulate the conditions on which deposits may be accepted by non-banking companies or institutions.

The Bill also seeks to amend the Reserve Bank of India Act, 1934, the Banking Companies Act, and the State Bank of India (Subsidiary Banks) Act 1959.

Under the Bill, the Reserve Bank will ask for returns and information from certain financial institutions, namely, firms, companies or other bodies corporate which are financing trade, industry, commerce or agriculture, or are carrying on as part of their business the acquisition of shares, stocks, bonds, debentures, or other securities or are engaged mainly in the financing of hire-purchase transactions and non-banking institutions and accepting deposits from members of the general public.

The Reserve Bank will also be enabled to carry out inspections of these institutions where necessary.

The existing enactments relating to banks do not provide for any control over companies or institutions, which, although they are not rated as banks, accept deposits from the general public or carry on other business, which is allied to banking.

The Bill seeks to ensure more effective supervision and management of the monetary and credit system by the Reserve Bank.

The Bank should also be empowered to give to any financial institution or institutions directions in respect of matters in which the Bank, as the country's central bank, may be interested from the point of view of the control of credit policy.

The Bank's powers in relation to commercial banks should also be enhanced and extended in certain directions, so as to provide for stricter supervision of the operations and working of such banks. The Bill seeks to achieve these objects.

Opportunity is also being taken to omit certain provisions of the Reserve Bank of India Act, which are no longer considered necessary, and to bring out more clearly the intention underlying certain provisions of the Banking Companies Act.

It is sought to empower the Reserve Bank to regulate or prohibit issue of prospectus or advertisement soliciting deposits of money by non-banking institutions if it is considered necessary in the public interest. The Bank will have the power to collect information from non-banking institutions as to deposits and to give directions. It will have the power to call for information from financial institutions and to give directions.

The penalty for failure to submit any return, statement or information sought by RBI will be imprisonment for three years with fine. Failure to produce any book, account or other document will be punishable with fine, which may extend to Rs. 2,000 in respect of each offence and, if a person persists in such refusal, with a further fine, which may extend to Rs. 100 for every day during which the offence continues.

According to Section 34 of the Reserve Bank of India Act, currency notes issued by the Government and taken over by the Bank, or bank notes issued by the Bank, if they were not presented for payment within 40 years after the date of issue, are deemed to have been lost and to have gone out of circulation. The assets held against such notes are then resumed. If subsequently it is proved that any note has not really been lost and has to be honoured, the claim is settled ad hoc.

The advantages of this procedure, which provides for assets being resumed in certain circumstances, are not commensurate with the labour and expenditure involved in maintaining detailed statistics for the purpose of ascertaining when any notes are due to be written off from circulation.

It is, therefore, proposed to delete the provision in Section 34 requiring notes to be treated as not being in effective circulation if they are not presented for payment for a period of 40 years.

The net loss, if any, to the Government or to the Bank, as a result of the proposed amendment after taking into account the saving in expenditure as a result of the discontinuance of the system of maintaining detailed statistics, is not expected to be substantial.

When RBI was established, it was thought desirable to provide for the Bank's assets, in the form of rupee coins (which technically include rupee notes to be maintained at certain minimum levels) related to the total note issue. Section 36 of the RBI Act accordingly provides that the value of rupee coins including one rupee notes should not be less than Rs. 50 crores or one-sixth of the total assets held in the Issue Department, whichever may be higher.

In existing conditions, it is not considered necessary to prescribe any statutory minimum for assets held in the form of rupee coins including rupee notes. It is, therefore, proposed to delete Section 36 and to make certain consequential amendments in Section 38.

The voting rights of individual shareholders of any banking company or any subsidiary of the State Bank are now restricted by law to five per cent of the total voting rights of all the shareholders of the company. It is proposed to reduce this figure to one per cent.

Under Section 20 grant of unsecured loans to directors and to private companies, in which they are interested, is prohibited. It is proposed to amend this Section so as to (a) make it clear that the question of a banking company being a partner or managing agent of any other concern does not arise and (b) to extend the prohibition to public companies also in certain cases.

It is proposed that a banking company should be prevented, without the approval of RBI, from writing off any loan due from a director, or a company, firm or individual in which or in whom a director may be interested.

(*The Indian Express*, Bombay)

[Prev. ref. 5231:INI:C]

H. Preventive Detention Act Extended: The Government decided on October 30, 1963 to extend the Preventive Detention Act, which was to expire at the end of December, 1963 for three years.

To do this, a Bill was passed at the Winter session of Parliament on December 19.

Enacted in 1950 only for one year, the Act has been continually extended and has remained on the Statute Book.

Since October, 1962 moreover, the Central and State Governments have had at their disposal the additional, sweeping powers of detention without trial under the Defence of India Rules.

Consequently, even if the Act was allowed to expire on December 31, the Government would have no difficulty in dealing with those for whom the Act was devised. But two reasons seem to have influenced the Government's decision to re-enact for another three years.

First, there is no knowing how long the Emergency will last, and the Government does not want to be left without powers of preventive detention.

Secondly, there is an important difference between PDA and DIR. The detenus under PDA have a number of important safeguards. Every detenu has to be given the grounds of his detention, and the adequacy of these grounds is periodically reviewed by a quasi-judicial advisory board. No such safeguards are provided under DIR. In fact, those detained under it cannot even move a court of law.

It is the Government's intention, therefore, to preserve the difference between the two types of detention.

According to official sources, the Government wishes to use its powers under DIR with great circumspection, and, as far as possible, security risks will be detained under PDA.

(*The Statesman*, New Delhi)

[Prev. ref. 3717:INI:E]

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I. IAC Annual Report: According to the annual report of the Indian Airlines Corporation (IAC) presented to the Lok Sabha on December 20, 1963, IAC made a profit of Rs. 20,91,000 during 1962-63, with a total revenue of Rs. 17,31,32,000.

The report attributed the rise in profit from Rs. 7,88,000 in the previous year mainly to "high utilization of fleet and increased revenues".

Over 9,00,000 passengers flew during the year in IAC flights which now touch 67 stations in India and neighbouring countries.

The Corporation's foreign exchange earnings, amounting to Rs. 250,00,000, were not affected during the year despite a fall in tourist traffic.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5249:INI:L]

J. ITI Annual Report: According to the annual report of the State-owned Indian Telephone Industries (ITI), placed before the Lok Sabha on December 17, 1963, ITI made a profit of Rs. 1,02,00,000 in 1962-63—an increase of Rs. 38,00,000 over the previous year—and declared a dividend of four per cent.

According to the report the financial position of the company would permit an increase in the dividend as well as in reserves in the years to come.

The production of the factory during the year under review was 1,32,000 telephones, 1,14,000 auto exchange lines and Rs. 1,52,00,000 worth of transmission equipment. Judging by this production, the report says that the targets set for the Third Plan—1,80,000 telephones, 1,80,000 auto exchange lines and Rs. 2,60,00,000 worth of transmission equipment—can be achieved.

Because of the incentive scheme introduced, the efficiency of labour increased from 96.78 per cent to 102.94 per cent during the year under review.

The report said that the achievements of ITI can be greater but the future expansion of production is circumscribed by the fact that the demands of the main customer, namely, the Posts and Telegraphs Department are restricted because of the limited funds allocated to that Department by the Planning Commission.

Representatives of ITI visited Tunisia, Ceylon and Burma to sell their products. Orders to the extent of Rs. 4,40,000 have been secured. In addition, equipment worth about Rs. 4,00,000 which was awaiting inspection at the end of 1962-63 has now been shipped.

The factory employs more than 9,000 persons.

(*The Hindu*, Madras)

[Prev. ref. 5528:INI:N]

K. First General Elections In Goa: The first General Elections in Goa, Daman and Diu since they were liberated from Portuguese rule on December 21, 1962 were held on December 10 and 11, 1963. In the elections to the 30-member State Assembly, the Maharashtrawadi Gomantak won 14 seats. It also won both the seats in the Parliamentary elections.

The party, which stands for a merger of the region with neighbouring Maharashtra and for democratic socialism, enjoys the support of the three Independent candidates, all of whom hold allegiance to the Praja-Socialist Party. Thus, the Gomantak party has 17 seats in the Assembly.

The United Goans, determined to keep Goa as a separate State, won 12 seats.

In the final tally, Congress had only one win. In Goa proper, the Congress failed to secure even a single seat.

The Congress had contested every one of the 30 seats in the Assembly but was able to take only one—that representing Daman. It was completely routed in Goa, where its candidates were not only unable to secure even one of the 28 seats but what was more, 18 of them lost their deposits, a proportion unheard of in the history of the party.

The defeated Congress candidates included the President of the Goa, Daman and Diu Pradesh Congress Committee, Mr. Purushottam Kakodkar and its General Secretary, Mr. Shankar Sardesai. Mr. Sardesai was among those who lost their deposits while Mr. Kakodkar just escaped that fate.

The following were the results of elections to the State Assembly:

Total number of seats	30
Total electorate	3,50,039
Total votes polled	2,60,372

Party	Seats contested	Seats won	Votes polled
Maharashtrawadi Gomantak	27	14	1,00,117
United Goans	24	12	74,081
Congress	30	1	43,100
Independents	27	3	27,648
Fronte Popular	8	nil	4,589
Invalid votes			10,837

Eighty-five candidates forfeited their deposits—52 Independents, 18 Congress, six Fronte Popular, five United Goans and four Maharashtrawadi Gomantak.

Parliamentary Elections:

Number of seats	2
Total electorate	3,50,039
Total votes polled	2,60,869

Party	Seats contested	Seats won	Votes polled
Maharashtrawadi Gomantak	2	2	1,16,073
United Goans	2	—	82,497
Congress	2	—	43,602
Independents	2	—	11,616
Invalid votes			7,081

Note: (1) Votes polled by Independents were by three candidates.

(2) One Congress candidate and all the three Independents forfeited their deposits.

Mr. D. Bandodkar Elected Leader Of Gomantak Legislature Party:

On December 13, Mr. Dayanand Bandodkar, President of the Maharashtrawadi Gomantak, was unanimously elected leader of the Gomantak Legislature Party.

The meeting which was presided over by Mr. Nath Pai, M.P. was also attended by Mr. Mukund Shinkre and Mr. Peter Alvares, the two newly elected Gomantak members of the Lok Sabha.

Mr. Bandodkar, however, is not an elected member of the Legislature, but will be seeking election to the Assembly within six months.

The Gomantak, which has 14 of 30 elective seats in the State Assembly, will have a working majority in the House with the support of two Praja-Socialist-sponsored Independents and three members to be nominated on the advice of the Chief Minister.

Presuming that a Gomantak member will be elected Speaker, the ruling party will have a voting strength of 18. This is considered a "safe" majority.

New Ministry Sworn-in:

On December 20, the first popular Ministry for the Union Territory of Goa, Daman and Diu was sworn-in by the Lt.-Governor, Mr. M. R. Sachdev.

The Ministry was formed by the Maharashtrawadi Gomantak Party.

The three-member Council of Ministers was headed by Mr. Dayanand B. Bandodkar. The other two Ministers are: Mr Vittal Subraya Karmali and Mr. Tony Fernandes.

Among those present at the swearing-in ceremony were Rear-Admiral A. K. Chatterji, Flag Officer Commanding, Indian Navy, Mr. Peter Alvares and Mr. Mukund Shinkre, the two members of the Lok Sabha from Goa, Mr. Purushottam Kakodkar, President of the Goa, Daman and Diu Congress PCC, Dr. Jack Sequera, President of the United Goans, and prominent Government officials.

An official Press Note said that Mr. Sachdev had made the following allocation of portfolios and business of the Government to the Ministers:

Mr. Bandodkar (Chief Minister)—General Administration, Special Department, Home, Planning and Development, excluding Agriculture, Finance;

Mr. Karmali—Information and Tourist Department, Education, Public Health and Public Works; and

Mr. Fernandes—Law, Industries, Labour and Agriculture.

In his inaugural address, the Vice-President, Dr. Zakir Hussain, praised the orderly and peaceful manner in which the General Elections were conducted and said it was significant that within two years of the liberation of the Territory and its union with India, it had been possible for the Centre to entrust the affairs of the Territory to its elected representatives.

He added: "This beautiful territory of Goa has also considerable natural resources offering wide scope for the development of industry and trade."

Among the important development projects he mentioned for Goa were power from Koyna in Maharashtra and Saravati in Mysore, a pig-iron plant of 100,000 tonnes capacity, a fertilizer factory and a steel mill.

Mr. D. Bandodkar's News Conference:

Mr. D. Bandodkar told a news conference in New Delhi on December 28 that Goa could not remain a separate entity and had ultimately to merge with Maharashtra. But he admitted there were certain practical difficulties in the way of its immediate merger.

He, however, declined to spell out the difficulties despite persistent questions. His party Maharashtrawadi Gomantak would make a policy declaration in the Lieutenant-Governor's address to the State Assembly when it met on January 9, 1964, that it stood for Goa's merger with Maharashtra.

He said he had been assured by the Prime Minister, Mr. J. Nehru during his recent meeting with him in Bombay that he was not opposed to Goa's merger with Maharashtra. He had, however, advised him to try to persuade and win over the anti-merger elements in Goa before initiating the move.

Answering other questions, he said Maharashtrawadi Gomantak would be dissolved after Goa's merger.

The first major act of his Government would be to introduce land reforms and

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labour welfare legislation in the Assembly. He was confident these measures would weaken the anti-merger elements. Some members of the United Goan Party in the Assembly were likely to join his party soon.

He said there was no difference between the Congress and Maharashtrawadi Gomantak except on the merger question. His party would not have entered the election arena if Congress had given an assurance that Goa would ultimately be merged with Maharashtra.

Mr. K. K. Shah, the A-ICC General Secretary, who came to Panjim several times, instead of giving such an assurance had said that Congress was sure to win 22 seats and would form a coalition government, if necessary, with the help of United Goans. Maharashtrawadi Gomantak fought the elections mainly on the merger issue.

(*The Times of India*, Bombay and *The Statesman* and *The Hindustan Times*, New Delhi)

[Prev. ref. 5028:INI:E]

L. **Andhra Pradesh Cabinet Re-Shuffle:** According to an official announcement in Hyderabad on December 19, 1963, Mr. K. Brahmananda Reddi, Andhra Pradesh Finance Minister, will be the Leader of the State Assembly in place of the Chief Minister, Mr. N. Sanjiva Reddi.

Changes in the portfolios of Ministers were also announced. These were in pursuance of Mr. Sanjiva Reddi's decision to divest himself of all portfolios except General Administration to keep himself free to tour the districts and keep in touch with the people.

Mr. Brahmananda Reddi, who now holds the portfolios of Finance and Co-operation, will also take over Legislature and Elections from the Chief Minister. He will also take over the portfolios of Information, Publicity and Tourism from Mr. P. V. Narasimha Rao, who will retain Law and Jails only.

Mr. A. C. Subba Reddy, Minister for Power and Irrigation, will become Minister for Public Works. Along with his present departments, he will take over charge of Buildings, Highways, Ports and City Water Works, from Mir Ahmed Ali Khan.

Mir Ahmed Ali Khan will take over Home.

Dr. M. N. Laxminarasiah, now in charge of Medium and Small-Scale Industries, will in addition get Heavy Industries.

(*The Hindu*, Madras)

[Prev. ref. 4553:INI:A]

INDONESIA

A. **Freezing Of Malaysian Assets:** A decree issued by President Sukarno on November 27, 1963 instructed the Government to "freeze" and then take over the running of Malaysian enterprises in Indonesia.

The decree affects businesses "wholly or partly belonging to Malaysian nationals or Indonesian nationals who have domiciles in Malaysian territory".

The announcement said that the move was necessary because "the nation is now engaged in the building of a national economy and is launching economic confrontation against the new Federation." The degree followed a presidential decision on November 6 ordering the seizure of Malaysian rubber mills in east Sumatra (see page 5585).

Bangsaer Talks:

The Foreign Ministers of Thailand, Indonesia and the Philippines met at Bangsaer, 50 miles from Bangkok, from November 15 to 17, 1963 to discuss the Malaysian question.

The conference was called by Thailand to explore the possibility of easing tension in the region as a result of the crisis in the relations between Indonesia and Malaysia.

According to the Indonesian Foreign Minister, Dr. R. Subandrio, the talks made little progress. He said Indonesia was determined to pursue its policy of confrontation against Malaysia until the principle of the Manila Agreements could be implemented in a way satisfactory to Indonesia.

The following is the text of the joint communique issued by the three Foreign Ministers:

"Recognizing the seriousness of the problems besetting South-East Asia, the three Foreign Ministers were of one mind as to the necessity of creating a favourable climate for negotiations and better understanding, thus paving the way for lasting peace in the region;

"They agreed to exert all possible efforts not to exacerbate further the tense situation already existing in the area. They were convinced that, at this stage, the lessening of tension is essential before consultations or negotiations can be fruitfully conducted;

"The Foreign Ministers of the Philippines and Indonesia re-affirmed their Governments' adherence to the Manila Agreements, which laid the foundation of Maphilindo, and their faith that these Agreements continue to offer a sound basis for the development of co-operation amongst the countries and peoples of South-East Asia. The Foreign Minister of Thailand, for his part, expressed the hope for wider and closer regional consultation and co-operation which would afford the countries of South-East Asia the possibility and the means to assume increasing responsibility for their own progress, stability and security;

"In this context, the three Foreign Ministers agreed that the countries of the region should encourage and assist one another in preserving and strengthening their independence, in safeguarding their sovereignty, and in preventing any attempt from any quarter to weaken and to divide them;

"The Foreign Ministers of the Philippines and Indonesia expressed their appreciation for the co-operation shown by the Foreign Minister of Thailand and requested him to continue rendering his good offices in order to create the ideal understanding, which would permit a common approach towards a peaceful settlement. The three Foreign Ministers further agreed to continue, as appropriate, their consultations in order to stimulate better understanding between all parties concerned."

(*The Times*, London and *Information Service Indonesia*)

[Prev. ref. 5502:MAL:A]

IRAN

A. **Cyrus' Treasure Found:** A Tehran message on December 21, 1963 said that a treasure of exquisite jewellery composed of over 200 gold objects had been discovered from the ruins of the Pasargadae Palace of Cyrus the Great, the Achaemedian founder of the Persian Empire.

The find was made by the British Institute of Persian Studies, headed by the Institute's Director, Mr. David Stronach, who said the objects dated to or just before 522 B.C.

(*Dawn*, Karachi)

IRAQ

A. **US Wheat Supply:** It was officially announced in Baghdad on December 6, 1963 that the US Government would treble its wheat shipments to Iraq following the revision of an Agreement between the two countries on deliveries of American food supplies.

The announcement said that the increase was approved in an exchange of letters between the Iraqi Foreign Ministry and the US Embassy in Baghdad modifying the provisions of the Agreement concluded in August, 1963 on American food surpluses. The change will mean that USA will ship to Iraq 150,000 tons of wheat instead of the 50,000 tons initially scheduled.

(*The Statesman*, Calcutta)

[Prev. ref. 5455:IRQ:B]

B. **Jews Ordered To Register:** A Baghdad despatch on December 6, 1963 said that under a law which has recently come into force, all Jews resident in Iraq must register with the authorities.

If they supply suitable information they will be given cards proving that they have retained Iraq nationality. Jews have been given 10 days in which to submit their information to the Department of Travel and Nationalities in Baghdad.

Documents and information submitted will be examined by the Department with the help of the security police. If not eligible for such cards, Jews will lose their nationality and their properties will be impounded.

The official gazette says that many Jews have dropped their Iraq nationality and are living in Iraq under assumed names which are not registered with the authorities. It is also believed that many Jews who have died have bequeathed properties to Iraq Jews whose nationality the Government has been unable to define, or whose whereabouts are unknown.

All cards providing Iraq nationality must be granted within the next four months.

(*The Times*, London)

ISRAEL

A. **US-Israel Extradition Treaty Comes Into Force:** An Extradition Treaty between Israel and USA went into effect on December 5, 1963.

At a ceremony in the Foreign Ministry, the Foreign Minister, Mrs. Golda Meir, and the US Ambassador, Mr. Walworth Barbour, exchanged the signed protocols of the Treaty.

The US protocol was signed by the late President J. F. Kennedy on October 29, one of the last international treaties to bear his name.

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The Treaty was first initialled in Washington in December, 1962, and was later ratified by the Cabinet and a two-thirds vote of the US Senate. It provides for the extradition of persons wanted for such crimes as murder, rape, assault, abortions, desertion of dependants, kidnapping, robbery, bribery, embezzlement, fraud, forgery, counterfeiting, perjury, arson, smuggling, etc.

Under the terms of the pact, political crimes are specifically excluded. What constitutes a political crime is decided by the extraditing country.

(*Jerusalem Post Weekly*)

B. **Progress Of Jordan River Diversion Scheme:** A despatch in *The Times*, London on December 13, 1963 said that finishing touches were being given to the Jordan river diversion scheme and it was expected to go into operation soon.

The date of the diversion is being kept secret in view of Arab threats to wage war to prevent it, but authoritative sources in Tel Aviv said that the 1964 thirst in the arid south will be quenched by Jordan river water flowing at an annual rate of 40,000,000,000 gallons.

In the next two or three years, the flow will gradually increase to 75,000 million gallons. This quantity will be within the frame-work of the plan for the division of the waters among Israel and the Arab riparian States negotiated by the late Mr. Eric Johnston, President D. D. Eisenhower's special envoy. The plan was accepted by Israel but vetoed by the Arab League.

The Israel carrier, comprising 50 miles of pipeline, 25 miles of open canal, four tunnels, pumping stations and a power plant, links up north of Tel Aviv with the headworks of the pipeline which distributes the waters of the Yarqon river to the Negev.

If the Arabs fail to thwart the diversions, they may draw some consolation from having put the Israelis to substantially greater expense and made them do with water of inferior quality. Because of a combination of the political difficulties created by the Arab League and unforeseen climatic developments, the water to be siphoned southward in 1964 will be too saline for certain agricultural uses and will have to be diluted with ground water from the coastal plain between Haifa and Tel Aviv.

The Israelis had originally planned to intercept between 40 per cent and 50 per cent of the water from the upper Jordan before it empties into Lake Tiberias. That water is almost mineral-free, containing only 60 to 70 parts a million of total dissolved salts. The remainder was to have been drawn from the Lake, which is much saltier because of saline springs at the bottom and on the shore. This mixture would have yielded water with some 450 parts a million of total dissolved salts.

However, when the Israelis built a dam and diversionary canal on the west bank of the river, Syrian forces across the border opened fire and some sharp fighting followed. The shore there was demilitarized under the 1949 armistice agreement which ended the fighting with Syria. Israel claims the demilitarized zone as her sovereign territory, but Syria considers it a sort of no man's land separating the two countries. The dispute reached the Security Council in 1954, and Israel was pressed to abandon the canal. All the water is accordingly to be drawn from Lake Tiberias.

Meanwhile, the driest three years' spell on record began in northern Israel in 1958-59, and the inflow from the Jordan into Lake Tiberias was reduced by half. The discharge of salt springs was unaffected by the drought. Consequently the total dissolved salts increased from 700 to a peak of 920 parts a million by 1962, but declined to 850 after last Winter's adequate rainfall.

As all water resources in the country are public property under Israel law the authorities were able to order the injection of ground water from the coastal plain into the carrier for dilution. Mr. Aaron Wiener, director-general of Tahal, the Israel water planning corporation, said that the salinity will thus be reduced to slightly more than 600 parts a million, which is only a little higher than that of the water now reaching the Negev from the Yarkon.

Farmers in the coastal plain are to be compensated from the Jordan conduit for their ground water, and there have been cries of anguish, particularly from citrus planters who claim that the higher chlorine content may damage their trees. However, Mr. Wiener insisted that the salinity will not exceed the maximum approved by agricultural experts for even the most sensitive plants.

Dilution by ground water is a temporary expedient. As a final solution, the water planners are to divert three agglomerations of saline springs on the west coast of Lake Tiberias. Mr. Wiener said this diversion is to be completed within a year, and is expected to reduce the mineral content by 35 parts a million annually, so that the cumulative effect within the next 10 years will be a 40 per cent reduction of salinity.

Moreover, divers have been at work measuring and studying the flow of underwater springs and it is hoped to divert them as well. If that is done, the reduction of salinity will be far greater.

With the completion of the Jordan river diversion, Israel planners are turning to other water projects. The most interesting is the reclamation of sewage and industrial wastes from Tel Aviv, Jerusalem, and Haifa. The sewage reclamation project for greater Tel Aviv will be the largest in the world, it is claimed, and will yield an estimated 16,000 million gallons by 1970.

The sewage is to be treated and then kept underground in a sand and sandstone storage space. Its storage in the dark without oxygen, where no organism can survive, will purify it and it will then be pumped with ground water of the region for general use.

Other plans envisaged are the using of surplus ground waters in the north and isolated parts of the south, and the damming of run-off waters from seasonal flash floods, which are to be diverted to small interception reservoirs for clearance of turgidity. They will then be spread for percolation underground for storage.

The aggregate increase by 1970 from the Jordan diversion and the other projects will be 140,000 million gallons at an investment of £22,600,000.

(*The Times*, London)

[Prev. ref. 4515:ISR:A]

C. **Exports During 1963:** The Israel Central Bureau of Statistics and the Ministry of Commerce and Industry announced that Israel's exports in the first 11 months of 1963 reached $322,000,000 (I£8.4=£).

Exports during the same period in 1962 totalled $254,800,000. Exports for November, 1963 stood at $27,100,000 against $22,000,000 in 1962.

Mr. P. Sapir, Minister of Commerce and Industry, disclosed that Israel's exports of petroleum during 1963 will be worth $8 million. The Haifa refineries, he said, were competing favourably on the international market. Taking second place to Belgium in the export of cut and polished diamonds. Israel exported $80 million worth of gems in 1962. The 1963 figure has been estimated at $100 million. The USA is Israel's main customer, asking $22.2 million worth in 1961 and $28.1 million in 1962. In 1962 diamonds accounted for 30.2 per cent of the total income from exports and, excluding citrus exports, 36.9 per cent of the total.

Agricultural exports in October, 1963, excluding citrus, amounted to £350,000 as compared to £300,000 in the same month in 1962. The tourist industry earned $34.8 million in the first eight months of 1963 compared to just over $24 million for the corresponding period in 1962. Preliminary figures issued by the Citrus Board indicate that the UK and Ireland will take 4 million cases this season as against 3.7 million in 1962. Other anticipated allocations are, in million cases, Common Market countries 5.6 (4.9 in 1962-63), Scandinavia and Finland 2.5 (no change), Eastern Europe, Austria, Switzerland, Canada and USA 1.6 (1.3). Early grapefruit which went on sale in the UK fetched 33/- per case f.o.b.

(*Middle East Economic Digest*, London)

[Prev. ref. 5536:ISR:D]

D. **US Steel Link With Israeli Firm:** Republic Steel, one of the largest steel producers in the United States, has invested in a partnership with the United Saran Plastics Corporation of Israel.

The Israeli firm produces aluminium and plastic furniture as well as a full range of plastic products. The Israel investment authority said the local firm will use Republic Steel's trade name as well as have marketing rights in East Africa, Turkey, Iran, Cyprus and possibly other countries.

(*The Times*, London)

JAPAN

A. **Drop In Exchange Reserves:** The Finance Ministry announced on December 5, 1963 that Japan's foreign exchange reserves decreased by $11 million to $1,911 million during November.

A continuing high level of imports and a large outflow of short-term capital (chiefly Euro-dollars) were responsible for the down-trend.

The trade account in November suffered heavily from a red balance in the invisible trade account which amounted to some $30 million.

The capital account, on the other hand, marked a positive balance of about $40 million owing to receipts of impact loans amounting to some $46 million.

Authorities believed that the deficit would be even larger in December as there still appeared no indication of a possible reversal of the downtrend which became conspicuous after Summer.

They predicted Japan's foreign exchange reserves would drop below the $1,900 million mark at the end of 1963.

(*The Japan Times*, Tokyo)

[Prev. ref. 5261:JAP:E]

B. **War Compensation Claim Dismissed:** The Tokyo district court has dismissed a claim by five victims of the atomic bombs dropped on Hiroshima and Nagasaki for damages against the Government.

The victims sought damages of 200,000 yen (about £200) to 300,000 yen each. The ruling ended an eight-year legal dispute on whether individual victims of atomic bomb attacks were qualified to claim war compensation from the State.

The claimants submitted that the Gov-

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ernment, which relinquished war claim rights under the San Francisco Treaty of 1952, was responsible for indemnifying damages caused by illegal conduct in war by USA, under the St. Petersburg Declaration of 1868 and the Hague Convention of 1907.

(*The Times*, London)

[Prev. ref. 5424:JAP:B]

C. **Bank Reserve Ratios:** The Bank of Japan has announced that commercial bank reserve ratios for all except time deposits will be doubled, effective December 16, 1963.

The measure is subject to approval by the Minister of Finance. The step is designed to make clear to the commercial banks that the Bank of Japan intends to pursue a policy of tightening credit.

The new reserve ratios are 1.5 per cent for banks whose outstanding balance of deposits totals not more than 20,000 million yen, and 3 per cent for banks with outstanding balances totalling more than 20,000 million yen. The reserve ratio for time deposits is unchanged at 0.5 per cent.

(*The Japan Times*, Tokyo)

[Prev. ref. 5260:JAP:B]

D. **Commercial Pact With Burma:** The Foreign Ministry announced on October 25, 1963 that Japan and Burma had exchanged Instruments of Ratification of an Agreement providing for the supply from Japan of products and services worth $140 million in 12 years beginning April, 1965.

The pact was accompanied by exchange of letters by which the Japanese Government agreed to facilitate and encourage the supply of commercial loans up to $30 million to the Burmese Government, trade firms, and private citizens for the purpose of economic development.

A Protocol which also accompanied the pact stipulated that Burma would not ask for a review of Japanese reparations under the terms of the Japan-Burma Peace Treaty following the implementation of the pact.

The pact was signed in Rangoon in March, 1963.

(*The Nation*, Rangoon)

[Prev. ref. 5193:BUR:A]

JORDAN

A. **Cabinet Re-shuffle:** A Royal decree was issued on October 30, 1963 re-shuffling the Cabinet after the resignation of three of its members.

The Royal decree accepted the resignation of Mr. Rashad el Khateeb, Minister of National Economy, Mr. Mohamed Aly Rida, Minister of Communications, and Mr. Ayub Moslem, Minister of Reconstruction and Development.

Another Royal decree was issued appointing Mr. Abdul Hamid Mortada, Minister of Education, Mr. Basheer el Sabbagh, Minister of Education and Deputy Grand Judge, Mr. Mohamed Hassen el Kayed, Minister of Finance, Mr. Amin Yunes el Husseiny, Minister of Social Affairs and Reconstruction, Mr. Abdul Rahim Sherif, Minister of National Economy and Mr. Antun Atallah, Minister of Foreign Affairs.

A third Royal decree was issued for a re-construction of the Senate with Mr. Said el Mufty as Speaker. The new Senate comprises 27 members.

(*The Egyptian Gazette*, Cairo)

[Prev. ref. 5370:JOR:A]

B. **Drinking Water Project:** On November 28, 1963, King Hussein inaugurated at Irbed, 66 miles north of Amman, a £200,000 water project officially described as the largest of its kind in the Middle East.

It provides drinking water to 250,000 people in Irbed and surrounding villages. The water came in a 16-inch pipe, pumped at Azrak oasis, 100 miles from Irbed.

The pipes used in the project were originally owned by the Iraq Petroleum Company. They carried crude oil from Iraq to Haifa on the Mediterranean until 1948, when the Arabs cut the pipeline to deprive Israelis of the oil flow. The line remained idle till early in 1963 when IPC gave up its concession and handed the pipeline with other immovable properties to the Jordan Government.

A British firm cleaned and relocated the pipes.

(*The Times*, London)

[Prev. ref. 5456:JOR:A]

LAOS

A. **British Grant:** It was officially announced in London on November 2, 1963 that the British Government had decided to grant the Laotian Government a financial contribution of £607,000 for the stabilization fund of the Kip free exchange rate under the auspices of the International Monetary Fund.

(*BIS*)

[Prev. ref. 5443:LAO:A]

LEBANON

A. **Military Court Confirms "Coup" Sentences:** A Military Court confirmed on November 15, 1963 the death sentences passed on eight men for complicity in the abortive *coup* of December 31, 1961.

The verdict came after a re-trial culminating in a marathon secret session lasting 97 hours.

First death sentences confirmed were those on Army Captains Fuad Awad and Shawky Khairallah, Lieutenant Aly Haj Hassan, Dr. Abdullah Saadeh, Mohamed Baalbaky, Bashir Obeid, Mohsen Nuzha and Jubran Atrash, all in custody.

The court ruled that Capt. Awad Khairallah and Lt. Haj Hassan should be stripped of their military ranks.

The verdict said the political nature of the crime was ruled out "by majority". Had the court considered the crimes committed political crimes, there would have been no death sentences involved.

The court president, civilian judge Mr. Emile Abu Khair, decided that the crimes were political to which armed disobedience applies. He therefore disapproved of the verdict.

Three defendants in custody who had been sentenced to death by the Military Court of First Instance had their sentences reduced to life imprisonment with hard labour. These were Asaad Al Ashkar, former President of the dissolved Nationalist Social Party, Dib Kurdiyeh and Subhy Abu Obeid.

A total of 18 defendants had a sentence of hard labour for life. Other sentences given by the court were: 18 defendants given 20 years of hard labour; 11 defendants given 15 years of hard labour; one defendant given 13 years of hard labour; six defendants given 12 years of hard labour; 24 given ten years of hard labour and 92 defendants were sentenced to periods ranging between eight years of hard labour and one year imprisonment. One defendant was acquitted.

There are 68 absconded defendants who were sentenced to death in absentia by the Court of First Instance. They and many others who were sentenced to various terms of imprisonment would be retried when they are captured or surrender.

The sentences are not subject to appeal, but the death sentences must be confirmed by the President of the Republic at the recommendation of a clemency committee.

(*The Egyptian Gazette*, Cairo)

[Prev. ref. 4841:LEB:A]

B. **Trade Treaty With Soviet Union:** A Trade Treaty with the Soviet Union for 1964 was signed on November 30, 1963 in Moscow.

(*Tass*)

MALAYSIA

A. **Parliament Buildings Opened:** The Yang di-Pertuan Agong (Head of State) formally opened on November 2, 1963 new skyscraper Parliament buildings.

They contain chambers for a House of Representatives and a Senate, along with libraries, banquet rooms, dining halls, committee rooms, and offices for all members.

Work began in 1960, and cost nearly £2 million.

Attending the opening ceremony were the members from Singapore, Sabah (North Borneo) and Sarawak, who with the old Parliament of Malaya make up the new Parliament of the Federation.

The Head of State told guests: "This building is a visible proof of our belief in the parliamentary system of government.

"This system we have found from our experience is the most suitable form of democracy for Malaysia. Not only is the parliamentary system capable of voicing and exerting the public will, but it can also produce stability and order in administration, as well as effective results in progress and prosperity for our nation and people."

After the ceremonial opening, the House of Representatives met in formal session for the swearing-in of 55 new members—24 from Sarawak, 16 from Sabah (North Borneo), and 15 from Singapore. These new members included Mr. Lee Kuan Yew, Prime Minister of Singapore, Mr. Donald Stephens, Chief Minister of Sabah, and Mr. Stephen Kalong Ningkan, Chief Minister of Sarawak.

After the swearing-in, all three took their places on the Government front bench, Mr. Lee thus confounded those who had predicted that he would sit with the Opposition or at best as a cross-bencher.

This gesture—an unspoken declaration of loyalty and unity—gave added significance to the words of Tengku Abdul Rehman, the Malaysian Prime Minister, who later spoke of Indonesia's confronta-

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tion policy towards Malaysia. To counter this, he said, it must be shown that throughout Malaysia there was a strong spirit of national unity.

The final act of the ceremony was the presentation of a Speaker's chair to the House of Representatives by a delegation from the British House of Commons led by Sir John Barlow (see page 5550).

(*The Times*, London and *The Malayan Times*, Kuala Lumpur)

[Prev. ref. 5550:MAL:B]

B. Singapore Budget For 1964: The Singapore Finance Minister, Dr. Goh Keng Swee, presented on November 28, 1963 the Budget for 1964 in the Legislative Assembly.

The only changes are an increase of 10 cents in the duty on petrol and a reduction of between 15 per cent and 33-1|3 per cent in the entertainment tax on professional boxing.

The petrol tax is expected to bring in an extra $3,200,000 in revenue.

He said the future held great promise, but the present was marred by the Indonesian policy of confrontation and the economic boycott. Severance of trade with Indonesia meant a loss of nearly 9 per cent of the national income.

He said: "It is idle to pretend that this is a trivial matter. But let me make it clear beyond doubt that confrontation will not bring about an economic collapse in Singapore or anything remotely approaching it. Our economy is in a sufficiently robust state to ride the storm".

He warned exporting countries that the Singapore market would be closed to their goods if they went out of their way to assist Indonesia in that country's economic confrontation of Malaysia. He put the cost of the severance of trade relations with Indonesia at more than £24 million a year.

Comment:

A *Financial Express* despatch on December 10, 1963 said that Singapore's new Budget—the first to be introduced since the formation of Malaysia—gives an assurance of a future full of new hopes and prospects, only if the political atmosphere in the region is not badly disturbed following the increased strained relationship between Malaysia and Indonesia.

Although the Island's defence, foreign affairs and communications have become Central subjects, its local government, unlike the Governments of Sarawak and Sabah (North Borneo), a complete control over education, labour, development and industrial projects and part of the trade.

The year 1964 would have been better still but for Indonesia's confrontation policy—both in political and economic fields—which has not only hit its free port trade but has also dislodged over 10,000 people, working on various inter-connected trade with Djakarta.

The Island had made tremendous progress in economic, industrial and educational fields since it became a self-governing Colony in 1959. It had accumulated a fantastic reserve fund and increased the national income.

For example, bank deposits had increased from $984 million (Rs. 138 crores) to $1,092 million (Rs. 154 crores) in one year, loans and advances had shown an increase of 18 per cent—from $707 million (Rs. 106 crores) in 1962 to $786 million (Rs. 150 crores) in 1963, the value of imports had increased by eight per cent (from Rs. 50 crores to Rs. 55 crores) and exports from $285 million (Rs. 43 crores) to $307 million (Rs. 47 crores).

The year 1964 may not be as bright as was expected. Admitting the impact of Indonesia's severance of economic ties on Singapore, the Finance Minister, Dr. Goh Keng Swee, said: "So far as our position is concerned, the severance of trade between Indonesia and ourselves has brought about an adverse situation....The loss of income at the rate of $209 million a year, or eight per cent of the national income, represents a severe blow for any one to pretend that this is a trivial matter...."

But, he said, this severance of trade "will not bring about an economic collapse. Severe though its effects are, the economy of Singapore is in a sufficiently robust state to ride the storm" and the Government had decided to take measures to re-absorb the displaced workers in other industries.

He noted that certain countries were trying to assist Indonesia in its economic confrontation by direct trade line which would by-pass Singapore. He warned that if these countries went out of their way to help Djakarta, the Island Government would be compelled to close these markets for them. He did not name any country.

Even as it is, Singapore has nothing to worry much from the Indonesian confrontation. It has already a budgetary surplus of $144 million, besides an estimated surplus for 1964 of $16 million (about Rs. 25 million).

The total estimated revenue for the State for 1964 was estimated at $326.7 million. This includes 60 per cent share of all the national revenue collected, which was expected to amount to $175.6 million.

The main increases in estimates of State items of revenue property tax—$8.2 million, other services—$3.21 million, arrears of contribution by the Federal Government in respect of the University of Singapore—$8 million. For the national revenue, income-tax was expected to yield an additional $6 million, customs, excise and import duties by $8.7 million and road tax by $1.2 million.

The development plan for the years 1961-64 had allowed for a total capital outlay of $871 million. During 1960-63, the plan estimate of expenditure was $651 million. The actual expenditure amounted to 79 per cent of the target figure. This is not bad, as almost all the projects earmarked for 1963 were completed or are nearing completion.

In Jurong, the biggest industrial area in the State, 1,040 acres had been levelled and prepared for occupation. Forty-seven industrialists had been allotted sites covering 380 acres and another 35 applicants have received tentative allocations.

By early 1964, 20 factories are expected to go into operation. On the social side, 227 houses and flats have been completed and another 3,000 would go up by the next year to house workers who would be employed in the Jurong Industrial Estate.

On the national income side, the State made no less progress. During 1959 to 1960, it increased from $1,934 million to $2,437 million, a 26 per cent increase. This is remarkable progress, keeping in view that the population increased from 1.58 million in 1960 to 1.75 million in 1963.

Thus, it would be seen that the increase in the national income was faster than the population growth. In other words, the national income increased by 14.9 per cent in three years.

This rate of growth had very few equals in under-developed countries in Asia and Africa.

The growth in national income now may not be as fast as it was expected because of Indonesia's confrontation policy. It might suffer a loss of 8.7 per cent. It could lead to "greater loss if counter-measures are not taken."

The Economic Development Board estimates that with the new industries coming up, the State would by 1965, generate an additional $90 to $100 million national income a year. The normal-growth of the existing industries would add another $65 million. In this way, the industrial section alone will fill up half of the gap caused by Indonesia's confrontation policy.

One notable feature of the State's Budget outlook is that the Government, besides paying attention to the industrial development, has given equal emphasis to education, although not to the extent it had liked. It had planned that it would introduce free secondary education in 1964. This has now been postponed to 1966. Even then, education gets the lion's share—over 30 per cent of the 1964 estimates.

It may be interesting to note that Singapore spends two-thirds of its revenue on social services, whereas Indonesia spends two-thirds of its revenue on armed services.

The outstanding feature of the Island's social development had been the performance of the Housing and Development Board, which spent $130 million. In terms of houses this represented completion of 29,550 homes against a target of 26,521.

Television has also been introduced and three powerful transmitters are in the process of installation. By August, 1963, 20,000 TV licences had been taken out and the number of sets was estimated at 25,000.

Singapore with a complex structure of Indians, Malayas and Chinese living together harmoniously, is worth being emulated by less developed countries, in the matter of looking after the interests of the people.

(*The Straits Times*, Singapore and *Financial Express*, Bombay)

C. Registration For National Service: The Government on November 25, 1963 ordered all men between 21 and 28 years of age to register in December for national service.

The Interior Minister, Mr. Ismail bin Dato Abdul Rahman, said the action was being taken "to take stock of this country's man-power resources."

Asked if the registration would be followed by a formal military call-up in view of the growing 'cold war' between Indonesia and Malaysia, he said: "I don't want to anticipate anything, but we must be prepared for the worst and hope for the best."

(*The Statesman*, Calcutta)

[Prev. ref. 5503:MAL:A]

D. New Army Chief: Major-General Tunku Osman (42), a nephew of Tengku Abdul Rehman, the Prime Minister of Malaysia, is to succeed Lieutenant-General Sir Rodney Moore as Chief of Staff of the Malaysian armed forces.

No date for the change-over has been announced, but, according to reports, General Moore will leave Malaya early in 1964 to take up a new post in the British Ministry of Defence.

(*The Times*, London)

ASIA OUTSIDE ASIA

A. "State Of Food And Agriculture In 1963"—FAO Report: A report entitled "State of Food and Agriculture in 1963" released by the Food and Agriculture Organization (FAO) on October 21 said that ac-

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cording to preliminary estimates of the Organization, world agricultural production rose by two to three per cent in 1962-63, slightly exceeding the annual population increase of nearly two per cent.

Record crops of wheat, barley and cotton contributed largely to this increase, while the production of most other commodities showed a small rise. Others such as oats, maize, sugar, citrus fruit, coffee, cocoa and jute declined.

It stated that in Latin America, where the rate of population increase is most rapid, there was a "slight fall in production." In the Far East (excluding Mainland China) which also has a high rate of population growth, the increase in agricultural production was "little more than one per cent." In Africa, the Near East, Oceania and Western Europe, the increase in production was as much "as four to five per cent." In North America the increase was of two per cent. In Eastern Europe and the Union of Soviet Socialist Republics (USSR) the estimate of increase was about three per cent. In Mainland China "it appears that there was some increase in production in 1962-63" after the series of bad years since 1959-60.

No major change in the world food and agricultural situation seems likely in early 1964. Supplies of most commodities were expected to remain large, although the slackening in the rate of accumulation of surplus stocks should continue; per caput food supplies in developing countries are higher than home production because of imports.

The past five years have seen "very little change in world food production per caput..." It has varied only between 11 and 13 per cent more than before the Second World War. The main increases since the War have been in Europe and North America rather than in less developed regions. Although per caput production fell in the developing regions, this had less effect on how much people ate than it did on international trade: food exports fell in some countries and imports rose in others. In consequence, the rise in actual food supplies in each of the less developed regions appeared to have been greater than the increase in their food production, and on a regional basis per caput supplies of food were somewhat above the pre-War level even where production lagged behind.

The annual world catch of fish was eight per cent higher in 1962 than in 1961, and totalled 44.5 million tons.

The industrialized countries of Western Europe, North America, Oceania and Japan accounted for four-fifths of the world agricultural imports. In 1962 their imports expanded by three per cent, but agricultural imports into non-industrialized countries fell by two per cent. World prices of some agricultural commodities rose in 1962 and early 1963: e.g., sugar, sisal, some coarse grains, rice, butter, robusta coffee and wool. However, this was mostly because of temporary shortages and other short-term factors, and the more basic factors tending to depress the prices of many agricultural exports remained largely unaltered. Therefore, "efforts to compensate for the harmful effects of low and fluctuating world prices on the economies of exporting countries ...need to be continued."

Indices of prices received by farmers, available for 23 countries, showed that in most of them the farmers got somewhat higher prices in 1962 than in 1961. In many of the 15 countries for which data on farm income and expenditure were so far available for 1962 or 1962-63, the rise in farm expenses was more than in income, thus reducing net farm incomes.

In 65 of the 89 countries for which data were available, consumers paid more for their food in 1962 than in 1961 and the over-all cost of living also went up. Indices for both retail food prices and the over-all cost of living showed an increase.

Use Of Fertilizers:

In its annual report for 1962-63, FAO called upon developing countries to extensively use fertilizers to increase food production.

Describing the use of fertilizers as a "spearhead of agricultural development," it said: "The immense possibilities for sustained increases in crop production through the use of fertilizers should be exploited by the countries where populations are growing rapidly, hunger and malnutrition are widespread and a large part of the population is poorly housed."

Although the use of fertilizers in the developing countries was increasing most of the world supply was used by a few economically more developed countries. For example, North America, Oceania, and certain countries of Europe, with only about a quarter of the world's arable land, use three-quarters of the fertilizer.

The heaviest rate of application is found in Europe, with a consumption of 84 kg of all fertilizers per hectare of arable land, compared with 33 kg in Oceania and North America and 10 kg in USSR. The figure for India is 2.3 kg, which is nearer that for Africa (2.4 kg).

Referring to the response of crops to fertilizers and other treatments, the report gave the example of two staple crops—rice in Japan and wheat in the United Kingdom. The yields of these crops, it said, had doubled twice since records were first kept a few centuries ago. "A remarkable feature is that most of this increase occurred in the past few years and still shows no sign of levelling off. At least half of the increase in yields is attributed to fertilizer use."

Estimates of the world reserves of fertilizer materials, though conservative, do not suggest any threat of shortage. The advisability of establishing domestic fertilizer industries in developing countries is receiving increasing attention in order to save foreign exchange because of the availability of raw material, and for political reasons.

A working group of India's Planning Commission on fertilizers has recommended the establishment of additional capacity of the order of one million tons during the Fourth Five-Year Plan. It has also tentatively recommended the setting up of four new fertilizer factories. Besides, the State-owned Fertilizer Corporation has certain proposals for the expansion of the existing units.

FAO emphasized the need for a balanced supply of nutrients in the soil, particularly in the tropics where, because of the nature of the soil, deficiencies are easily induced by excessive rates of application of certain nutrients.

The report also considered the use of fertilizers in forestry and fisheries. As the plant is removed from the soil complete with root in permanent forest nurseries, satisfactory growth can be obtained only through the use of fertilizer. Fertilizers increase fish yields indirectly by stimulating the growth of phytoplankton and zooplankton on which the fish feed.

(*United Nations* and *The Hindu*, Madras)

[Prev. ref. 5392:AOA:F]

B. Russian Rouble Made Convertible: Russia announced on October 24, 1963 that it was making the rouble convertible for purposes of trade within the Russian bloc.

Tass said the rouble might also be converted in certain instances for use in trade with Western countries.

The move was designed to reduce the rigidity of the Soviet bloc trade pattern. Even within the bloc, trade has been conducted on the basis of direct bilateral goods trade because no Soviet bloc country had a convertible currency.

Tass said the conversion would be conducted by a new bank which had been agreed upon by members of COMECON, the Soviet bloc trading and economic planning organization. The agreement for the bank was signed on October 22 during a COMECON meeting in Moscow. The bank will be located in Moscow.

Regarding convertibility of the rouble in trade with others, Tass said: "The bank can also effect settlements in conversion of roubles with countries which are not parties to the agreement."

Attending the meeting were Bulgaria, Hungary, East Germany, Outer Mongolia, Rumania, Czechoslovakia and Russia.

(*Tass*)

[Prev. ref. 3786:AOA:R]

C. Russian Arms Assistance To Under-developed Countries: According to a US Defence Department testimony made public on October 14, 1963 under-developed countries have received more than $3,000 million worth of arms from USSR and the communist bloc.

The testimony, given by Pentagon officials to a House of Representatives subcommittee, did not say over what period the weapons were supplied. But it said much of the Communist military aid took the form of gifts or cut-price sales.

It said: "In the case of Indonesia, for example, discounts are estimated to have averaged about one-thirds of Communist bloc military aid deliveries totalling over $1,000 million." Payment was also waived on more than $20 million worth of arms sent to Yemen, Morocco, Guinea and Algeria.

The unclassified section of the testimony listed the following communist bloc arms deliveries:

Algeria—Small arms, field guns, howitzers, rocket launchers, and five helicopters with an estimated value of $900,000 from China and the Soviet Union.

Burma—One Soviet helicopter valued at $180,000.

Cambodia—One Soviet helicopter valued at $180,000.

Guinea—Light arms, anti-tank guns, armoured cars and ammunition from Czechoslovakia valued at $1 million.

Laos—Ten Russian planes valued at $1,014,000.

Morocco—Twelve MIG fighters and two MIG trainers valued at $2.3 million.

Nepal—Two helicopters valued at $300,000.

Sudan—Five personnel carriers valued at $100,000.

The value of Soviet bloc arms shipped to Cuba was not given, but the testimony pointed out that the Cuban Premier, Dr. Fidel Castro, had said during the 1962 missile crisis that all equipment provided by the Soviet Union was given free apart from items which remained in the custody of Soviet troops on the Island.

(*The New York Times* and *The Times of India*, Bombay)

[Prev. ref. 4467:IND:A]

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ASIAN RECORDER

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NEPAL

A. Dr. Tulsi Giri Resigns—Re-Allocation Of Portfolios: Dr. Tulsi Giri, Chairman of the Royal Council of Ministers, tendered his resignation on December 23, 1963 to King Mahendra on grounds of "ill health".

A Palace communique announced the same evening that the King had accepted his resignation.

Dr. Giri, who was also Minister of Foreign and Palace Affairs, was formerly a Minister in the deposed Koirala Cabinet. He became Vice-Chairman of the Council of Ministers in the new Cabinet formed by the King in December, 1960. He was made Chairman of the Council in April, 1962.

Dr. Giri's resignation introduced a dramatic element in the Nepalese political scene and interesting developments were forecast by observers.

Three weeks earlier, Dr. Giri underwent what the doctors called a minor operation. Thirty-seven-year-old Dr. Giri was said to be progressing satisfactorily.

However, according to observers, the resignation was likely to have deeper implications.

A radio announcement said the two portfolios—General Administration and Palace Affairs—held by Dr. Giri had been handed to the Vice-Chairman, Mr. Surya Bahadur Thapa, and Foreign Affairs to Mr. Kirtinidhi Bisht, Education Minister.

Mr. Bisht, who was educated in Banaras, comes from the royal priest family.

The radio did not say who would succeed Dr. Giri.

Though Dr. Giri was the Chairman of the Ministerial Council, according to the Constitution, the King heads the Government.

(*The Statesman*, Calcutta)

B. Foreign Policy Statement: The new Nepalese Foreign Minister, Mr. Kirtinidhi Bisht, said in an interview on December 24, 1963 that Nepal was eager to strengthen her relations with India. He, however, stressed that Nepal would continue to pursue the policy of non-alignment.

He said Nepal's relations with India had come to normal after a period of strain and misunderstanding and "we further want to strengthen the friendship between our two countries". He did not think any specific step was being contemplated to promote this friendship. "We have regular contacts and we shall settle matters by mutual consultation on the basis of equality."

Asked if there was any outstanding problem to be solved, he said there were minor ones such as Nepal administering her own telephone and telegraph services (at present the Indian Embassy telegraph office is Nepal's only link with the outside world) and the conclusion of an Air Agreement.

Although no basic change in Nepal's policy towards India is indicated in what Mr. Bisht said, political observers are inclined to believe that there is likely to be a shift in emphasis and this is apparent in Nepal's "eagerness" to improve her relations with India.

The resignation by the Chairman of the Ministerial Council, Dr. Tulsi Giri, was described by observers as by far the "biggest change that has taken place in the Nepalese political scene" after the royal take-over about three years ago. It perhaps denotes the "end of a chapter" as far as Indo-Nepalese relations are concerned.

(*The Statesman*, Calcutta)

[Prev. ref. 5096:NEP:C]

C. Mr. R. Shaha Appointed Chairman Of Raj Sabha: King Mahendra named on December 9, 1963 Mr Rishikesh Shaha, former Foreign Minister, as permanent Chairman of the Raj Sabha (State Council).

This appointment was considered to be significant as Mr. Shaha had been agitating for the release of political prisoners. It was also interpreted as demonstrating royal keenness to broadbase the regime and accommodate differing points of view.

The State Council is a body analogous to the Privy Council.

Mr. Shaha was dropped from the Cabinet in 1962 when Indo-Nepalese relations were strained. When the State Council was constituted in April, 1963, the King nominated Dr. K. I. Singh, former Prime Minister, as its chairman. Dr. Singh did not accept the offer. The post had been lying vacant since then.

Mr. Shaha was nominated on the Standing Committee of the State Council in April. He did not accept the offer on grounds of his differences with Dr. Tulsi Giri, Chairman of the Council of Ministers. He accused the Government of creating an atmosphere of "fear and suspicion which prevented the people from exercising the fundamental rights guaranteed under the Constitution. He also demanded the release of political prisoners including the deposed Premier, Mr. B. P. Koirala. He also declared that he would not accept any office of profit unless his demand was met.

He said on December 9 that by becoming Chairman of the Raj Sabha he had not joined the Government and was not holding an office of profit.

(*The Statesman*, Calcutta)

[Prev. ref. 5274:NEP:E]

D. New British Envoy: The British Foreign Office announced in London on December 8, 1963 that Mr. Arthur Antony Duff had been appointed Britain's new Ambassador to Nepal.

He will succeed Mr. Gut Clarke, who is on sick leave in Britain.

(*The Times*, London)

[Prev. ref. 4470:NEP:C]

E. Development Loan: The Government announced its decision on December 13, 1963 to raise a development loan of Rs 50,00,000 through public subscription.

It was for the first time that the Government was approaching the public for funds.

The Government will issue five-year bonds to subscribers which will carry an interest of 6 per cent.

The Finance Minister, Mr. Surya Bahadur Thapa, said on December 12 that it was the Government's policy to achieve progress in various fields as far as possible without any foreign aid.

(*The Times of India*, New Delhi)

[Prev. ref. 4747:NEP:A]

F. Mt. "Saipal Himal" Climbed: The hitherto unscaled 21,097-foot Mount *Saipal Himal* in western Nepal bordering Tibet has been climbed by a six-member Japanese expedition from Doshisha University of Kyoto.

Two members of the expedition, Mr. K. Hirabayashi and Sherpa Pasamputhal reached the top from the southern reach on October 21, 1963.

The expedition was led by Mr. K. Kojima.

An unsuccessful attempt on Saipal Himal was made in 1954 by an Austrian expedition which tried to reach the summit from the western reach.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 4700:NEP:E]

G. New Glacier Discovered: The Tokyo-Osaka joint expedition to the 7,200-metre-high *Sarphu* has discovered a glacier south of the peak.

Mr. Yashihiro Hiratani, a member of the expedition, said in Khatmandu on December 9, 1963 that they climbed the peak from three directions—east, south and north—in the second half of October. They found the route from the east "quite difficult."

(*The Times of India*, New Delhi)

PAKISTAN

SUMMARY: AFRASEC Meeting; Inter-line Agreement With Soviet Airlines; Guerrilla Warfare Training; Mr. H. S. Suhrawardy Dead.

A. Meeting Of Afro-Asian Organization For Economic Co-operation: President Ayub Khan inaugurated in Karachi on December 5, 1963 the fourth biennial session of the 41-nation Afro-Asian Organization for Economic Co-operation (AFRASEC).

In his inaugural address, he emphasized the need for new international trade patterns and economic relations and urged the developed countries to accept structural changes in their economies in the overall interest of the

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balanced economic development of the world.

At the same time, he called on the Afro-Asian developing nations to mobilize all the resources available to them for an all-out attack on the appalling poverty, ignorance and disease with which they were faced today.

Presidential Address:

Earlier, Mr. Shriyans Prasad Jain of India, in his presidential address, dealt with various aspects of the economic problems faced by the Afro-Asian region and appealed for a joint and concerted effort to solve them.

He said it was because of the present pattern of world trade and price fluctuations of raw materials as compared to the rising cost of capital goods that the ambitions of developing countries for quick economic growth were being frustrated.

The situation on the part of developed countries called for adopting liberal trade policies vis-a-vis developing nations. "An essential ingredient of the new policy should be application of preferential tariffs to the trade of developing countries."

At the same time he called for joint efforts on the part of developing countries to provide an efficient and economical transport and shipping system for trade between the member-countries of AFRASEC.

The President of the Federation of Pakistan Chambers of Commerce and Industry and leader of the Pakistan delegation to the Conference, Mr. Gul Mohammed, also stressed in his speech the overriding problem of deteriorating terms of trade between developed and developing countries.

He said that this very problem was the main theme of the Conference, and expressed the hope that it would be possible for the delegates to arrive at a common view-point to be able to go to the forthcoming UN-sponsored International Trade Conference at Geneva with strength and conviction.

While calling for the need for "triangular trade deals" and joint ventures, he also welcomed the effort on the part of certain African nations to form themselves into "limited market groupings" in accordance with the decision taken by AFRASEC at its New Delhi meeting two years ago. Pakistan would also be willing to consider similar proposals from countries in this region.

"Trade Talks Session":

Inaugurating the "trade talks session" of AFRASEC on December 5, the Pakistan Commerce Minister, Mr. Wahiduzzaman, emphasized the necessity of joint and concerted efforts by Afro-Asian countries to expand their exports and improve their terms of trade with the developed countries.

He urged the big gathering of economists, businessmen and industrialists to avail themselves of the "excellent" opportunity for drawing up a joint programme which could be made the basis of discussions with developed countries in international forums like the forthcoming International Trade Conference at Geneva.

He appreciated the desire of the developing countries to "make political independence a reality by the achievement of economic independence".

He, however, felt that in spite of the flow of foreign aid and grants, developing countries "can make up their lag in economic development" only by expanding exports.

Mr. Gul Mohammed Elected President:

Mr. Gul Mohammed, President of the Federation of Pakistan Chambers of Commerce and Industry, was on December 6, 1963 unanimously elected President of AFRASEC.

Mr. Dossolo Theodore of Mali and Mr. T. Satoi of Japan were elected Vice-Presidents. The term of office of Dr. Mohammad Ali Rifaat as Secretary-General was extended for another four years.

After the election and speeches by some of the delegates, the report of the steering committee was considered. The following sub-committees were set up: Committee on Productivity, Committee on Management, Membership Committee, Credentials Committee, Committee on Permanent Headquarters for the Organization, and Committee on Trade. The composition and powers of the various sub-committees were also approved.

Conference Ends:

The Conference concluded on December 9, 1963 with the adoption of a number of resolutions.

The resolution on "Trade as a Means of Balanced Economic Development in Developing and Developed Countries," which was the main theme of the Conference, was adopted with two major amendments.

In the first instance, a new paragraph was added urging the Governments of member-countries to include businessmen and industrialists in their delegations to the forthcoming UN-sponsored International Trade Conference at Geneva in March, 1964.

Through another amendment the strength of the committee to organize the AFRASEC delegation to the Geneva Conference was raised from six to seven with powers to co-opt additional members.

Several delegates felt that instead of a six-man committee, the AFRASEC delegation should include representatives from all member-countries. Others thought it would become too unwieldly.

There was heated discussions before a compromise was reached on increasing the strength to seven, with a proviso that the committee could co-opt more members. The newcomer was Mr. Satoi of Japan. The other six were Mr. Gul Mohammed (Pakistan), Mr. Bharat Ram (India), Mr. Dossolo Theodore (Mali), Mr. Konne Dfiguiba (Guinea), Mr. Hisbullah (Indonesia), and Mr. Mohammad Rushdy (UAR).

The third amendment impressed the need for a system of triangular and/or multiple trade agreements between the member-countries even if it involved preferential treatment in customs duties on products of member-countries.

Fourteen nations retained their seats on the 15-member Executive Council. Algeria became the new member in place of Libya. The Conference adopted a resolution to this effect on the recommendation of the Council meeting on December 3, 1963. The 14 countries are: Burma, China, Pakistan, UAR, India, Iran, Iraq, Indonesia, Guinea, Ethiopia, Japan, Sudan, Morocco and Mali.

The Conference also announced the admission as full members of Kenya, Nigeria, Niger, Cameroun, Senegal, Togo and Dahomey. Qatar was granted associate membership.

Uzbekistan's membership application was not entertained because of doubts from the constitutional point of view, but the Conference resolved to further study and examine the matter "with a view to seeing in what way this territory can be associated with the work of the AFRASEC."

The Secretary-General of the Organization told a news conference later he hoped that the "way" would be found within a year. The Council is likely to meet next in August, 1964 and by that time the hurdles would be crossed.

When the AFRASEC came into being 28 countries joined it as founder-members. The number has now risen to 45.

Due to developments during recent months, Pakistan withdrew its resolution on freight rate increase by UK and US Conference Lines. It was, however, agreed that the AFRASEC would study the problem before a revised resolution is tabled.

Pakistan and UAR's joint resolution on Afro-Asian Insurance Council was adopted by the Conference. It directed the Secretary-General to invite representatives by the Conference.

The proposal to launch a shipping corporation of member-countries was not proceeded as it was felt that shipping corporations have recently been set up both in Pakistan and UAR. In the light of the experience of the two countries, the question may be taken up at the next Conference, if necessary.

In respect of mutual aid in productivity and management development, the Conference recommended to the member-countries to establish at national level productivity and management centres. Where such centres existed, the Conference urged the countries "to adopt" the new centres to be established, affording them necessary assistance.

The Conference also recommended the establishment of a regional centre in Africa with the help of international agencies.

At the same time, the Secretary-General was directed to organize a study group to keep under constant review the activities connected with productivity and management development and to maintain liaison with national and regional centres.

The Secretary-General was also directed to draw up a programme for the observance of Productivity Years in member-countries.

(*Dawn*, Karachi)

[Prev. ref. 4359:INI:C]

B. Japan Declines Pakistani Request For Submarines: It was learnt from official quarters in Tokyo on December 7, 1963 that the Japanese Government had rejected a Pakistani request to order submarines from shipyards in Japan.

The Pakistan enquiry was received early in September, 1963, but Japan declined to comply because it feared that such a move would arouse misgivings in India with whom Tokyo maintains friendly relations.

The official reason given for the rejection, however, was that under the present constitutional limitations, Japan is not in a position to export any arms abroad. Japan's position was underscored by the fact that when Japan and Pakistan late in September signed an Agreement concerning utilization of the $30,000,000 credit given by the former for the latter's Second Five-Year Plan, an understanding was reached that no part of the credit could be used for the purchase of military materials.

(*The Hindu*, Madras)

[Prev. ref. 5465:PAK:B]

C. Inter-Line Agreement With Soviet Airline: An Inter-line Agreement was signed in Moscow on December 3, 1963 between Soviet Aeroflot airline and the Pakistan

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International Airlines on the provision of mutual services.

Mr. Georgiy Shchetchikov, the head of the Soviet delegation, told a Moscow Radio correspondent that under the Agreement, Soviet aircraft would have the right to fly over Pakistan and Pakistani planes would have the right to fly over USSR.

The direct air service between Moscow and Karachi would establish closer, more friendly relations between the Soviet Aeroflot airline and Pakistani air company.

(*Dawn*, Karachi)

[Prev. ref. 5541:PAK:D]

D. General Maxwell Taylor's Visit: General Maxwell Taylor, Chairman of the US Joint Chiefs of Staff, arrived in Karachi from New Delhi on December 20, 1963 for talks with President Ayub Khan and other leaders.

In a talk with newsmen at the airport, General Taylor said that the main purpose of his visit to India and Pakistan was to acquaint himself with military problems of the two countries.

Within an hour of his arrival he met the Foreign Secretary, Mr. Aziz Ahmad. In the evening he had a talk with the Defence Secretary, Mr. Nasir Ahmad.

He called on President Ayub Khan the following morning (December 21). Later in the day, he met the Commanders-in-Chief of the Pakistan Army, Navy and Air Force at the Ministry of Defence for two hours. This was followed by a further meeting with President Ayub Khan for about 1½ hours.

According to an official Press release, during these meetings questions relating to the US arms aid to India and Pakistan-American relationship came under review.

General Taylor left Karachi on December 21 for USA.

Talking to newsmen at the airport, the General said his visit had been useful and instructive. His discussions with the Commanders-in-Chief of the Army, Air Force and Navy had been frank. No commitments were given or asked for.

He added that he had explained to his "old friend" President Ayub Khan the nature of what was being described as Indian Ocean Task Force proposals which, he said, were still under consideration. It might consist of a carrier and two or three destroyers for gaining operational experience in these waters and might call at ports with the previous consent of the countries concerned, but added that it was yet a tentative plan which had so far not been approved.

Asked whether he agreed with Pakistan's assessment of defence problems in the region, he said he did not think there was any particular variation.

He parried a question as to what proportion of his talks related to military imbalance of power in the region and the continued stalemate on the Kashmir issue by saying that he did not keep any account of percentage.

(*Dawn*, Karachi)

[Prev. ref. 5444:PAK:B]

E. Sale Of American Jet Planes And Spares Allowed: The US State Department said on December 18, 1963 that the US Administration had decided to permit the sale of American jet planes and spare parts to Pakistan International Airlines (PIA) which might be used in travel to Communist China.

The State Department Press Officer, Mr. Richard Phillips, said that spare parts for PIA would be stockpiled in Communist China under strict control and supervision by PIA.

He added: "This decision does not change the US policy of denying US exports to Communist China."

(*The New York Times*)

[Prev. ref. 5443:PAK:A; 5568:PAK:B]

F. Guerrilla Warfare Training—Recruitment Of Volunteers: Recruitment of volunteers under what is known as the Mujahid Scheme for training in guerrilla warfare was held in Peshawar District from December 7 to 9, 1963.

According to a Press Note issued in Peshawar on November 27, a decision to this effect was taken at a meeting held on November 25, 1963, under the presidentship of Mr. Jalil Haider Zaidi, Deputy Commissioner of Peshawar District.

The recruitment was held in Peshawar, Nowshera and Charsadda.

The age limit for the officers and JCOs was fixed for civil volunteers, adults up to 40 years and ex-Servicemen up to 55 years.

The recruitment of NCOs and Jawans took place at Peshawar, Nowshera and Charsadda on December 16, 17 and 18 respectively.

Selection Boards for both the categories of Mujahids were set up.

The age-limit for NCOs and Jawans is civil adults up to 35 years and ex-Servicemen up to 55 years.

Under the scheme, training facilities will be provided to all concerned for a period of two weeks during January, 1964 in the cities and villages of the District.

According to the programme chalked out by the Deputy Commissioner, Mardan District, the recruitment of officers took place at the Deputy Commissioner's office on November 29.

The recruitment of non-commissioned officers and Jawans from Mardan tehsil took place at Circuit House, Mardan, on November 27 and 28 and from Swabi tehsil at the Swat Rest House on November 29 and 30.

(*Dawn*, Karachi)

[Prev. ref. 5362:PAK:S]

G. Sardar Bahadur Khan Resigns As Opposition Chief: Sardar Bahadur Khan, a younger brother of President Ayub Khan, has resigned as Leader of the combined Opposition in the National Assembly following differences of opinion on the Fundamental Rights Bill.

The announcement of the resignation came when the Speaker of the National Assembly addressed Sardar Bahadur Khan on December 20, 1963 as "Leader of the Opposition" during the debate on the Bill.

Sardar Bahadur Khan, who shot into prominence during the last session of the Assembly when he attacked the Ayub Government, told a bewildered House that he was no longer the leader. He was now "only a back bencher."

The Council of the Muslim League, of which he is a member, decided to support the controversial Bill. But the other members of the Opposition, who outnumber the Muslim League, are still opposed to the Bill.

(*Dawn*, Karachi and *The Hindustan Times*, New Delhi)

[Prev. ref, 4998:PAK:B]

H. Jute Ordinance Approved By National Assembly: The National Assembly approved on December 13, 1963 the Jute Ordinance which empowers the Central Government to fix the maximum baling or storing charges and direct dealers or manufacturers to sell or purchase jute or jute manufactures at specified prices.

The Opposition forced a division when the Chair put the resolution approving the Ordinance to the House. Voting was 68 to 34.

Winding up the nine-hour debate spread over three days, the Commerce Minister, Mr. Wahiduzzaman dispelled fears of the Opposition and assured them that the Ordinance was designed to ensure a better deal for the jute growers.

(*Dawn*, Karachi)

[Prev. ref. 5385:PAK:K]

I. Family Laws Repeal Bill Rejected: The National Assembly, meeting in Dacca on November 26, 1963, rejected by 56 votes to 28 a private Bill seeking repeal of the Family Laws Ordinance.

The Bill stood in the name of Maulana Abbas Ali Khan.

Rejection of the repeal Bill, after over 20 hours' marathon debate, ended the year-old controversy revolving round Family Laws enforced by President Ayub Khan during the Martial Law regime providing adequate safeguards to women against polygamy.

(*Dawn*, Karachi)

[Prev. ref. 4125:PAK:C]

J. Mr. H. S. Suhrawardy Dead: Mr. H. S. Suhrawardy, a former Prime Minister of Pakistan, died of a heart attack in Beirut (Lebanon) on December 5, 1963. He was 70.

Mr. Suhrawardy had been in the Lebanon for treatment and rest. Prior to arriving in Beirut, he was in Germany for a medical check-up.

In 1945 Mr. Suhrawardy replaced Sir Khwaja Nazimuddin as Prime Minister of undivided Bengal. His regime was marred by the "Great Calcutta Killing" in August, 1946, in which an estimated 10,000 people were murdered in two weeks. The carnage started with a "Direct Action Day" observed by the Muslim League to press its demand for Pakistan. He had declared the day as a public holiday. The exact extent of his personal responsibility in the matter has remained a subject of debate ever since. The Calcutta carnage was closely followed by the massacre in Noakhali. When Mahatma Gandhi came to Calcutta on his way to that district, Mr. Suhrawardy saw him several times, directed his daughter to accompany the Mahatma on his tour, and declared himself converted to the ways of non-violence. Later, immediately before independence, when Mahatma Gandhi came again to Calcutta and lived in a house in Belliaghata, he lived there, too, for some time.

After Partition Mr. Suhrawardy opted for Pakistan where, two years later, he left the Muslim League and formed the Awami League. In March, 1954, a United Front, consisting of the Awami League, Mr. Huq's party and three others, routed the Muslim League in the elections and formed a Government in East Pakistan with Mr. Huq as Chief Minister. Mr. Suhrawardy was then in Europe convalescing after a serious illness. The Front Ministry was dismissed in June, 1954 for its "failure to maintain law and order" following riots in some jute mills.

Mr. Suhrawardy, who returned in July, 1954 accepted the Law Ministership of

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Pakistan. He was largely responsible for the unification of West Pakistan.

In August, 1955, following one of the periodic permutations in Pakistan, a League-Front Cabinet was installed at the Centre. The Awami League was no longer a constituent of the Front. Mr. Suhrawardy became Leader of the Opposition.

In September, 1955, following the resignation of Chaudhuri Mohammed Ali, he was asked to form a Cabinet, which he did in coalition with the Republican Party.

One of his first acts on becoming Prime Minister was to appeal to India for a food loan to East Pakistan. Within 24 hours 2,000 tons of cereals were sent from India, with a promise of more. In November, 1956 he accompanied President Iskander Mirza to Baghdad for talks with Iraqi, Turkish and Irani leaders to co-ordinate the views of the Baghdad Pact members on the Middle East situation and the Suez crisis. He also went to Beirut for talks with Lebanese leaders. His Ministry resigned in October, 1957.

With the advent of President Ayub Khan and the Elective Bodies Disqualification Order (EBDO), political parties were banned and many individuals forbidden to take part in politics. Mr. Suhrawardy was also forbidden, and in January, 1962 was suddenly arrested under the Security of Pakistan Act on charges of anti-Pakistani activities. His activities were said to be "fraught with such danger to the security and safety of Pakistan that one could fairly describe them as treasonable". Seven months later he was released.

In October, 1962, following the relaxation of the ban on political parties, he formed the National Democratic Front and appealed to President Ayub Khan to assess the political situation in the country himself as his counsellors had embarked on a "policy of repression". He said he would test in a court of law whether the formation of the Front could be banned under EBDO.

(*The Statesman*, Calcutta)

[Prev. ref. 1019:PAK:A, 4049:PAK C]

K. Buddhist Chapel Unearthed Near Peshawar: It was reported on December 3, 1963 that a complete Buddhist chapel dating from the reign of Kanishka had been dug up by archaeology students of Peshawar University, who were seeking Pushkalavati, the capital of ancient Gandhara.

Valuable pieces of Greek and Kushan pottery and about 300 coins were also found in excavations of the mound of Sheikhano Dheri, near Rajar, about 30 miles from Peshawar.

The excavations stopped on December 7, 1963, until 1964. They were conducted under the supervision of Dr. Ahmed Dani, Head of the Department of Archaeology at the University, and Dr. and Mrs. F. R. Allchin, a leading British archaeological couple.

Dr. Ahmad Hassan Dani told a visiting Press party that excavations had established beyond doubt that the city was founded by the Bactrian Greeks about 150 BC on a regular grid pattern with fine houses of stone masonry.

The coins of Kings Menander, Alpolodotus, Pantaleon, Antielocidas and Helickpes were found at the lowest level. Some fine pieces of Bactrian Greek pottery were also found at these levels.

The discovery was considered important archaeologically because pottery of this type had never before been found in any part of Pakistan. Some pieces were clearly parts of a typical Greek wine vase, the kratier.

The excavations were made up to 39 feet, only three feet above the water level and the Greek layer was found at the lowest point. Above this was the Scythian period and on top the Kushan, which was the most glorious period of Gandhara civilization.

The city was abandoned abruptly, probably due to a change in the course of the river, 200 years before the Huns destroyed the Gandhara civilization.

From the Scythian period coins of Azez I were found and the Scythian pottery is different both in colour and style as compared with black or grey of the Bactrians.

The most exciting discovery was that of a complete Buddhist chapel with an elaborate drainage system, a tank and a ritual bathing room. The chapel had a rectangular apse at the south end which was covered by a canopy supported on heavy wooden pillars at each of the four corners.

In the centre was probably a small stupa of which a miniature replica was found in a courtyard. It was on this replica that the name of Bhikku Nardakh was inscribed and probably in whose honour the chapel was constructed during the reign of Kanishka. Around the courtyard were plastered platforms with pedestals for images. They were all found fallen in the court.

The images probably fell in a major conflagration. In all, three fires took place in the building. In another adjoining room were discovered several great storage jars standing on a platform. Almost intact nearby were a number of smaller vessels, some stamped with royal Kushan monograms.

(*Dawn*, Karachi)

[Prev. ref. 4999:PAK:G]

PHILIPPINES

A. ECAFE Conference On Asian Economic Co-operation: A special Ministerial Conference on Asian Economic Co-operation, convened by ECAFE, was held in Manila from December 3 to 6, 1963.

Western nations which are members of ECAFE were not invited to participate in the Conference, which was the first of its kind.

In his opening address, the ECAFE Executive Secretary, U Nyun, said that the Conference had been called by ECAFE countries because they were impressed by the greater progress in co-operation achieved in Western Europe, Africa and Latin America and because "they see how slowly economic progress is moving in Asia".

The programme began with an address on unity by Philippines' President, Mr. Diosdado Macapagal, which was read by an aide in Mr. Macapagal's absence. Mr. Macapagal was then in New York. His message called for joint positive action among ECAFE member-countries to solve their common economic problems.

Immediately after the opening ceremony delegates from India, Afghanistan, Australia, Brunei, Burma, Ceylon, Formosa, Japan, South Korea, Pakistan, South Viet-Nam, Thailand, Hong Kong, Iran, Laos, Mongolia, Nepal, New Zealand, Indonesia, Western Samoa and the Philippines elected the Philippine chief delegate Chairman of the Conference and the delegates from Iran, Ceylon and Afghanistan Vice-Chairmen. The delegates then went into a closed session.

Conference sources said all those who spoke were generally agreed that the Conference "marked a new course of planning for the economic future of the region." The delegates noted that "with Europe and Latin America going ahead with regional co-operation, Asian countries must move with the times."

India's Minister for International Trade, Mr. Manubhai Shah, called for the "abolition in the shortest time" of poverty in Asia, Africa and Latin America.

He stressed the urgency of bringing to a quick solution "the poverty and hunger of the teeming millions of those three under-developed continents."

He appealed to the world's developed and industrialized countries to give "freer access" to the products of the developing countries and warned that unless they did so, "the future of world trade is not very bright."

Decisions:

The delegates agreed on an action programme for trade liberalization and the creation of an Asian Development Bank. They favoured closer economic co-operation among the countries of the region and participation in the World Trade Conference in Geneva in March.

The main resolution on economic co-operation passed at the Conference declared that "member-countries of the ECAFE region shall endeavour jointly and individually to achieve increasing measure of economic co-operation."

It stated that regional co-operation "shall be based on mutual respect for national sovereignty, reciprocity in advantage and mutual assistance, with due recognition of the different stages of development of the countries of the ECAFE region and of the importance of co-operation with countries outside the region."

Among the measures proposed by the Conference was the establishment of free trade areas or customs unions on a sub-regional basis by interested countries.

This suggestion was listed as one of several possibilities for promotion of trade within the region.

There was no reference to an Asian Common Market. Delegates were agreed that such a step was out of the question at present.

The resolution also urged that where possible member-Governments make their purchases of goods in the ECAFE region.

The resolution was hailed by U Nyun as "a charter for economic co-operation among Asian countries."

The second resolution dealt with participation in the Trade Conference in Geneva which was described by ECAFE members as one of the most important ever to be held.

All delegations agreed that developing countries in Asia and the rest of the world must "speak with one voice" at the Conference in order that they might garner a greater share of the world's trade.

Pakistan's Ambassador, Mr. A. M. Malik, noted that political differences had often stymied efforts at economic co-operation in Asia and urged the delegates to seek solutions to their countries' political problems in order to further economic co-operation.

The seriousness of the area's political problems was illustrated by the failure of Malaysia to attend the Conference.

Asian Development Bank:

The Development Bank for Asia, mooted at the various ECAFE forums during the last two years, will be modelled on the lines of the International Development Association (IDA), the World Bank subsidiary which provides long-term soft loans at low interest.

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Disclosing this, U Nyun, Executive Secretary of ECAFE, said in New Delhi on December 21, 1963 that 1964 and 1965 would be years of great activity as far as ECAFE's plans for fostering economic co-operation in the region were concerned.

The Development Bank scheme had to be worked out carefully and in some detail. The ECAFE Secretariat would work on it during the next eight or nine months and it was proposed to call a meeting of governors or directors of central banks of the member-countries towards the end of 1964 to give shape to the scheme. Representatives of the World Bank would attend.

Balance of payment being a general problem in Asia, the important thing was to foster an arrangement under which loans would carry a nominal rate of interest and can be repaid in local currency —in goods or services generated by the aided projects. Secondly, not all the projects would pass the strict economic tests of the World Bank—here again, what was required was the approach of the IDA, which did not insist on economic viability as a condition for aid.

U Nyun explained that the World Bank itself and some of the leading Western nations, particularly the USA, the UK, France, West Germany, and of course, Japan, would probably help by providing development finance through the proposed Bank.

It was increasingly recognized, even in the West, he said, that trade was the other side of the aid medal. The focus for discussions on this subject was the World Trade Conference in March.

Like other developing regions—Latin America and Africa—Asia had a point of view to put forward at Geneva. This was to plead for loosening up of the channels of world trade and generally to supplement financial assistance through expanded commercial exchanges. The formula that ECAFE had in view was that trade preferences by the Western nations should be in the inverse ratio to the national income, thereby recognizing the principle that economically backward nations deserved a preferential treatment in this respect.

Among themselves too, the ECAFE nations could do a great deal to help each other. The avenues of intra-regional trade had to be diligently explored—there was no reason why, for example, Japan should expend large sums on research on synthetic rubber when so much natural rubber was available in Asia, or that Cambodia or Laos should set up large textile mills when Hong Kong was groaning under the weight of undisposed cloth.

Joint collaboration was another avenue of co-operation. The developing nations in the ECAFE region could help the newcomers not only with technical 'know-how' and trained personnel but also by providing equipment or investment. Sub-regional groupings like those signified by Maphilindo (Malaya, the Philippines and Indonesia) or a possible combination of India, Burma, Ceylon and Nepal—with their similarity of political and economic outlook—could play an important part in providing impetus to the developmental process.

(*The Times of India*, New Delhi and *The Manila Times*)

[Prev. ref. 5211:PHI:A]

B. **Supreme Court Ruling On Rice Import:** The Supreme Court ruled on October 23, 1963 that the Government's importation of 67,000 tons of rice from Burma and South Viet-Nam was illegal.

The Court gave the ruling while disposing of a petition by a local rice producer to restrain the Government from importing rice. The producer argued that the laws of the land prohibited the importation of rice unless the National Economic Council certified a rice shortage.

In its decision the Supreme Court said the importation could be legalized only if the National Economic Council certified a rice shortage.

It required the Government to buy rice and corn directly from local planters, leaving any importation that might be required to private parties.

The rice issue had been a major topic of discussion since the administration announced the necessity of importing rice six months earlier in view of the "critical situation" in South-East Asia.

President D. Macapagal, commenting on the Court's ruling, said his Administration would continue to provide the masses with sufficient rice at low prices during the lean months of July to September, 1964.

He said his administration would endeavour "to meet the problem within the context of the Supreme Court ruling."

Opposition Nacionalista Party leaders demanded on October 23 that Congress should impeach the President for violating the Constitution.

Rice Agreements:

Earlier, on October 17, 1963, President Macapagal announced that the Philippines had entered into Agreements with Thailand, Burma and South Viet-Nam for continuous and indefinite rice importation to stave off the threat of hunger.

In a radio and television address, he defended the importation of 250,000 tons of rice.

He said: "If our people during those past three months of July to September encountered difficulties in having their rice, even with the importation, their difficulties and hardships would have critically increased if rice had not been imported.

"Many of our people would have gone hungry because they would not have been able to afford the high increases in prices that would have occurred.

"But because the administration imported rice, the people were saved from hunger."

He added: "Conscious of my responsibility to our people, I shall not allow our people to go hungry. If there are two reasonable sides to the law, I for one will take that side which will save our people from hunger.

"Until such time as when we shall have reached our goals for productivity and production, the Philippine Government has entered into Agreements with the Governments of Thailand, Burma and South Viet-Nam with a view to the continuous and indefinite importation of rice to keep our people from hunger during the lean months of July to September."

(*The New York Times* and *The Manila Times*)

SAUDI ARABIA

A. **Allocations For Industrial Development:** In the current Budget, the sum allocated by the Public Works Department for projects amounted to 550,000,000 riyals (£44,000,000)—the same as 1962, and an increase of 150,000,000 riyals over 1961-62 when the allocation was 400,000,000 riyals.

According to the annual report of the Saudi Arabian Monetary Agency released in September, 1963, actual spending did not exceed two-thirds of the allocation, a particular sum of 107,000,000 riyals for studies and surveys of development projects being left largely unused owing to lack of unanimity among Ministries and Government agencies on priorities for long-term projects. Presumably the unused allocations will be available as the development projects get under way.

Despite lack of an overall development plan on a long-term basis, some programmes have been agreed upon.

Communications: A large net-work of asphalted roads is to be built within the next 3 years, the target being 10,000 kilometres of first-class roads, of which over 2,000 are already constructed. Automatic telephone systems at a cost of 130.5 million riyals are being installed in all big cities and towns and street lighting systems are also planned. Jiddah port is being improved and grain silos are to be built close to the port.

Industries: An oil refinery is to be built at Jiddah, the Government contributing 75 per cent of the capital and the public the remainder. A paper mill and factory for paper by-products are proposed. Plans for a steel mill, financed jointly by the Government and private capital, are complete and the plant is due to start production within 3 years, the ore coming from the Kassass mines and natural gas being used as fuel. A petrochemical plant is to be built in the eastern district, half the cost coming from private capital and half from the Petroleum and Mineral Resources Organization. The project to bring natural gas from Uthmaniah by pipeline to Riyadh for generating electricity will cost 40 million riyals, but will reduce electricity costs by 50 per cent, thus encouraging industries in the neighbourhood.

(*Middle East Economic Digest*, London)

[Prev. ref. 5553:SUA:A]

SYRIA

A. **Army Officers Sentenced:** A National Security court passed long prison terms on nine runaway Army officers and a former Rightist Premier on December 14, 1963 after finding them guilty of planning Syria's breakaway from its merger with Egypt.

The military tribunal at the same time ordered the immediate release of retired Brigadier Mouwaffak Assasa, former Commander of Syria's Air Force and retired Col. Haidar Kuzbari, former Commander of Syria's desert force.

The court also released retired Paratroop Colonel Bassam Assali, who surrendered himself to face trial the previous week.

Ex-Premier Kuzbari was sentenced to five years' imprisonment and stripped of civil rights for ten years. His whereabouts were unknown. He was banned from living in either Damascus or Aleppo for five years after serving his prison term.

Five former Army officers, including Col. Abdul Kerim Nahlawi and Brig. Abdel Dahman, former commander of the Damascus garrison, were sentenced in absentia to life imprisonment with hard labour. They were also stripped of civil rights for life.

Four other absentee officers received 10-year prison terms and were stripped of civil rights for life.

Amnesty:

Thirty-five prisoners, including a former Army leader, Lt-Gen A. K.

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Zahreddin, were released from the Maza military jail in Damascus on December 15, 1963.

A total of 76 prisoners had been released since a general amnesty was declared on December 10.

(*The Times*, London and *The Statesman*, Calcutta)

[Prev. ref. 5081:SYR:A]

B. General Amnesty: The National Council of the Revolutionary Command issued on December 11, 1963 a decree proclaiming general amnesty for persons accused of crimes against the internal security of the State.

The decree particularly applied to persons accused of violence, murder or sabotage during the coup of March 8, which brought the present regime to power.

(*Baghdad Radio*)

[Prev. ref. 5178:SYR:A]

THAILAND

A. F-M Sarit Thanarat Dead: The Prime Minister, Field-Marshal Sarit Thanarat, died in Bangkok on December 8, 1963. He was 55.

The Government ordered seven days of national mourning. The armed forces were put on a state of alert "to forestall the danger of subversion."

The political career of Field-Marshal Sarit, who received the baton on January 1, 1956, developed when opposition was growing to Field-Marshal Phibun, who had dominated the political scene for a great part of the time since the establishment of constitutional government in 1932. He was one of a younger group of leaders in the armed services who had not participated in the overthrow of the absolute monarchy. He and Police-General Phao Siyanon emerged as rivals during the last years of Phibun's premiership. From 1955 a liberalization of political method was attempted. The formation of legal political parties was allowed. Field-Marshal Sarit became Vice-Chairman of the Government party, the Seri Manngkhsila, of which General Phao was Secretary.

In the key elections of February, 1957, considerable opposition to the Government was revealed by the large total of votes polled by other parties. Field-Marshal Sarit was not involved in the charges made against the Government that it had ensured a majority by illegal electoral practices, and he became something of a national hero as a result of his firm yet tactful handling of the student riots which broke out following the election. He became Minister of Defence in the last Phibun Government but resigned in August, 1957. On September 17 he led the coup d'etat which resulted in the exile of Field-Marshal Phibun and General Phao. He became Supreme Commander of the Armed Forces but was abroad seeking medical treatment in the United States and the United Kingdom for much of 1958. On October 19 he flew into Bangkok from London and assumed immediate personal control of the Government. The Constitution was suspended, the National Assembly dissolved and a Constituent Assembly created with the double function of approving legislation and preparing a new Constitution.

Field-Marshal Sarit was an avowed admirer of the methods of direct rule of such leaders as President de Gaulle. His home policy was firmly directed against Communist subversion. His regime was important for the attempts that were made to improve economic conditions especially in the less well endowed north-eastern provinces. In foreign affairs he fostered his country's special relationship with the United States. He supported the South-East Asia Treaty Organization though he believed in a bolder policy towards Laos than was favoured by some of its members.

He enjoyed better relations with the royal family than his predecessors and was invested with the Royal Order of Merit in 1959. He had been Prime Minister since 1959.

New Premier Named:

The following day (December 9), one of the Vice-Premiers, Gen. Thanom Kittikachorn, was appointed by the King as the new Prime Minister.

He had previously been acting Prime Minister during Field-Marshal Sarit Thanarat's absence abroad for medical treatment.

(*The Times*, London and *Bangkok World*)

[Prev. ref. 2529:THI:A]

TURKEY

A. Forbidden Areas Opened To Foreign Travellers: Nine Provinces of Eastern Turkey, hitherto forbidden to foreign travellers, were declared open on November 30, 1963.

The areas include the historic fortresses of Kars and Erzurum, near the Russian frontier, and the region surrounding the 17,000-foot high Mount Ararat, the traditional resting place of Noah's Ark after the Flood.

The nine Provinces from which the ban has been lifted are Coruh (Artvin), Kars, Agri, Mush, Erzurum, Bingol, Tunceli, Elazig, and Adiyaman. Another seven Provinces in south-eastern Turkey, which adjoin the Iran and Iraq frontiers and which are mainly inhabited by people of Kurdish origin, including the ancient cities of Van and Diyarbakir, may still be visited only on essential business with permission from the Turkish authorities, although it is possible that this area will also be freed scon.

The lifting of the travel prohibition from these areas will be of great importance for Turkish tourism, because previously all lands east of the River Euphrates, nearly a quarter of Turkey, were barred to all foreigners without official permits. The freeing of the zone in the east is of particular interest as showing a softening in the hostile relations existing in recent years between Turkey and Russia.

(*The Times*, London)

VIET-NAM (RVN)

A. Action Against Officials Of Diem Regime: It was officially announced in Saigon on December 9, 1963 that 13 senior officials of the ousted Diem *regime* had been dismissed.

The announcement said that the officials, including the Chief of the Secret Police, would be put on trial for alleged misuse of power and corruption.

The dismissed secret police chief is Mr. Duong Van Hieu. He was one of the chief planners of the anti-Buddhist campaign in August, 1963.

Six Ambassadors, including those in London and Paris, and the Consul-General in Hong Kong, were removed from their posts. Mr. Ngo Dinh Luyen, who has been Ambassador to Britain, was a brother of the late President Diem.

Major-General Duong Van Minh, head of the Military Revolutionary Council, told a news conference that in the five weeks since the anti-Diem coup d'etat the new Government had achieved "rather encouraging results". The military situation against the Communists was "well under control".

Another leading member of the Junta, Major-General Le Van Kim, said the Government would not allow either neutralists or communists to return from exile to take part in politics.

At a later news conference it was stated that the exact figure of those arrested since the coup was 137.

(*The Times*, London)

[Prev. ref. 5589:RVN:A]

B. New Government's Policy Statement: The following is the text of the policy statement issued by the Army junta on November 3, 1963 after overthrowing the Diem *regime*:

[The statement was reported briefly on page 5590].

"The Revolution staged by the Armed Forces has been successful. The citizens living in the Capital have witnessed the heroic battles of our military forces to destroy a despotic and corrupt regime.

"The Armed Forces, with their tradition of heroism and their high sense of service to the Fatherland, will never betray the people, and are determined to lead it to glorious victories.

"The Armed Forces are fighting for the sacred interests of the nation; they seek neither power nor honours for themselves.

"The Armed Forces do not aim at setting up a dictatorship, because they are well aware that the best weapon against communism is democracy and liberty.

"Neither do the Armed Forces aim at establishing a disorderly democratic regime while all the forces of the nation must be mobilized to wage a merciless war against Communism, because they realize that it is necessary to adopt a form of democracy consistent with the discipline required by a nation at war.

"In their present struggle the Armed Forces' aim is service to the nation; their motto is action; it rejects utopian ideas, and makes no empty promises.

"(a) **External Policy:** The Armed Forces' only platform is to fight communism.

"The Armed Forces advocate the placing of Viet-Nam among the ranks of free world nations.

"The Armed Forces are for the establishment of diplomatic relations with all neighbouring nations, and the strengthening of the existing good relations with all friendly countries.

"The Armed Forces are determined to honour all agreements and pacts previously signed by Viet-Nam, to respect the properties and protect the lives of foreign residents in Viet-Nam.

"(b) **Internal Policy:** The Armed Forces will seek to achieve the complete union of all our people.

"The Armed Forces will favour the functioning of all non-Communist political parties within the limits required by national security.

"The Armed Forces will transfer political power to a popularly elected government, when the situation permits.

"The Armed Forces will invite all personalities, and representatives of all social classes to participate effectively in

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the task of establishing democratic institutions.

"On the economic, social, educational, health, youth, and similar fields, the Armed Forces advocate the concentration of means and unity of action in order to cope with the urgent task required by the national emergency.

"The Armed Forces will maintain freedom of faith and treat all religions on the basis of absolute equality.

"The Armed Forces will set up special committees to review the cases of all non-Communist nationalist elements under detention in jail, will release the innocent and will offer them opportunities to participate in the building of a new social order.

"The Armed Forces will favour to the utmost the freedom of the Press and of expression, so that the Press could by itself be conscious of its mission to lead public opinion in the anti-Communist struggle; they will encourage and accept all constructive criticisms.

"The Armed Forces will continue all public utility works initiated and supported by our entire people.

"The Revolution led by the Armed Forces has responded to the wishes and desires of our entire people. The Military Revolutionary Committee has a platform and a policy appropriate to our national emergency situation.

"In consequence thereof, we of the Armed Forces appeal to citizens of all walks of life to march forward to glorious achievements in order to build a better and happier life, and a more prosperous nation in Viet-Nam."

(*Consulate-General of the Republic of Viet-Nam*, New Delhi)

[Prev. ref. 5589:RVN:A]

ASIA OUTSIDE ASIA

SUMMARY: Cut In Soviet Defence Budget; US Stand In Event Of Indo-Pakistan War; US Wheat Sale To Russia; British Aid To Developing Countries; World Sugar Output.

A. Cut In Soviet Defence Budget: In his Budget speech in the USSR Supreme Soviet on December 16, 1963, the Minister of Finance, Mr. Vasily Garbuzov, said that the Soviet Government had found it possible to reduce military appropriations by 600,000,000 roubles.

The Budget for 1964 and 1965 provides for a rapid growth of all the leading branches of industry, with priority given to the chemical industry.

Large sums are being appropriated for the development of agriculture, and specifically an increase in the production of mineral fertilizers.

In the next two years, record appropriations will be made for housing construction, science and education, for social and cultural services, and for consumer production.

Wages are to be increased for certain professions.

Mr. Garbuzov announced the Budget in the following amounts—for 1964 91.8 billion roubles revenues and 91.3 billion roubles expenditures; for 1965 101.2 billion roubles revenues and 100.4 billion roubles expenditures. The revenues will exceed expenditure by 0.5 billion roubles in 1964 and 0.6 billion roubles in 1965.

According to preliminary figures, the Budget for 1963 will be executed in the amount of 88.6 billion roubles revenues and 86.8 billion roubles expenditures, with a credit balance of 1.8 billion roubles.

Mr. Garbuzov said that the Soviet Government had found it possible to cut the appropriations for the USSR armed forces by 600 million roubles in 1964. These appropriations will amount to 13.3 billion roubles, or 14.6 per cent of the total as against 16.1 per cent in 1963. "These appropriations will enable the Soviet Union to maintain its defences at a level that would ensure the security of the country and the entire socialist camp."

The total sum of allocations for the national economy will amount in 1964 to 68.5 billion roubles and in 1965 to 74.4 billion roubles; 2.092 million roubles (44 per cent more than in 1963) will be allocated for the needs of the chemical industry in 1964, and in 1965 2.757 million roubles (32 per cent more than in 1964).

It was planned to increase expenditures on the development of the power industry by 30 per cent, the oil and gas industries by 38 per cent.

The new Budget will ensure the necessary financial backing for the considerable increase in the output of agricultural produce envisaged by the Plan for 1964-65; 11.9 billion roubles (22.7 per cent more than in 1963), will be allocated in 1964 for this, and 12.8 billion roubles in 1965.

The Budget also envisaged allocations for rendering economic aid to foreign States under inter-Governmental agreements. "The Soviet Government," Mr. Garbuzov declared, "is rendering disinterested economic aid to States that have become free of colonial dependence. This aid facilitates the development of the decisive branches of economy of the young States, and their industrialization."

He said that the Budget for 1964 envisaged allocations for social and cultural undertakings to the sum of 32.7 billion roubles and in 1965 34.5 billion roubles. Simultaneously with the new Budget, submitted for approval by the USSR Supreme Soviet, was the report on the fulfilment of the Budget for 1962, equal in revenues to 84.3 billion roubles and in expenditures to 82.2 billion roubles, with the revenues exceeding expenditures by 2.1 billion roubles.

Economic Development Plan For 1964-65:

Mr. Pyotr Lomako, Vice-Chairman of the Council of Ministers of USSR and Chairman of the State Planning Committee, reported to the Supreme Soviet on December 16, 1963 on the draft of the State Economic Development Plan for 1964-65.

He stressed that the draft provided for measures toward fulfilling the decisions of the December plenary meeting of the CPSU Central Committee on the chemicalization of national economy.

Industrial production will go up by 17.5 per cent in the next two years. The seven-year economic plan for the development of industry will be fulfilled ahead of time.

The rates of growth of the production of means of production and consumer goods will become more even. In two years, the capital goods production will increase by 18.6 per cent, and consumer goods production by 14.5 per cent.

The total grain crop is planned at 10.2 billion poods in 1964, and 10.6 billion in 1965.

The national income is to increase by 16 per cent.

"As a whole, industrial production in USSR in 1953 was only a third of the American production", Mr. Lomako said. "By the start of the Seven-Year Plan it was approximately 50 per cent, and this year it will be about 65 per cent of the present US total. In 1965 we shall produce approximately as much as the United States did in 1958, or three-quarters as much as it produces today".

During the seven years, industrial production in the Soviet Union will have increased by at least 86 per cent (as against the 80 per cent target under the Seven-Year Plan). There will be essential progressive shifts in the structure of industrial production. Chemical production will increase by 36 per cent, gas by 40 per cent, and electricity by 32 per cent.

Two-fifths of all capital investments in chemistry will be used to increase the output of mineral fertilizers, insecticides and herbicides.

In 1965, oil production will reach 240 million tons (as against 205 million in 1963), while gas production will go up 40 per cent compared with 1963. The share of oil and gas in Soviet fuel consumption will increase from 48 per cent in 1963 to 53 per cent in 1965.

In the last year of the Seven-Year Plan, the Soviet Union will generate 508 billion kw hours of electricity. Production of pig-iron will total 65.7 million tons, steel 89.3 million tons, and rolled stock 69 million tons.

The output of the machine building and metal-working industries will increase by 21 per cent in these two years, and 2.4 times over the entire seven-year period.

The light and food industries will receive 50 per cent more capital investment than in the preceding two years.

It was expected that the average per hectare yield of cereals will rise from 10.9 centners in 1962 to 12.5 centners in 1965.

The planned grain procurement levels of 4.1 billion poods in 1964 and 4.2 billion poods in 1965 will satisfy the State's requirements in bread.

Among the various branches of the rapidly developing engineering industry the greatest attention will be paid to the output of chemical and oil equipment and farm machinery. In the two years industry will build more than 700,000 tractors, including more than 540,000 for agriculture.

It was planned to switch 4,300 km of railways over to electric traction, and to lay 2,550 km of new lines.

The growth of the merchant marine will make it possible to increase the share of Soviet ships in the total volume of export-import deliveries from 37 per cent in 1965.

The State Plan for 1964-65 includes more than 5,800 construction projects.

It is planned to increase labour productivity in industry by 4.6 per cent in 1964, and by 6.8 per cent in 1965. This will ensure more than 70 per cent of the entire planned increment of industrial production.

The Plan envisages allocations to increase minimum wages to 40-45 roubles a month for low-income bracket workers. The wages fund will grow by more than 12 per cent in these two years, and the number of industrial and office workers by nearly 5.5 million. The total number of industrial and office workers in 1965 will equal 76.1 million; 15 million more people will move into new flats in these two years; 7.4 million people will study in establishments of higher education and in secondary specialized schools. In these two years the country will receive 760,000 specialists with higher education and 1.2 million with secondary specialized education.

Mr. N. Khruschev's Statement:

On December 14, 1963 the Soviet Prime Minister, Mr. Nikita Khruschev, announced plans to cut Soviet military spending in 1964 and said his Government was also considering cutting the numerical strength of the armed forces.

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In a speech at the closing session of the Communist Party Central Committee in Moscow, he said that the Soviet Union had everything necessary "and even more than necessary" to curb any aggressor.

He said that "these peace-loving steps of ours" were a new contribution towards easing international tension "an impetus to which was given by the conclusion of a Treaty on the partial banning of nuclear tests."

He said that the policy of peaceful co-existence between States with different social systems was "the only reasonable course in our day." The Soviet Union proposed to compete not in war preparations, but in peaceful spheres, he said.

He said the proposals to reduce the 1964 military budget would be submitted to the Supreme Soviet.

[Mr. Khruschev in January, 1960 gave the strength of the Soviet armed forces as 2,423,000, compared with 11,365,000 in 1945 and 5,763,000 in 1955. But in July, 1961 he halted demobilization and increased military spending by nearly one-third, because of the Berlin crisis].

He said that "aggressive militaristic quarters in the United States are again beginning to fan tension over Cuba." "I would say straight messers aggressors, do not rattle your sabres, do not play with fire. One should clearly realise that if tension is fanned and a threat to Cuba created, this cannot but affect the entire international situation."

He said Russia wanted to believe that understanding of peaceful competition "will prevail among the Western statesmen also and that they will obey the call of the times and will meet the demands of the peoples—to get down to disarmament."

The Soviet Union, for its part, would not relax its efforts in the struggle to achieve this goal.

He praised Mr. Dean Rusk, US Secretary of State, for a statement on December 10 "to the effect that at present the United States could not feel itself secure separately from the rest of our planet."

He commented: "Well said! We can only wish more such views and, what is most important, that such statements would be backed by corresponding actions.

"We should like to believe that the sound forces in the United States...will display the necessary will and find means to curb the aggressive militarist quarters —'the wild men'—in order to prevent the dangerous development of events into which both the United States and the other nations would inevitably be drawn.

"Encroachment upon the freedom and independence of Cuba would be a gross violation of the United Nations Charter, interference in the home affairs of revolutionary Cuba and aggression against a sovereign State. Such an aggression would affect all countries, including the Soviet Union.

"What is more, the Soviet Union has definite commitments with regard to the fraternal republic of Cuba. We have repeatedly stated and state again that revolutionary Cuba will not remain defenceless if she is attacked by the aggressive militarist quarters of the United States."

The Soviet Union welcomed "the desire of the Government of revolutionary Cuba to normalise its relations with the United States."

Calling the conclusion of the Treaty on the partial banning of nuclear weapon tests, and also the agreement not to orbit vehicles with nuclear arms on board around the Earth, "only the beginning," he said that "the main thing is to embark upon the road of actual or, as it is termed, physical disarmament and to follow this road to the end".

The Soviet Union "is ready to do this today, just as yesterday, and if anybody in the West has doubts on this score, let him check the sincerity of our intentions. We are ready to conclude immediately an agreement on disarmament and to carry it out".

He expressed surprise that even now, when the Western Powers held that the NATO countries had more soldiers and conventional arms than the Soviet Union and the Warsaw Treaty nations, they did not agree to the reduction of armed forces and armaments.

He added: "We condemn the aggression, which is conducted by the American imperialists in South Viet-Nam. Our sympathies are with the courageous patriots of South Viet-Nam, who are fighting for the freedom of their country. We believe that the people of South Viet-Nam, fighting for their righteous cause, will triumph."

(*Tass* and *The Statesman*, Calcutta)

[Prev. ref. 4149:AOA:A, 4221:AOA:B]

B. US Stand In Event Of Indo-Pakistan War: In a radio interview in Washington on September 17, 1963, Mr. Phillips Talbot, US Assistant Secretary of State for South Asian Affairs, said that there would be "an American response" in the highly unlikely event of either India or Pakistan attacking each other.

He said: "I think that the leaders of Pakistan understand our concern for the security of Pakistan, just as the leaders of India understand our concern for the security of India, and both, I believe, recognize that in what we regard as the highly unlikely event that either country should attack the other, there would be an American response."

A newsman had told him that Pakistan had complained that she had no specific assurance from USA that she would defend her if India attacked her. Mr. Talbot was also asked why USA could not give Pakistan such a specific assurance and "thus disarm her of this one point in a continuing dispute."

Mr. Talbot said that he did not think there was any question about the assurances USA had already given to Pakistan and India.

He disagreed with a questioner who suggested that relations between USA and Pakistan had "gone sour". He said that there had been problems arising to a large extent from the Chinese attack against Indian positions in 1962 and Pakistan's concern afterwards that the build-up of India's military forces would strengthen "a near and large neighbour with whom Pakistan's relations have not been very good". "We have been talking with the Pakistanis about the defence and security of the entire subcontinent as well as just Pakistan."

He added that Mr. George Ball, US Under-Secretary of State, had recently visited Pakistan for discussions with President Ayub Khan and other leaders. The Pakistan Foreign Minister, Mr. Z. A. Bhutto, would visit Washington soon "so that we can continue these talks".

Of Mr. Ball's conversations, Mr. Talbot said that in these talks it was discovered and re-affirmed that "there is a wide area of agreement on objectives between Pakistan and USA especially in our common desire to maintain the US-Pakistan alliance against Communist aggression and subversion".

On the Kashmir problem, he said India and Pakistan could "find ways to deal effectively with the causes of their differences, of which Kashmir, of course, is an important part".

Answering questions about the request, which India had withdrawn, for US assistance in building the projected Bokaro steel mill, he avoided saying that it might be reconsidered in 1964. But he did say that as far as the Indian development programme was concerned there was "a continuing examination and re-examination of what is the highest priority for external assistance".

(*The New York Times*)

[Prev. ref. 5384:PAK:E]

C. US Wheat Sale To Russia—Mr. J. F. Kennedy's Announcement: The late United States President, Mr. John F. Kennedy, on October 9, 1963 approved the sale of $250 million worth of US surplus wheat to the Soviet Union.

He announced his decision to a bipartisan group of Congressional leaders summoned to the White House.

He later announced at a news conference that the sale to the Soviet Union or various European Communist countries would be made at regular world price and would represent several million tons of wheat, wheat flour or feed grain. The sale would be paid for in American dollars, in cash or gold or cash on delivery on normal commercial terms.

He indicated that the wheat transaction with the Soviet bloc would amount to 40,00,000 metric tons representing some $250,000,000 and said this deal would benefit the US balance of payments and gold reserves.

He told the news conference that there would probably be some political repercussions to this transaction inasmuch as some will disagree and they invariably do, but that it was very much in the interest of the United States.

(*The New York Times*)

[Prev. ref. 5577:AOA:F]

D. British Aid To Developing Countries—White Paper: Details of British assistance to India and other developing countries were outlined in a White Paper—"Aid To Developing Countries"—published in London on September 17, 1963.

The British Government's aid to India and Pakistan, according to the White Paper, is allocated in consultation with other interested donor countries organized in consortia under the aegis of the World Bank. At the meetings of these consortia, the donor countries examine the Indian and Pakistani development programmes and pledge the capital aid that they are prepared to make available. The negotiations for the allocation of these pledges to individual projects or purposes are conducted bilaterally between the donors and the Governments of the recipient countries.

British pledges in respect of loans to India since the beginning of her Third Five-Year Plan (1961-65) amount to £125,000,000. This is in addition to defence aid.

Defence aid "is a fairly new development, and it is one that now represents a significant burden; but we believe it to be justified, for we think it right to support our friends in times of need".

The £125,000,000 pledged to India since the beginning of the Third Plan includes a contribution of £30,000,000 towards the capital needs of the third year of the current Plan offered at the Consortium meeting in Paris in June, 1963. Out of this £30,000,000, Agreements have already been signed for a general purpose loan of £10,000,000, and for a loan of £3,500,000 for the purchase of steel plate and other steel products for which there is surplus productive capacity in Britain. The allocation of the remaining £16,500,000 is being discussed with the Government of India.

The biggest single project financed out of British capital aid in India is the Durgapur steelworks, which has been con-

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structed by a consortium of British companies. The contract amounted to about £100,000,000, of which about £50,000,000 was used to buy machinery in Britain; the remainder has been spent in rupees in India. The British Government lent £15,000,000 for the first phase of the steel-works, and the Government of India also used some of Britain's general purpose aid for the project; a private loan of £11,500,000 was in addition made available by five British banking houses. The steel-works, as originally planned, is now in production.

Of the £95,000,000 lent to India in the first and second years of the Third Plan, £22,000,000 has been allocated for the expansion of the plant, to increase its capacity to 1,600,000 tons of steel a year.

A sum of £43,000,000 (of the £95,000,000 lent in the first two years of the Plan) is being spent on other projects chosen by India to be financed with British aid. These projects include the Heavy Electricals Plant at Bhopal, two large fertilizer plants and the expansion of power station capacity. Project aid is spent as and when the manufacture of the equipment needed for the projects is completed and the equipment is delivered.

The level of Indian foreign exchange reserves now, however, calls for an increasingly large proportion of British aid to be made available in a form which can be more quickly disbursed. Of the loans provided in 1961 and 1962, £30,000,000 was therefore used to pay for a wide range of Indian imports of British manufactured goods needed for the support of the Indian economy.

As a result of negotiations conducted under the auspices of the World Bank, the Indus Waters Treaty between Pakistan and India was signed in September, 1960, providing for the division of the waters of the rivers in the Indus Basin between Pakistan and India. The settlement also provided for the completion within 10 years of a number of dams, link canals and barrages on the rivers, to enable Pakistan to replace the water from certain rivers which will be entirely devoted to uses in India, and also to provide Pakistan with an element of water development.

At the same time as the Treaty was signed, a number of Governments and the World Bank signed an Agreement to help to finance the costs of the necessary works. The amounts pledged by these Governments and the World Bank (which are all untied) total $457,000,000 (£163,214,000). Britain's contribution, authorized by Parliament in the Indus Basin Development Fund Act, 1960, is a grant of £20,860,000, of which £9,400,000 has so far been paid.

Mr. Reginald Maudling's Statement:

Britain's former Chancellor of the Exchequer, Mr. Reginald Maudling, addressed a news conference in London on September 17, 1963 on the new White Paper.

The last White Paper on the subject was published more than three years ago. The purpose of the new White Paper is to outline the important developments that have taken place since then, and to provide an account of Britain's current aid effort.

This White Paper shows that the economic aid being given by the British Government to developing countries overseas doubled between the years 1957-58 and 1961-62, and that in the year 1963-64 it is expected to exceed £180,000,000.

At the same time, British private investment overseas is running at the rate of about £300,000,000 a year, and about half of this is going to the developing countries.

"Our total aid effort," said Mr. Maudling, "has been growing very rapidly.... Over the last five or six years it has doubled, and this year we expect it to exceed £180,000,000. This trend clearly reflects the degree of priority which the Government gives to oversea aid. At the present moment, aid from public and private sources, taken together, amounts to about 1¼ per cent of the gross national product."

He spoke of the two limits on the amount of economic aid which Britain could provide as being the extent of the strain on her balance of payments, and the need to provide from the Budget for the cost of all the aid concerned, whether it was spent on British goods or elsewhere in the world.

The amount of aid they could provide, he said, was clearly influenced by the form it took. "Our balance of payments has to carry a very heavy burden of oversea expenditure on many items, and there is a limit to the further burdens we can place upon it. But if aid can take the form of steel, or ships or railway equipment produced from our surplus industrial capacity, then clearly we can afford to do more."

"Oversea aid can at no time be painless. This leads me to the underlying reasons for the aid programme, because I do not believe that if aid were painless it would be so meaningful.... In a world where the disparities in living standards between the industrialized countries and the rest of the world are widening, clearly the dangers of political instability must grow.

"Aid in all its forms will make an immense contribution to the peace of the world and to the happiness of mankind.

"Many of the people of Africa and Asia and Latin America are struggling to free themselves from a poverty that makes a life of human dignity impossible. At the same time, it is, to my mind, impossible for the industrial societies to live easily with their consciences while the indigent societies are just over their garden fence.

"The task of oversea aid must be properly explained—and not merely in terms of statistics. It must be explained what it means to the Indian farmer, who with new tools and new fertilizers grows more food than he ever thought possible before; to the African homes that for the first time see decent lighting and decent sanitation; what the coming of education means to the young people of Africa or Asia, who share with the people of this country the universal passion for it; and in terms of the simple needs of ordinary men and women who still count in shillings what we count in pounds.

"All these things, properly explained and understood, can, I believe, provide a new outlet and a new sense of purpose for Britain. We must recognize that oversea aid is a great and growing burden on our resources.

"Our reaction should not be, and never has been, to cut back on the aid, but rather to regard this as a source of inspiration in our efforts to expand our own economy and so increase the level of our own aid achievement."

He said that while the great part of British economic aid went to Commonwealth countries, aid to foreign countries had recently been substantially increased, apart from the full share taken by Britain in the work of such international organizations as the World Bank, the International Development Association, the International Finance Corporation, and the Organization for Economic Co-operation and Development.

Recent years had seen a great increase in the aid given to independent Commonwealth countries. As the White Paper made clear, this was not at the expense of the remaining dependencies, for although these were fewer in number than they were, they were still receiving in total some £60,000,000 a year in aid.

He also dwelt upon the Government decisions to give more liberal terms to borrowers, if necessary, where aid is given to developing countries in the form of loans. (About half the aid given is in loans, and the other half in direct grants.)

"Recently, we have made very important changes in the terms of our loans for the benefit of borrowers. We are now prepared, where the burden of debt on a borrower would otherwise be too heavy, to waive interest payments and to postpone capital payments over the first seven years of the loan. The importance of this can be judged from the example of a loan for 25 years, where such a grace period of seven years has the effect of reducing the rate of interest over the whole life of the loan from, say, 5½ per cent to below 3 per cent."

Another recent important feature was the development of technical assistance. He regarded the psychological value of technical assistance to the people of the developing countries as being of the highest possible importance.

The Secretary for Technical Co-operation, Mr. Robert Carr, who also addressed the news conference, pointed out that at the moment somewhere between 15,000 and 20,000 people from Britain were serving in the developing countries.

This number, he said, was probably as high as it was "in the days of the Empire". An increasing proportion of them were not making a career overseas but were people who were voluntarily giving three or four years' service and were then returning to continue their careers at home.

In this way, he said, British people who were serving overseas were drawn from a much wider section of the community than formerly, which he believed to be a great benefit both to the countries in which they were working and to Britain as well. He referred to the special response being made by teachers. The proportion of really young people offering themselves for service overseas was rising all the time, and there was no shortage of recruits of the right sort.

(*UK High Commission, New Delhi*)

[Prev. ref. 5219:INI:E, 5406:INI:K]

E. Britain To Relax Terms For Loans To Under-developed Countries: The British Government announced on September 17, 1963 that it would give under-developed countries easier terms for loans where it appeared necessary.

In a report to Parliament in the form of a Paper the Government explained what Britain had done by way of loans or grants in the past three years and outlined future plans.

Dealing with loans, it said the Government had decided on several steps to ease the position of recipient nations.

"Hitherto, we have given loans for a maximum of 25 years, with a grace period for the repayment of principal of up to seven years.

"For the future we shall be prepared in suitable cases to make loans for periods of up to 30 years, with grace periods of up to 10 years.

"Further, where the economic circumstances of the recipient country make it necessary, we shall be prepared to grant a period to complete freedom from all service charges, by granting a waiver of interest, as well as the deferment of capital payment, for seven years".

The White Paper pointed out that in the distribution of aid, Britain's first responsibility was to the colonies. Aid to dependent territories in 1962-63 amounted to about half her total aid to the Commonwealth.

"It is natural and fitting that we should continue to assist Commonwealth coun-

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tries, which have become independent in recent years to achieve self-sustained economies".

But Britain's aid is not confined to the Commonwealth. In recent years she has aided an increasing number of foreign countries.

The former Chancellor of the Exchequer, Mr. Reginald Maudling told newsmen later that British aid to developing countries had doubled in the past five years and was expected in 1963 to exceed £180 million.

(*The Times*, London)

[Prev. ref. 5578:AOA:G]

F. Two Spy Satellites Launched By USA: The United States launched on the night of October 16, 1963 two satellites from Cape Kennedy (formerly Canaveral). Their mission was to detect any clandestine nuclear tests in outer space.

Good radio signals were received. The satellites went into their scheduled egg-shaped orbits.

Special sensors in the satellites are expected to detect nuclear tests more than 180 million miles away. Each satellite is equipped with 10 V-ray detectors, six gamma ray detectors and a neutron detector.

(*The New York Times*)

[Prev. ref. 5408:AOA:A]

G. "Tiros VIII" Weather Satellite Launched By USA: A new weather satellite, *Tiros VIII* designed to deliver instant pictures of cloud cover to stations around the globe, was launched into orbit on December 21, 1963 from Cape Kennedy (USA).

Ground monitors planned early tests of the satellite's automatic picture transmission (APT) system. The electronic weather man was fired into space aboard a three-stage Delta rocket which blasted off in the pre-dawn darkness.

Signals from the 265-lb satellite were received at Point Mugu, California, and officials said that "everything's fine—it's a wonderful Christmas present."

The satellite expected to provide weather bureaux around the world with detailed information for forecasting and will transmit weather pictures directly to stations in India, Britain, Canada, Australia and USA.

The satellite is the eighth in a series of successful weather satellites.

Ground operators can "switch on" the satellite whenever it is within a 1,500-mile radius and receive up to three photographs of cloud formations on each pass.

The camera's 108-degree lens is capable of taking pictures of 672,400 square miles when facing directly towards the Earth. It can prepare, expose and develop film in eight seconds and deliver a finished print to the ground station in three minutes 20 seconds.

The British receiving station is at the Royal Radar Establishment, Malvern, the Australian station at Melbourne and the Indian station at Bombay.

(*The New York Times*)

[Prev. ref. 5408:AOA:C]

H. First Trans-Pacific Telephone Link Inaugurated: Queen Elizabeth's voice travelled 16,000 miles across two oceans and a continent on December 2, 1963 when she formally opened the Commonwealth trans-Pacific telephone cable (COMPAC), which links Britain and Canada with Australia and New Zealand *via* Fiji.

COMPAC, which is the first telephone cable across the Pacific, forms the second stage of a comprehensive Commonwealth net-work—the longest submarine telephone cable system in the world. The first stage, connecting Britain and Canada, was opened in December, 1961. The third stage of the net-work will link Australia, Malaysia and Hong Kong.

(*UK High Commission*, New Delhi)

[Prev. ref. 4005:AOA:E]

I. World Sugar Output: The United States Foreign Agricultural Service reported on December 2, 1963 that world sugar production in 1963-64 was expected to reach 58,900,000 short tons, 3,700,000 tons above the previous year's output and second only to the record 1960-61 60,100,000 tons. Averages were higher in Iran, India, Pakistan and Turkey.

The report said that the latest estimates showed a rise of 3,800,000 tons in 'free world' production from the previous year. But in communist countries, including Cuba, there was a fall of 100,000 tons in spite of better crops in Eastern Europe and China.

A drop of 300,000 tons in the Soviet crops was attributed mainly to prolonged drought. The acreage planted was, however, up by five per cent.

Following severe hurricane damage in October, Cuba's production estimate dropped to 200,000 tons below the previous year's 4.2 million tons. The current estimate is more than 1.8 million tons below Cuba's 1955-60 average.

The USA is harvesting record sugar, beet and cane crops. Increases are also indicated in Mexico and Central America. South America expects a 300,000-ton increase over the previous year. An increase of about 825,000 tons is indicated for Western Europe and the total crop for Eastern Europe, outside the Soviet Union, is 250,000 tons above that of 1962-63.

African production was about 450,000 tons. Total increases in Asia were about 1.3 million tons with India accounting for more than half of the increase. Estimates for China indicate an increase in 150,000 tons over 1962-63.

For countries of the Near East and South Asia, the following comparison between the 1963-64 year and the averages of 1955-60 were announced:

Turkey, 509,000 tons compared to average of 408,000 tons; Iran 200,000 tons compared to average of 119,000 tons; India, 3,800,000 tons compared to 2,737,000 tons; Pakistan, 292,000 tons compared to a 1955-60 average of 174,000 tons. The figure also represented increases in varying degrees over the 1962-63 production year.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5393:AOA:G]

J. Indian Dialect In Tajikistan: A *Tass* report on October 17, 1963 said that the Leningrad orientalist, Mr. Iosif Oransky, was the first scholar to study the Indian dialect Paria which is spoken by more than a thousand people living in the Gissar Valley in Tajikistan.

This dialect, which is oral, was discovered by Mr. Oransky in 1954. He established that local people who look like Tajiks or Uzbeks use this dialect when speaking among themselves. They know their history only from the life of several generations who have been living in Central Asia.

"However, the very fact of the preservation of this Indian dialect proves that representatives of this group are the offspring of people who came from India. Apparently they travelled to Central Asia through Afghanistan. That is why local people call them Afgons". By means of comparison Mr. Oransky arrived at the conclusion that this dialect is close to the Indian languages, Punjabi and Lahnda. It also has common traits with Rajasthani.

Mr. Oransky's forthcoming book includes 19 stories in Paria, which he had recorded, and ethnographic texts. At the same time, he is working on a vocabulary of the dialect.

He also studied another Indian dialect existing in Central Asia—in the area of Tashkent and Ferghana. The first 200 words of this dialect were recorded in the 1870's by the Russian explorer Alexander Vilkins. Comparing the two dialects, Mr. Oransky drew the conclusion that they belong to the languages of Central and North-Western India, but to different groups of dialects.

He prepared a report on this subject for the 26th International Congress of Orientalists held in January, 1964 in New Delhi.

(*Tass*)

[Prev. ref. 4884:AOA:E]

K. Moon Made Earth What It is —Hypothesis Of Soviet Astronomer: It was thanks to its natural satellite —the Moon—that the Earth acquired the physical properties leading to the origin of organic life. This, according to a message from Alma Ata on December 1, 1963 was one of the theses of the new cosmogonic hypothesis advanced by the well-known Soviet astronomer, Mr. Vasili Fesenkov.

In the light of the recent achievements in space research, Mr. Fesenkov believed that the Moon was the cause of the radical differences in the physical properties of the Earth and Venus.

His hypothesis was based on the fact that the moment of rotation of the protoplanet condensation of the Earth was too great for one body. The surplus energy went to the Moon which was formed simultaneously with the Earth and this ensured the stability of the Earth.

Mr. Fesenkov maintained that without a rather big satellite the Earth would not have been able to become a solid body, the force of gravitation on whose surface considerably exceeds the centrifugal force. At present, the orbital moment of the Moon is about 80 per cent of the entire moment of rotation of the Earth-Moon system. In this respect the Earth occupies an exceptional position among all planets of the solar system.

The period of rotation of Venus which had no satellite has always been great and at present, apparently, equals several scores of terrestrial days.

According to Mr. Fesenkov's hypothesis, the particles which formed Venus were moving along a circular orbit and combined at a small speed with the result that a rather cool mass was formed with a very small moment of rotation.

(*Tass*)

[Prev. ref. 4834:AOA:I]

L. Protection Against Radiation—New Substances Evolved In USSR: Soviet scientists have synthesized substances that protect the tissue of animals from radiation. They include many harmless pheno-

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lic compounds (substances which are close to them in chemical structure are used to protect food from becoming sour).

The substances—inhibitors—save the life of animals, which have received a lethal dose of radiation. Tests were carried out on animals which were given these inhibitors before being exposed to radiation.

In the organism of the animal the inhibitors capture the free radicals—bits of molecules appearing in the cells during radiation. Free radicals develop protein and nucleic acids of cells when influenced, for instance, by gamma rays.

Research workers have found a direct connexion between the ability of these substances to bind free radicals and their prophylactic influence against radiation.

(*Tass*)

[Prev. ref. 2778:AOA:F]

M. **Nobel Prizes For 1962 And 1963:** It was announced in Oslo on October 11, 1963 that the Nobel Peace Prize for 1962 had been awarded to the American scientist, Dr. Linus Carl Pauling. This was the second time he had been awarded the Nobel Prize.

The Peace Prize for 1963 was awarded jointly to the International Red Cross Committee and the Red Cross League.

Mr. George Seferis, the Greek poet and diplomat, was on October 24 awarded the Nobel Prize for Literature. He was Ambassador in London from 1957 to 1962.

This was the first time that a Greek author had won the literature prize which is worth about £18,280 this year. Dr. Anders Osterling, the permanent secretary of the Swedish Academy, said in a broadcast that the award was also meant as a tribute to the rich literature of present-day Greece.

This was the third time in four years that the Nobel Prize for Literature had gone to a man combining literary activities with diplomatic service. In 1960, the Frenchman, Alexis St. Leger, who writes under the name St.-John Perse, won the award, and the following year the Yugoslav author, Ivo Andric won it.

For Medicine:

The 1963 Nobel Prize for Medicine was awarded jointly on October 17 to two Britons and one Australian—Sir John Carew Eccles of Canberra, Mr. Alan Llyod Hodgkin of Cambridge and Mr. Andrew Fielding Huxley of University College, London.

The Prize amount this year was a record-high 265,000 Swedish crowns ($51,158).

The trio was cited by the awarding college of professors of Sweden's Royal Caroline Institute of Medicine "for their discoveries concerning the ionic mechanisms involved in excitation and inhibition in the peripheral and central portions of the nerve cell membrane."

In brief, their research is designed to explain how the nerves work, an important contribution to the study of nervous diseases.

Through his experiments, Sir John Eccles defined in terms of electricity how nerves are excited or inhibited.

His research tied in with that of Mr. Huxley and Mr. Hodgkin, who were studying the processes by which nervous impulses are transmitted along the nervous system.

For Physics:

It was announced in Stockholm on November 5 that American Professors Eugene Wigner of Princeton University, Maria Goeppert-Mayer of the University of California, and Professor J. Hans Jensen of Heidelberg University had shared the 1963 Nobel Prize in Physics.

Mr. Wigner was awarded half of the $51,000 prize while the other two shared equally the other half.

Mr. Wigner was cited by the Royal Academy of Science for his contributions to the theory of atomic nucleus and the elementary particles, particularly through the discovery and application of fundamental symmetry principles.

Miss Goeppert-Mayer and Mr. Jensen shared the other half for their discovery concerning nuclear shell structure.

For Chemistry:

The Prize for Chemistry was awarded to Professor Karl Ziegler of the Max Planck Institute of Carbon Research at Mulheim, West Germany, and Professor Giulio Natta of the Milan Institute of Technology, Italy, for their discoveries in chemistry and technology of high polymere.

(*The Times*, London and *The Hindu*, Madras)

[Prev. ref. 5012:AOA:G]

N. **Soviet Scientists Find Venus Fit For Human Habitation:** *Radio Moscow* announced on the night of August 30, 1963 that Soviet scientists had established that oxygen exists in the atmosphere of the planet Venus and that consequently the atmospheric conditions on Venus are almost similar to those on the Earth.

The **Radio** said that the planet was consequently susceptible to being inhabited by human beings similar to those on Earth.

A brief technical **communique**, read out during the evening news bulletin, said: "Soviet scientists, by analysing the light spectrum after observations of the atmosphere on Venus, have established that oxygen existed in this atmosphere.

"The scientists estimated that as a result, atmospheric conditions on Venus are closely similar to those existing around the Earth."

Observers in Moscow believe that the Soviet discovery may have an important bearing on both the Soviet and United States space research programmes by inducing the two "space" Powers to abandon their plans for landing a man on dead planets, or those believed to be dead, such as the Moon and Mars.

Instead, the observers feel, both nations will intensify their efforts to penetrate the secrets of a "habitable" planet.

In addition to the fact that Venus possesses a habitate atmosphere, the planet's proximity to the Earth, which makes it the closest neighbour after the Moon, is likely to make Venus a priority target for coming space shots.

Recently, Soviet scientists were reported to have made several attempts to send up reconnaissance missiles into the atmosphere of Venus, but only one of these launchings was officially announced on February 12, 1961, under the name "Venusik One." The test was only a partial success, however, for although both the launchings and ejection went off as planned, radio contact was lost at 4.5 million miles from the Earth.

According to American scientists, the Soviet Union also carried out three other launchings, all of which failed, in February and August, 1961, and another in September, 1962.

(*Radio Moscow* and *The Pakistan Times*, Lahore)

[Prev. ref. 5192:AOA:F]

O. **Mankind Menaced By Chaos Of Cities—34 Experts' Call For New Science:** A group of 34 scientists and experts (according to an Athens message on July 16, 1963) have come to the conclusion, after a week's Aegean cruise-cum-conference that "the crisis in human settlement may soon outstrip even disease and famine as the gravest risk—short of war—facing the human species".

The conference was called by Dr. Constantine Doxiadis, the Greek town-planner, and arranged in the manner of an ancient Greek symposium. Those taking part deliberated in informality on board a cruising ship and drew inspiration from visits to the ruined ancient sites girdling the Aegean Sea.

They included Sir Robert Matthew, of Edinburgh University, the architect; Professor Marshall McLuhan of Toronto, the author and critic; Dr. Margaret Mead, the American ethnologist; Professor Richard Llewelyn Davies, of London University, the architect; Lady Jackson (Barbara Ward), the economist and author; Professor C. H. Waddington, of Edinburgh University, the expert on animal genetics; and Sir Robert Watson-Watt, the physicist.

They agreed that mankind was facing a crisis. Big cities were growing rapidly and without control; man and his technical environment had reached a tragic conflict; the motor-car was conquering the streets, pushing man aside and leaving him more insecure than ever; conditions of life were becoming more and more unfavourable; the resulting vicious circle was having repercussions on man's economic and social life as well as on his mental balance and physical health.

The prospects were even more appalling. It was estimated that world population would reach 7,000 million by the year 2000 A.D. Settlements with more than one million inhabitants, which at present had a total population of 370 million, would then have a population of 2,600 million. The total value of building stock to be created in the next 40 years was expected to equal the total created over the past 6,000 years.

"If we continue along the present course chaos will prevail," the organizers of the conference stated. "All we can expect is the gradual extinction of the settlements which exist today. What we think of as a jungle today will be insignificant, in magnitude and complexity, when compared with the settlement of the future."

The experts discussed whether the crisis could be met. They found that one of the greatest obstacles was the absence of persons qualified to grasp and tackle the overall problem of human settlement. There were only specialists in individual aspects. In fact, this was why so many different disciplines had to be represented at this floating conference to examine the problem. "The attention of the best brains in the world is focused today on extra-terrestrial space or in physics, to the neglect of the major problems which remain to be solved on our own planet."

The conference decided that although the situation was grave it was not hopeless, "man can act to meet this new crisis", they asserted in a declaration signed on the island of Delos. "Modern technology permits the mobilization of material means on a wholly new scale."

The aim would be to produce settlements which satisfied man not only as

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parent and worker but as learner and citizen. To meet the challenge, however, profound institutional and procedural reforms were needed. The Delos declaration, which was described as a "profession of faith in human ability to meet the crisis", urged the need to establish a new discipline of human settlement so that the problem should no longer be approached in a fragmented manner. The new "synthetic" science would train men who could assume leadership in this field.

The 34 participants of what came to be known as the Delos Symposium decided to continue as a group, open to new members. They set up a permanent secretariat in Athens and decided to meet again in 1964.

(*The Times*, London)

P. Total Eclipse Of The Sun: There was a total eclipse of the Sun in some parts of the world on July 20, 1963.

In Japan there was a "black sunrise"; in the North Atlantic, there was a "black sunset". Stars twinkled at 9.40 a.m. north of Anchorage (Alaska).

The spectacle of a total eclipse of the Sun—blotted out in some areas by cloud—stretched along an arc 10,000 miles long and 60 miles wide from Hokkaido (Japan) across the top of Canada and Maine to the North Atlantic in 2¾ hours.

The US astronaut, Malcolm Scott Carpenter and a group of scientists whisked along the path of the eclipse in a jetliner to obtain data on the light emanating from behind the Moon. They hoped to find clues for man's future ventures into space.

For science, this was the most intricately covered eclipse in history. Scientists photographed, timed and measured it. The results will not be known for weeks.

Millions of Americans saw the eclipse on television. In New York, where the eclipse was 88 per cent total, the Sun showed up on TV screens like a clipped toenail hanging in the sky.

At Fort Simpson, in the Canadian north-west territory, the total eclipse lasted the longest—100 seconds.

At Grandmere (Quebec) a thick cloud cover hanging over the area all day broke up just six minutes before the eclipse began, and hundreds of scientists from Italy, the Netherlands, France and Switzerland quickly scribbled notes and clicked their cameras.

Sixty scientists racing the Moon across Canada succeeded in photographing a total eclipse from a jet airliner—a feat one of them termed "a significant advance in astronomy".

The 525 mph of their modified DC-8 enabled them to stretch the time the eclipse was visible from the 100 seconds it could be seen on the ground to a total of 142.4 seconds in flight.

Over Japan, viewed from a USAF C-30 flying at an altitude of 21,000 feet, the Sun's outer rim of incandescent gas—the "corona"—was brilliantly visible even when the Sun itself was totally hidden.

Dr. Hideo Hirose, chief of the Mitaka observatory, said that the "corona" was more brilliant than any he had seen in a life-time of watching the solar eclipse.

At Wallops Island (Virginia), the Civilian Space Agency launched a fact-finding rocket during the eclipse.

The 88-lb payload was launched from a NASA installation, while the eclipse was near its maximum point along the north-east Atlantic coast.

A NASA spokesman said the purpose of the launching was to measure electron and neutral particle temperatures from 75 to 225 miles above the Earth during the eclipse.

(*The Statesman*, Calcutta)

Q. International Conference On Education: An international Conference on education opened in Geneva on July 1, 1963. It was convened by UNESCO and the International Bureau of Education.

It was attended by over 250 delegates from 90 countries.

It exchanged experience in the organization of general education and specialized vocational training and worked out recommendations for the promotion of pedagogical science and introduction of progressive methods of teaching.

An African delegate walked out of the opening session of the Conference in protest against the presence of the Portuguese delegation.

He was Mr. Aja Nwachuku, Nigerian Minister for Education who threatened that other African delegations would also follow his action, which, he said, was based on the resolutions passed by the recent Addis Ababa Conference.

The Nigerian delegate was supported in his action by the Soviet and Yugoslav delegates.

Portugal Expelled—African Resolution Passed:

On July 3, the Conference discussed a resolution tabled by 27 African countries calling for the expulsion of Portugal from the Conference. A move to rule the resolution out of order was rejected by 40 votes to 21, with 16 abstentions.

The resolution said Portugal was keeping Africans in bondage and ignorance and denying them legitimate human rights. It added that Portugal's presence at the Conference was an offence against the rights of man and the fundamental principles of education.

Delegates from Asian, African and Arab countries walked out of the Conference on July 4 when Portugal refused to leave the Conference after being expelled by majority vote.

The African resolution to expel her from the Conference was passed by 40 votes to 23, with 17 abstentions.

The Portuguese chief delegate said the vote was "illegal" and that his Government would appeal to the International Court of Justice at The Hague.

The break-down of the voting showed that in general the African, Arab and Communist bloc delegations voted in favour of Portugal's exclusion from the Conference. Israel also voted for the resolution.

The Western countries, including USA, France, West Germany and Britain, together with Switzerland voted against it.

African, Arab and Soviet bloc delegations walked out of the Conference on the afternoon of July 5.

(*The Times*, London and *The Times of India*, Bombay)

[Prev. ref. 3921:AOA:U]

R. COMECON Bank From January 1, 1964: It was announced in Moscow on November 19, 1963 that the International Bank for economic co-operation of the COMECON countries would begin operation on January 1, 1964.

The Council of the Bank which had been in session in Moscow for some days announced the setting up of a board consisting of representatives of Bulgaria, Hungary, East Germany, Mongolia, Poland, Rumania, the Soviet Union and Czechoslovakia. The President of the board will be Mr. Konstantin Nazarkin, Vice-President of the Board of the Foreign Trade Bank of USSR.

The authorized capital of the Bank will be made up of contributions from its eight members, the share of the Soviet Union being two-fifths. But each country will have one vote on the basis of full equality.

The main feature of its operation will be introduction of a new system of multilateral clearance. It will be through convertible roubles which thus virtually becomes common currency.

China and Albania are the two Communist bloc countries who have not become members. Yugoslavia is likely to have dealings with the Bank in due course in view of its application for participation in the COMECON.

(*Tass*)

S. Asian Influence In UN: According to a news despatch from UN Headquarters on December 28, 1963, Asian influence at United Nations is clearly on the wane, in the view of some veteran diplomats.

They assert that the 18th General Assembly, just ended, has dramatized what they call the erosion of Asian authority. Diplomats from South and South-East Asia concede that this process seems to be going on, but are apparently at a loss as to how the situation can be remedied.

At the heart of the problem is, of course, the emergence of 32 African delegations. The Africans thus outnumber the Asians by almost two to one.

Another obvious element in the situation is that while the Africans have tended to subordinate their regional rivalries and press their policies with one voice at UN, the political landscape in Asia has been increasingly ravaged by disputes. Some of the most acrimonious conflicts on display include those between the Indians and the Pakistanis, the Cambodians and the Thais, and the Indonesians and the Malaysians.

Hard evidence of Asia's "dwindling" prestige and influence in the UN corridors is claimed to be reflected in many developments.

For example, when the 18th Assembly in September, 1963 elected vice-presidents, the four vacancies usually assigned to the Afro-Asian bloc were filled by the Cameroons, Somalia, Syria and Cyprus. No representative of South or South-East Asia was elected.

Again, a dispute arose over the vacant "Asian" seat on the Security Council. There had been general agreement that Malaysia would occupy this. But when the elections took place the Indonesians and "Left" neutralists torpedoed Malaysia's chances. A deadlock developed and as a result Malaysia and Czechoslovakia share the "Asian" seat.

Those who draw this depressing picture of Asia's current UN status point to the Chinese aggression against India as having had an important impact on India's prestige. The situation in both Ne Win's Burma and Sukarno's Indonesia has also impaired Asian "respectability".

Gen. Ne Win is viewed as fighting with everybody in Burma—communists, socialists, Buddhists and students. Sukarno's Indonesia is considered a "disaster area" as the economic situation worsens and President Sukarno brandishes an expansionist sword.

(*The Statesman* and *The Hindustan Times*, New Delhi)

[Prev. ref. 5228:AOA:D]

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ASIAN RECORDER

January 22—28, 1964

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BURMA

A. "Burmanization" Of Trade: All bars and liquor stores and bar-cum-restaurants, operated by foreigners in the city and its suburbs, ceased to function from January 1 under the Government's policy of "Burmanization" of enterprises.

Starting New Year's Day, the number of buses operating in the public transport system in Rangoon and Insein were reduced by 100 as licences to ply them for public hire were not renewed to foreigners.

The authorities have also prohibited importers from selling or fixing prices for their goods without approval from the State-run executive committee of the People's Stores Corporation.

To keep a close check on the importers, the new regulation requires them to submit reports on all commodities. From then on, the handling of these goods is up to the Stores Corporation.

(*The Statesman*, Calcutta)

[Prev. ref. 5508:BUR:E]

B. New Regulations On Transit Visas For Foreigners: The Controller of Immigration has announced new regulations concerning the stay period of foreigners who enter Burma on transit visas.

The new regulations, effective since January 2, limit the duration of stay of a foreigner to 24 hours as against 72 hours in the past.

Permits to foreign doctors to practise were withdrawn by the Director of Health Services from December 31, 1963. Foreign doctors serving in free dispensaries, clinics and hospitals and those who have completed 15 years of service under the Government have, however, been permitted to continue practice.

(*The Nation*, Rangoon)

[Prev. ref. 5351:BUR:B]

C. Expiry Of Amnesty Offer: The Revolutionary Government announced on December 28, 1963 that the general amnesty order of April 1, 1963 pardoning offenders, including underground insurgents, would expire on January 31.

It was, however, not stated what steps the Government would take after the expiry of the order.

(*The Nation*, Rangoon)

[Prev. ref. 5193:BUR:C]

CAMBODIA

A. Withdrawal Of US Aid: The following is the text of the Note sent by Cambodia to USA on December 14, 1963 on the withdrawal of American aid:

"The Ministry of Foreign Affairs of the Royal Government of Cambodia presents its compliments to the Embassy of the United States of America and, referring to the Khmero-American negotiations on the closure and the liquidation of American aid in the military, economic and cultural and technical fields informs the Embassy that the Royal Government of Cambodia has found with regret that without preliminary consultation with Cambodian authorities, the American authorities have taken unilaterally, even before the opening of the bipartite talks agreed to by the US Government, a series of steps which has led to the immediate and complete cessation of the outstanding programme and operations.

"This initiative of the American authorities is in obvious contradiction with the consent given by the US Government which has accepted to open immediately bipartite talks on the liquidation of the outstanding aid programmes according to the agreements in force and to the letter No. 147 of the Embassy dated November 21, 1963.

"The Ministry of Foreign Affairs of Cambodia has the honour to recall to the Embassy that in notifying its decision not to accept any more new American aid, the Royal Government had no intention to decide unilaterally on the destiny of the outstanding programmes and operations which have been already commonly agreed.

"In fact, the agreements in force duly signed by the Cambodian and American authorities were always valid until opposite decisions have been agreed bilaterally.

"The unilateral decisions taken, in violation of the agreements in force, by the American authorities show clearly their desire to withdraw from Cambodia what it has been already and formally granted to that country. As the steps concerned have not been abandoned, the Khmero-American negotiations seem, therefore, to be practically without any aim.

"The Ministry of Foreign Affairs should be grateful to the US Embassy if the latter would take all the necessary steps to hasten the repatriation of the military, economic and information missions (US-MAAG, USAID, USIS) and other specialized organizations dealing with the management of the American aid programmes, in such a way that this repatriation should come to an end not later than January 15, 1964.

"The Ministry of Foreign Affairs would like to inform the Embassy that the Royal Government will continue to ensure until that date the protection of the American personnel and to grant facilities to the missions cited above in the preparing of their departure.

"The Ministry of Foreign Affairs avails itself of this opportunity to renew to the Embassy of the United States of America the assurance of its highest consideration."

Withdrawal Of Embassy Staff In Washington:

Another *communique* announced on December 13, 1963 Cambodia's decision to withdraw its entire Embassy staff in Washington.

The communique quoted by the Cambodian News Agency said Prince Norodom Sihanouk had decided to withdraw the Charge d'Affaires and staff who were to have taken over from the Cambodian Ambassador "until further notice."

The decision to recall all diplomatic representation followed an incident in USA in which "a State Department official who had only the rank of Ambassador took the liberty of calling our Ambassador and made remarks about an alleged statement by the Cambodian Government" on the "deaths of President Kennedy", Thai leader Sarit Thanarat and overthrown South Viet-Nam President Ngo Dinh Diem."

The Americans had described the Cambodian statement as "barbarous" and in view of "this departure from diplomatic usage" the Prince had decided to withdraw all Embassy staff.

[Relations between USA and Cambodia have been strained since Cambodia charged USA in November, 1963 with supporting clandestine radio broadcasts by Cambodian rebels in South Viet-Nam and Thailand. USA denied the charge.]

(*Royal Embassy of Cambodia* and *The Hindustan Times*, New Delhi)

[Prev. ref. 5556:CAM:A]

B. Resignation Of Cabinet: The Premier, Prince Norodom Kantol, on January 7 presented the resignation of his Cabinet to the Chief of State, Prince Norodom Sihanouk, who, however, refused to accept it immediately.

Prince Kantol presented the resignation in connexion with the case of Songsakd Kitchpanich, 32-year-old Cambodian banker who fled to South Viet-Nam recently in an airplane piloted by a Frenchman. Songsakd reportedly took substantial funds with him.

A communique from Prince Norodom Sihanouk's office said he had set aside Prince Kantol's resignation until after a tribunal rendered judgment in the Songsakd affair.

Consideration of the resignation was also delayed because of economic and financial reforms now being put into operation by the Government and because of a number of officials visits expected soon in Cambodia.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5182:CAM:A]

C. Relations With China: The Head of State, Prince Norodom Sihanouk, said on December 29, 1963 that if his plan for the "neutralization" of Cambodia was finally rejected, Cambodia would have to negotiate a formal alliance "with certain Powers, in particular with China."

In a speech opening the 16th National Congress, he said that if his proposal for guaranteeing Cambodian neutrality were rejected and there was no hope that his country could live as a neutral, without alliances, then Cambodia would have no choice but to give up neutrality under its present form. It would then negotiate an alliance with other countries, particularly China.

He said the Western Powers were "carefully studying" the Cambodian neutralization plan with the obvious intention of

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"sinking it according to all the rules of diplomacy." He stressed that Cambodia had already made many concessions.

According to the New China News Agency, he said that Cambodia's rejection of American aid was a "catastrophe" for "imperialists because it deprived them of a field for subversive activities."

He described US aid as "a dose of opium" meant to intoxicate the Cambodian administration and people and prevent them from achieving economic independence.

He said Western personnel, introduced into the country under cover of "trivial financial and material aid" had the job of influencing Cambodians "to subvert us, to control us and to impose conditions upon us, under the hyprocritical pretext of preventing us from sliding over."

"But we only want to be really neutral and independent," he added. Cambodia's renunciation of US aid was urgent and necessary in spite of the difficulties the country encountered.

He announced that China had offered to give Cambodia "a large quantity of armaments" to defend its frontiers against Cambodia's neighbours. He did not give any details about the offer.

He also defended China against charges of expansionist aims.

He personally awarded medals to 121 Chinese technicians who helped build a cement factory on December 26, 1963 when the Prince visited the factory in Kampot province.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5265:CAM:A, 5579:CAM:A]

D. **French Assistance:** *Tass* quoted Prince Norodom Sihanouk as announcing on January 5 major French military and professional aid for Cambodia.

It said he told the Cambodian National Congress that the visiting French Armed Forces Minister, Mr. Pierre Messmer, had offered to supply 100 high-speed trucks, 18 military planes, and a number of tanks for an armoured battalion.

France had also offered to build a school to train secondary school teachers and agricultural executives, Tass said, adding that the offers were regarded in Pnom Penh as showing that France planned to take America's place in aid to Cambodia.

(*The Hindustan Times*, New Delhi and *Tass*)

[Prev. ref. 5556:CAM:A]

E. **Air Agreement With Viet-Nam (DR):** An Air Transport Agreement between Cambodia and the Democratic Republic of Viet-Nam was signed in Pnom Penh on December 20, 1963.

According to the Agreement, an air service will be opened between Pnom Penh and Hanoi.

The Agreement was signed by Mr. Van Mollyvan, Secretary of State for Public Works and Tele-communications, and Mr. Phan-Trong-Tue, Viet-Namese Minister of Communications and Transport.

Mr. Van Mollyvan thanked Viet-Nam (DR) for having supported the proposal of the Head of State, Prince Norodom Sihanouk, on convening an international conference to ensure Cambodia's neutrality.

Mr. Phan-Trong-Tue said: "With the signing of the Air Transport Agreement, new conditions have been created for expanding further the economic and cultural exchanges between our two countries, thus strengthening the mutual understanding between the Viet-Namese and Cambodian peoples".

(*Consulate-General of the Democratic Republic of Viet-Nam*, New Delhi)

CEYLON

A. **President Ayub Khan's Visit:** President Ayub Khan of Pakistan paid a goodwill visit to Ceylon from December 8 to 14, 1963.

He was accompanied, among others, by the Foreign Minister, Mr. Z. A. Bhutto, and the Director-General of the Foreign Ministry, Mr. M. Shafqat.

On arrival at the airport in Colombo, he said Ceylon was held in high regard by the people of Pakistan. The two countries were bound by common heritage and partnership within the Commonwealth. "With so much in common between us we cannot be strangers to each other."

Welcoming the President, the Governor-General, Sir William Gopallawa, hoped that during his stay the President would be able to see the glories of Ceylon's past civilization, the present achievements and the efforts being made to bring happiness and prosperity to the people.

Address To Parliament:

One of President Ayub Khan's major engagements in Ceylon was an address to a meeting of Members of Parliament.

He explained to the MPs the details of the basic democracy which was introduced in his country "as the parliamentary form of government proved to be an unworkable proposition in Pakistan."

He made a passing reference to Kashmir in the absence of pan-Asian forum as machinery for consultation.

He said countries in Asia had been unable to achieve a forum like the Organization of African Unity and said differences and disputes, which divided the countries of Asia and impeded the growth of a sentiment of Asian solidarity, remained unreconciled.

He gave the Kashmir issue as an illustration of such a dispute which had remained unsettled for 16 years and denied to the people "their inalienable right of self-determination" pledged to them by both India and Pakistan in a "solemn international agreement."

He took up cudgels on behalf of China which, he said, was the largest country in the world. The problems of world peace and security and especially of disarmament and peace in Asia could not be solved permanently without the co-operation of China. "It is encouraging to note that this truth is finding increasing recognition."

To support his opposition to the Belgrade-type conference, he said political concepts changed with changing situations. They were also apt to lose with time their content and meaning and acquire a new complexion. The concept of a three-fold division of the world into the Communist bloc, the Western alliance and the non-aligned group was one such example.

He said: "Not only are there wide divergencies and even acute differences between members of the same bloc, but non-alignment has come to acquire different connotation to different countries of that group.

"On the other hand, there are aligned countries which are demonstrating a greater flexibility and independence of approach to major international questions than some of those who call themselves non-aligned."

He said that in the absence of a pan-Asian forum, it became even more necessary for them to strengthen Asian solidarity with the African nations through the machinery of an inter-continental conference such as that convened in Bandung in 1955. Since that time more than a score of dependent peoples had emerged as independent and sovereign States. Old disputes remained unresolved and new tensions had arisen. Developments affecting peace and security of the world, more especially of the Asian continent, had supervened.

He said: "For these reasons it is the hope of the people of Pakistan that a second Afro-Asian conference will be convened in the near future to reappraise the proposals for peace and fruitful co-operation between Afro-Asian peoples and the world."

However, according to Colombo reports, Ceylon remained "non-committed" to the holding of a second Bandung conference when President Ayub Khan of Pakistan pursued his efforts to obtain support for it at his talks with the Prime Minister, Mrs. Sirimavo Bandaranaike.

Besides the proposed conference, disarmament, world peace, Afro-Asian unity, the development of Ceylon-Pakistan trade and the future of "Stateless" persons of Pakistani origin in Ceylon were believed to have been discussed by them.

Joint Communique:

A joint *communique* was signed on December 14, 1963.

It said: "Recalling the contribution made by the first Afro-Asian conference and considering the fast changing pattern of the international situation and the attainment of independence by many new States since the last conference of Afro-Asian nations, the President was of the view that a second conference of Afro-Asian leaders should be held at an opportune time as early as possible in order to strive in a concerted manner towards reduction of international tensions and promotion of greater understanding and co-operation in a wider area.

"The Prime Minister agreed that such a conference would serve a useful purpose."

On a non-aligned nations' conference, which Colombo is co-sponsoring with Cairo, the **communique** said the two leaders had agreed that "regular consultations among the leaders of various nations to discuss matters of common concern can make a useful contribution towards better understanding of world problems."

On the Sino-Indian border dispute, the President "appreciated the efforts of Mrs. Bandaranaike along with other Colombo Conference countries to bring about a peaceful solution of the border conflict."

The two leaders welcomed the nuclear test ban Treaty and expressed the "hope it would pave the way towards complete and universal disarmament."

The position regarding persons of Pakistani origin resident in Ceylon was discussed by the two leaders. They expressed confidence that "a speedy settlement" could be arrived at on this matter in the mutual interest of their two countries and "in the context of the close and friendly relations existing between them."

Mrs. Bandaranaike accepted the invitation extended by President Ayub Khan to visit Pakistan. The time of the visit will be arranged at a later date.

Mrs. Bandaranaike and the President condemned the policies of racial discrimination practised by the Government of South Africa which they considered as a "grave violation" of elementary human rights and of the UN Charter.

The joint **communique** said that "subscribing to the belief that all international disputes should be settled expeditiously and by peaceful means, the two

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leaders agreed that the disputes among countries in this region should be settled in a fair and equitable manner in order to promote harmonious and friendly relations between neighbouring countries and to strengthen the solidarity of the Afro-Asian countries in the interests of world peace."

"In this respect," it said, "they recalled with regret the dispute between India and Pakistan over Kashmir and agreed that its expeditious solution in accordance with UN resolutions or by other peaceful means would be in the interests of peace in the subcontinent and in the region."

News Conference:

President Ayub Khan and Mr. Bhutto were at pains on December 15 to justify a second Bandung conference in preference to a second non-aligned conference of the Belgrade type.

To searching questions put by correspondents at a news conference held in the Pakistan High Commission, President Ayub Khan said that he thought he might be right if he said that Mrs. Bandaranaike agreed with him that if there was to be a meeting of "developing countries", it had to be much broader-based than the non-aligned conference.

He said there were "flashpoints" in the Asian region in which he also included "certain amount of tension between India and Ceylon" and also trade problems and foreign exchange-earning capacity. These, according to him were "big enough problems" which they should get together and resolve. Even if they were not able to resolve these issues at a conference, he thought it was a good thing to identify these problems so that it could be solved at least at a future date.

When a correspondent asked whether he considered that in the present context a second Bandung conference was far more important than a second Belgrade-type conference, the President said that he entirely agreed with the correspondent. He could not see what a non-aligned conference would be able to achieve. "What did the last non-aligned conference achieve? After the conference, some went to Moscow, some went to Washington but what happened?" he asked.

Earlier, in reply to a question he had said that if USSR and USA came closer, non-alignment would be of no value. He added that people who wanted to exploit through non-alignment would certainly find themselves in a very difficult situation in that case.

A correspondent asked whether he sincerely believed that India would attack Pakistan.

President Ayub Khan said that in the past whenever she had a problem with her neighbours she had resolved it by force. If India created an unlimited military power inside the country, she might do whatever she had been doing in the past. India had not solved any problems with her neighbours.

Another correspondent pointed out that United Nations were there. The President asked what United Nations had done so far. It had only brought about cease-fire. Such a cease-fire would be inside Pakistan territory. The existence of a superior force next door to any one would be far more than aggression. India had used her force against Pakistan without any rhyme or reason. He concluded by saying "this can happen again."

The news conference ended abruptly with Mr. Bhutto losing his temper over a question asked by a correspondent on the Belgrade conference.

Mr. Bhutto called the correspondent a "bad mannered man" and closed his news conference abruptly and walked away from the conference room.

The question followed a statement by President Ayub Khan that he would not waste his time on a Belgrade-type conference. President Ayub Khan had said then that he would not like to be called "a sycophant" of major Powers as according to him non-alignment was a shadow of major Power conflict.

The correspondent asked Mr. Bhutto whether the President had conveyed to the Ceylon Premier his view and if so what was the reaction of Mrs. Bandaranaike.

Mr. Bhutto tried to evade the question but when the correspondent again pressed for an answer, Mr. Bhutto lost his temper.

(*The Times of Ceylon*, Colombo, *Dawn*, Karachi and *The Hindu*, Madras)

B. Sinhala Becomes Official Language: Sinhala, spoken by eight million of Ceylon's 10 million inhabitants, became the official language on January 1.

After 165 years English ceased to be the language of the administration.

While there was rejoicing in the predominantly Sinhala-speaking areas, in north-east Ceylon, where most Tamils live, there were demonstrations against the language policy which the Tamils allege gives them "second class status".

Women were urged to march in procession to present petitions in Tamil at provincial administration headquarters and insist that written replies be given in Tamil or else do acts of civil disobedience such as squatting before public offices.

Government sources, however, said it was official policy to reply in Tamil to letters sent in Tamil.

Copies of the Sinhala Only Act, which provides for the introduction of Sinhala as the language of administration, were burnt before the Kachcheris, offices of Government agents.

Members of Parliament belonging to the Federal Party led the demonstrations in their respective areas where public meetings were held to mark their protest against the introduction of Sinhala.

The Prime Minister, Mrs. Sirimavo Bandaranaike, in a New Year message described the implementation of the Sinhala Only policy as "the completion of the pledge given to the people by my late husband."

She said: "My Government will always be prepared to listen patiently to any representations made by those affected and to act with justice towards all".

She stated that while giving due place to the wishes of the majority, "it is my firm determination to protect at all times the legitimate rights of all minority groups."

To minority communities she said: "I appeal to all of them to think of themselves too as belonging to the one family of Ceylonese who inhabit this land, and to extend their co-operation to us in the interests of the nation as a whole".

(*The Hindu*, Madras and *The Times of Ceylon*, Colombo)

[Prev. ref. 5471:CEY:A]

C. Nationalization Of General Insurance: The State-owned Insurance Corporation took over on January 1 all general business, except marine insurance, of 51 private companies—Ceylonese, British, American, Canadian, Indian and Australian.

The Finance Minister, Mr. T. B. Ilangaratne, said that no payment would be made for loss of business or goodwill.

The Corporation, while taking over the business, had not taken over buildings or equipment of the insurance firms, he said at a ceremony marking the take-over.

He said that during his recent visit to Britain, the British tea interests there had indicated that if no compensation was paid to insurance firms, it might affect Ceylon's tea trade. To this, he had replied that it was the British interests which controlled the tea trade largely, both at the point of production and sale. He said that he had further told them that if Ceylon's tea trade was affected by the take-over of the insurance business, then the Government would take adequate measures not only for marketing of tea but also for the maintenance of tea estates.

The Prime Minister, Mrs. Sirimavo Bandaranaike, in a New Year message to the nation, said that the nationalization of oil and insurance business was in keeping with her late husband's desire to free the people "from the stranglehold of vested interests."

(*The Times of Ceylon*, Colombo and *The Hindu*, Madras)

[Prev. ref. 5037:CEY:A]

D. Expulsions From Communist Party: The Ceylon Communist Party has expelled eight prominent members including Mr. Premlal Kumarasiri from the Party.

Mr. Kumarasiri and others were known to toe the Chinese line in the current Sino-Soviet ideological conflict.

Earlier, Mr. N. Sanmugathasan, General Secretary of the Communist Ceylon Trade Union Federation, had been expelled from the Party (see page 5520).

The Federation itself is split into two groups and the pro-Soviet wing which is supported by the Communist Party has opened a new trade union central office.

(*The Hindu*, Madras)

[Prev. ref. 5520:CEY:A]

CHINA

A. Cotton Cloth Ration: Most people in Peking received a substantial increase in cotton cloth ration coupons in November, 1963—more than double the largest amount they had in any of the past three years.

All workers, officials and students were given morale-boosting coupons allowing them to buy about 13 feet of cloth. Housewives and self-employed people got about half this, but for them too it was a substantial increase.

Citizens were not told how long the coupons would last, but they think it will be about one year. The last coupons, for cloth (4 to 6 feet), were issued just over a year earlier.

Thirteen feet is enough to buy a cotton cloth suit, a couple of shirts and a few handkerchiefs. It may not seem much, and indeed is still well below the 1956 figures, but memories are short and the increase was more than most people had hoped for.

Cotton cloth rationing, like all other rationing in China, varies from district to district and profession to profession.

China's cotton crop increased in 1963 by 20 to 30 per cent over that of the previous year.

Though there has been no increase in the basic grain ration and cooking oil remains in short supply, meat, vegetables, eggs and other foodstuffs are in abundant supply.

Vegetables are not rationed. Most better quality meat is still rationed though the basic ration is about double what it was a year ago.

(*The Times of India*, New Delhi)

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B. Steps To Stabilize Cotton And Food Production: It was disclosed in Peking on January 1 that the Government intends to concentrate large resources in certain key agricultural areas throughout China to put the nation's food and cotton production on a more stable basis.

The People's Daily in a New Year editorial said this was "the most important task confronting the Chinese people."

The editorial said it was "especially important to select throughout the country a number of areas with better conditions and concentrate great resources on developing such capital projects in these places as farm land irrigation projects.

Observers in Peking said this seemed to be the initial stage of the previously announced long-term plan to mechanize and technically transform China's still largely primitive agriculture over the next 20 years.

(*The Statesman*, Calcutta)

[Prev. ref. 5591:CHI:B]

C. Civil Aviation Agreement With Afghanistan: The Afghan interior Minister, Dr. Abdul Kayyum, announced in Peking on November 24, 1963 that a civil aviation Agreement had been concluded between China and Afghanistan.

He made the announcement at a banquet he gave in honour of the Prime Minister, Mr. Chou En-lai.

Flight Rules:

The State Council at a plenary meeting in Peking on December 30, 1963 approved the "Basic Flight Rules of the People's Republic of China" and the "Flight Rules governing foreign civil aircraft".

The establishment of the flight rules is no doubt in connexion with the regular scheduled civilian flights which are proposed to be made into China under the recent Civil Aviation Agreements which that country has signed with Pakistan, Cambodia and Afghanistan. Hitherto, no foreign planes had been permitted flight into the country with the exception of Soviet aircraft.

Of these three Asian countries it is Pakistan which is actively pushing plans to open scheduled flights to Canton and Shanghai by next Spring and the proclamation of the flight rules governing foreign aircraft would appear to be one of the practical steps paving the way for the opening of these flights.

(*The Hindu*, Madras)

[Prev. ref. 5301:PAK:G, 5412:PAK:B]

INDIA

SUMMARY: Sino-Indian Letters On 1961 Belgrade Conference; Plan For Construction Of Warships; Theft Of Prophet's Relic In Srinagar; Maritime Pact With UAR; IOC Annual Report.

A. Sino-Indian Letters On 1961 Belgrade Conference: The Government of India has told the Chinese Government in a Note that China's opposition to imperialism or colonialism was strictly determined by her own private interests.

The Note, dated December 12, 1963 was the last in the series of exchanges between the two countries on the Prime Minister, Mr. J. Nehru's statements on colonialism and imperialism at the 1961 Belgrade Conference.

The exchanges began soon after the Conference when the Chinese Press presented a distorted and tendentious view of Mr. Nehru's statements at the Conference in an attempt to create misunderstanding in Afro-Asian countries.

The Note said that the Government of India had no interest in carrying on an exchange of correspondence with the Chinese Government on this subject.

It said that China had deliberately opposed, on specious pretexts, the emergence of the Federation of Malaysia.

It also referred to the Chinese Government's opposition to the partial nuclear test ban Treaty and the brusque rejection by the Chinese Government of the Indian proposal for a settlement of the Sino-Indian dispute by international arbitration as laid down in the Bandung declaration. It said these hardly needed any comment.

The Note was in reply to a Chinese memorandum dated November 14 which described as "unwarranted trouble-making" India's "repeated charges against the Chinese Press".

The Chinese memorandum was in reply to an Indian Note dated June 1 in which the Chinese Government had been told that India was quite competent to form her own assessment of present-day political realities and did not require any commendation from the Chinese Government on India's close and friendly relations with Afro-Asian countries.

India's latest Note of December 12 said that the dogmatic attitude of the Chinese Government on the issues of war and peace and peaceful co-existence of States with different political and social systems was well known.

"The brusque rejection by the Chinese Government of the alternative methods for a peaceful settlement of the Sino-Indian differences on the border, namely, adjudication by the International Court of Justice or international arbitration, which are accepted methods for settling international differences, and which are specifically mentioned in the Bandung declaration to which China is a signatory, is incontrovertible evidence of China's contempt for any policy of peaceful understanding.

"The Indian Government has no interest in carrying on an exchange of correspondence on this subject with the Chinese Government. However, the facts have been stated to ensure that the tendentious charges of the Chinese Government are clearly exposed."

(*The Statesman*, New Delhi)

[Prev. ref. 4230:AOA:A]

B. Plan For Construction Of Warships: The project to construct major warships at the Mazagon docks in Bombay is being actively pursued and work has already begun on providing necessary facilities for this purpose.

According to the annual review of the Indian Navy released by the Defence Ministry in New Delhi on December 31, 1963, frigates are proposed to be constructed either with British or Swedish co-operation.

A team led by the Deputy Chief of the Naval Staff visited both the countries some months earlier to evaluate their offer to collaborate in the construction of frigates and its report is being examined by the Government.

With the proclamation of Emergency, the Indian Navy intensified its vigil on the seas and took steps to modernize its fleet and increase its fire power and mobility.

The review said that additional commitments were taken up by the Navy to meet the new threat. Naval garrisons were set up in Andamans and Nicobar Islands and preparations were made to take over coastal batteries and set up new bases.

A new establishment, appropriately named INS Jarawa after the ancient tribe of Nicobar and Andaman Islands, will be formally commissioned early in 1964. It will be administered by the Commodore, East Coast, whose headquarters are in Vishakapatnam.

To further the development of a balanced fleet, the Navy has been considering proposals to add a submarine wing which when established would make it "three-dimensional." In addition to its powerful ships, the Indian fleet has an aircraft carrier INS Vikrant equipped with fighter and reconnaissance and anti-submarine aircraft.

There has been a considerable expansion also in the Navy's fleet air arm. Several Seahawk jet fighters were added to normal complement of the carrier. More naval pilots, navigators and air technicians are being trained in the carrier to man the expanding aviation wing.

While the training facilities at INS Garuda—Navy's first air station at Cochin—are being increased, work is also progressing on the establishment of another naval air station at Dabolim in Goa.

The naval establishment at Goa is being developed to meet the multifarious demands of the Navy in this area. It will be formally commissioned as INS Gomantak soon.

With the completion of some more phases of naval dockyard expansion scheme at Bombay, there has been an increase in the availability of berthing facilities.

The project to have a training establishment and a dockyard at Visakhapatnam is also underway. The work involves the dredging of a channel to provide the necessary anchorage and berthing for ships and provision of several other facilities ashore.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5526:INI:F]

C. Theft Of Prophet Mohammed's Relic In Srinagar: A sacred hair of the Prophet Mohammed, preserved for the past 300 years at the Hazratbal shrine in Srinagar, was removed by some miscreants on December 26, 1963.

Eight days later, after intense inquiries by the Central Bureau of Investigation, it was found in the shrine on January 4.

Mr. Vishwanathan, Secretary to the Central Home Ministry who had gone to Srinagar for consultations with the State Government on the investigation, said on January 5 that the relic was "surreptitiously placed by the culprits" amid hot pursuit by men of the Central Bureau of Investigation.

During the period the relic had been missing, there had been much commotion in Srinagar. Hindus and Sikhs joined Muslims in voicing concern over the disappearance of the sacred hair.

The news of the recovery of the relic was received with great relief. The Prime Minister, Mr. Nehru in a message to the Kashmir Premier, Mr. Shamsuddin, said: "I am greatly relieved and happy to learn that the holy relic has been recovered. I send my hearty congratulations to you and to the people of Kashmir."

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According to Mr. Vishwanathan, almost all the witnesses who were in a position to testify to the genuineness of the sacred relic had identified it.

He said as soon as the investigation was complete, the case would be taken to a law court and the accused tried. After the completion of the necessary legal formalities, the holy relic would be restored to the shrine as soon as possible.

Background:

The sacred relic had remained with the descendants of the Holy Prophet until it reached Sayyid Abdullah, the Mutawalli (administrator) of the Prophet's shrine in Medina.

In 1634 the Sayyid left for India with his family and arrived at Bijapur (Deccan) where two years later he was granted jagir by the ruler there.

The Sayyid stayed in Bijapur for 23 years and on his death his son, Sayyid Hamid, became the repository of the holy hair. Sayyid Hamid lived in Bijapur till the kingdom was conquered by Aurangzeb in 1692 AD.

Sayyid Hamid went to Jehanabad to get his jagir returned. Being in distress, he sought the help of a Kashmiri trader, named Khwaja Nur-ud-Din Ashwari, who was carrying on a prosperous business at Jehanabad. The Khwaja readily gave him the money but requested him to let him have the sacred relic. Hamid turned down this request, but the same night he was directed in a dream by the Prophet to hand over the hair relic to Khwaja Nur-ud-Din.

According to "a history of Kashmir," Khwaja Ashwari left for Kashmir with the relic but at Lahore, he was detained by Aurangzeb, who wanted to keep the sacred relic in Ajmer.

The Khwaja was deeply shocked at being relieved of the relic by Aurangzeb and he died at Lahore, expressing his last wish to a friend, Khwaja Medanish that should he succeed in getting back the relic, it should be taken to Kashmir.

Aurangzeb, too, was directed in a dream by the Prophet to hand over the relic to Khwaja Medanish who later carried it to Kashmir.

After being kept for some time in the Khanqah of Naqshband, the holy hair was finally lodged in the Hazratbal Mosque which was originally built by Shah Jehan.

The body of Khwaja Nur-ud-Din was also buried near the Ziarat (shrine).

(*The Statesman*, New Delhi and *The Hindustan Times*, New Delhi)

D. Trade With USSR: India and the Soviet Union have achieved the trade target of Rs. 50 crores each way during the current calendar year.

Hailing the achievement, the Minister for International Trade, Mr. Manubhai Shah, in a telegram to the Indian Ambassador in Moscow on December 27, 1963, stated that the current year's performance augured well for the expansion of trade envisaged in the five-year Trade Agreement, which came into effect from January 1, 1964.

Mr. Shah requested the Indian envoy to convey the Indian Government's congratulations to the Soviet Government on the latest achievement in trade between the two countries.

Under the new Agreement, the volume of Indo-Soviet trade is to be doubled to Rs. 100 crores each way in three years.

(*The Times of India*, New Delhi)

[Prev. ref. 5319:INI:L]

E. New Envoys From Norway And Afghanistan: Mr. Haakon Nord has been appointed Ambassador of Norway to India.

Mr. Nord (52) joined the Norwegian Foreign Service in 1938.

Dr. Mohamad Anas has been appointed Afghanistan's Ambassador to India.

(*The Times of India*, New Delhi)

[Prev. ref. 3339:INI:C]

F. Diplomatic Appointments: Mr. Apasaheb Balasaheb Pant, Ambassador of India to Indonesia, has been appointed Ambassador to Norway.

He is expected to assume charge of his new assignment early in 1964.

Mr. Abid Hasan Safrani, Ambassador of India to Syria, has been appointed Ambassador to Senegal.

He is also expected to assume charge of his new assignment early in 1964.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5545:INI:E]

G. Trade And Payments Agreement With East Germany Extended: India and the German Democratic Republic agreed on December 28, 1963 to continue the existing Trade and Payments Agreement for 1964 by enlarging the volume of goods to be exchanged between the two countries.

As a result of new arrangements, the total turnover of trade both ways is expected to go up to Rs. 35 crores by the end of 1964.

The arrangement was concluded in New Delhi between Mr. E. Renneis of the East German Ministry of Foreign and Inter-German Trade and Mr. S. Vohra of the Indian Ministry of International Trade.

India will supply a wide variety of engineering products including automobile components, household electric appliances and telephone instruments and equipment, in exchange for East German machine tools, capital goods, heavy electrical equipment and printing machinery.

East Germany will also supply various organic and inorganic chemicals and cinematographic raw films, X-ray films and various precision instruments for research and educational institutions.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 4886:INI:D]

H. Maritime Pact With UAR: The first UAR-India Shipping Agreement was signed in Cairo on January 2 for the establishment of a regular maritime service between the two countries.

The Middle East News Agency said the Agreement was valid for five years subject to renewal.

According to the Agency the Agreement provides for "most favoured treatment of the two countries' ships at UAR and Indian ports."

The Agreement was signed by Mr. Mohamed Nadim, Director-General of the UAR Maritime Transport Organization, and Mr. Nagendra Singh, Director-General of Indian Shipping.

(*The Times of India*, Bombay)

[Prev. ref. 4960:INI:I]

I. First Indian Diesel Locomotive Commissioned: The Railways took another step towards self-sufficiency in rolling stock with the commissioning on January 3 of the first Indian-manufactured diesel locomotive at Banaras by the former Railway Minister, Mr. Lal Bahadur Shastri.

The locomotives which will further improve the performance of the Railways are being manufactured at the factory near Banaras in collaboration with Alco Products Incorporated of USA.

The technical collaboration agreement signed in 1962 is valid for 10 years but can be extended by mutual agreement. According to the present indications the Rs. 13.7-crore project is expected to be completed by March, 1967. It is planned to manufacture 150 diesel locomotives a year. By the end of the Third Plan a production rate of 33 locos a year will have been achieved.

The US firm is supplying the necessary technical 'know-how' and arranging for training of Government personnel abroad. In the initial stages, it has undertaken to supply components and assemblies in a knockdown condition. It is also assisting in the procurement of machinery, plant and equipment.

Under the agreement, lump sum payments are to be made for each design purchased by the Railways for manufacture. The payments vary from $40,000 to $50,000 in the case of engines and $20,000 to $25,000 for the rest of the mechanical portion of the locomotives.

The firm is entitled to an engineering fee and a royalty linked to actual production.

The Railways are planning to utilize the diesel locos most advantageously on congested routes, to solve the line capacity problem. As an interim measure, a fleet of such locomotives is being utilized on sections which are due for electrification. When electrification is introduced, these will be transferred to other sections.

The idea is to strike a balance between electrification and dieselization, keeping in view the advantages and limitations of these two types of traction, in the context of the prevailing conditions including availability of foreign exchange and of diesel oil.

The Railways believe that notwithstanding the adoption of these two types of traction for certain sections carrying very heavy traffic, steam traction will continue to hold a dominant position in India for a considerable period.

This, it was stated, is because of the easy availability of coal, the established indigeneous capacity for building steam locomotives and the larger transport demand under conditions which differ from region to region.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5560:INI:H]

J. Hindustan Steel Ltd.—Annual Report: According to its annual report released in Ranchi on December 26, 1963, Hindustan Steel Ltd.—earned a profit of Rs. 6.63 crores during the fiscal year 1962-63, exclusive of the depreciation provision.

The concern, however, has to clear a loss of Rs. 61.50 crores accumulated since the first year of its operation, mostly due to heavy depreciation charges and interest liabilities.

Greater emphasis is now being laid on improvement in quality and in the planning of profitable production.

The gross sale of iron and steel materials showed a progressive improvement, rising from Rs. 44.2 crores in 1960-61 to Rs. 130.5 crores during 1962-63.

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The overall tonnage of the main finished products during the year was 11,35,383 tonnes.

Substantial quantities of special quality steel were also produced to meet urgent defence needs.

The sale of coke oven byproducts made great strides during the year, totalling Rs. 2.06 crores. Of this, Rs. 18,00,000 was earned on foreign exports. Besides, about 17,000 tonnes of pig-iron, angles and m.s. rods valued at Rs. 43.3 crores were also exported.

The total production of all the plants under the company during the year was 80 per cent of the rated capacity in iron, 83 per cent in ingot steel, 76 per cent in total saleable steel and 95 per cent in plates. New production records were achieved in almost all the units of these plants.

During the year under review, the Dugda Coal Washery was switched on from trial production to regular production and Bhojudih Washery was commissioned for regular production.

A contract with a consortium of five leading Japanese firms was signed in September, 1963 for the supply of main equipment for the alloy steel project. The project is estimated to cost Rs. 65 crores.

(*The Times of India*, New Delhi)

[Prev. ref. 4362:INI:K]

K. **IOC Annual Report:** According to the fourth annual report of the State-owned Indian Oil Company (IOC) released in Bombay on December 26, 1963, IOC made a net profit of Rs. 59,61,000 in 1962-63. This gives a net return of 18.5 per cent and a net kilolitre of Rs. 9.3.

The report said that the net profit would have been over Rs. 90,00,000 if the Company had reached agreement to receive the amounts due from the Government or other parties.

The quantity of products sold in 1961-62 was 322 kilolitres per person employed at the end of March, 1962.

Sales almost trebled in 1962-63 compared with the previous year. They amounted to 629,639 kilolitres plus 16,764 kilogrammes of greases and 11,498 metric tons of petroleum coke.

The Company now sells 14 products.

(*The Times of India*, Bombay)

[Prev. ref. 5076:INI:I]

L. **Naval Station In Andaman And Nicobar Islands:** The Andaman and Nicobar Islands had a naval station commissioned in January, 1964.

The first batch of naval officers and men specially trained for garrisoning these islands was already there. The new naval establishment will be known as **INS Jarawa**, named after one of the most ancient tribes on the islands.

The establishment will be administered by the Commodore, East Coast, with headquarters at Visakhapatnam.

This will be one of the two new naval stations to be commissioned early in the New Year, the other one being **INS Gomantak** in Goa.

[In the wake of the border crisis 14 months ago attention was directed towards strengthening the Army and the Air Force. The Navy, in that context, had perforce to remain in the background. Subsequent events like the discovery of traces of a Chinese picnic on one of the islands in the Andamans group as well as the mysterious appearance of some unidentified vessels off the East Coast have underlined the Navy's role in the defence of the country. Various steps like construction of new frigates, specialised submarine training, increasing the number of naval establishments and extension of the fleet air arm are, therefore, being vigorously pursued.]

(*The Hindu*, Madras)

[Prev. ref. 5526:INI:F]

M. **Progress Of Laccadive, Minicoy And Amindive Islands:** The progress made by Laccadive, Minicoy and Amindive Islands off the Kerala coast was testified on January 6 in Madras by the Central Deputy Minister for Home Affairs, Mrs. Maragatham Chandrasekhar, who had returned from an extensive tour of those areas.

She was the first Central Minister to visit these Islands after they came under the Union administration in 1956.

She said these islanders, all of Muslim faith, were a disciplined lot who had evolved a code of conduct of their own and had no law and order problem.

She said while the Second Plan allotment for this territory was about Rs. 74,00,000, it was over Rs. 1 crore in the Third Plan. The performance of the Third Plan targets was so far very good and the people as a whole were very enthusiastic about Plan schemes.

She said copra and coir were the main source of income for these people. The consumer co-operatives had marketed for the islanders Rs. 23,00,000 worth of copra during 1962-63.

By the end of the Fourth Plan, she said, all islands would have electricity. All islands already had wireless communication, post office and hospital facilities. Medical aid was free. Education was becoming very popular and there was not a single island without a school. There were two high schools also.

(*The Hindu*, Madras)

[Prev. ref. 5101:INI:K]

N. **Goa Chief Minister's Policy Statement:** In his first policy statement on January 6, the Goa Chief Minister, Mr. Dayanand Bandodkar, pledged his Ministry to the all-round development of Goa with "the advice, guidance and help" of the Central Government.

He said that while his party—Maharashtrawadi Gomantak—had received "a clear mandate from the people for the immediate merger of Goa with Maharashtra," his Ministry was "aware that there is a group of patriotic people who feel genuinely apprehensive" of the merger move.

"It is also conscious that the final sanction for the merger rests with the nation's Parliament. It will be the Ministry's endeavour to allay the fears of those who are opposed to the merger and it will work in a spirit of goodwill and co-operation to persuade them to its point of view."

The statement was regarded in political circles as a significant re-iteration of Mr. Bandodkar's post-election stand on the merger issue which has since brought about a crisis in the alliance of the ruling party and the P-SP whose two elected members have threatened to resign from the Goa Assembly.

The statement paid tribute to the martyrs of Goa's freedom struggle and said that the military action, which the Government of India took after exhausting all avenues for a peaceful settlement with the despotic rule of Portugal, had the fullest backing of the people of Goa, Daman and Diu.

The statement said that the Government would have "no hostility towards the Konkani language which is the spoken language of the people of Goa."

The statement promised land reforms with a ceiling on rents; administrative re-organization; minimum wages for labour; expansion of primary education and the setting up of an Agricultural College and a Teachers Training College; introduction of rural health service schemes; improvement of the law and order situation and jail reforms; priority for the improvement of road communications; provision of cheap electric power to help establish large and small-scale industries; and fullest co-operation with the Government of India for developing the Marmagao harbour as a major port and naval base.

(*The Times of India*, Bombay)

[Prev. ref. 5609:INI:K]

O. **Safe Conduct To Mr. A. Z. Phizo:** It was officially announced in New Delhi on January 2 that the Government had agreed to the request made by the Chief Minister of Nagaland, Dr. Shilu Ao, to give "a guarantee of safe conduct" to the rebel leader, Mr. A. Z. Phizo and his colleagues to visit Nagaland for talks with Dr. Ao.

Mr. Phizo and his colleagues were stated to have wanted a meeting with Dr. Ao and his Cabinet colleagues on the subject of "restoration of lasting peace in Nagaland."

Dr. Ao requested the Government of India to facilitate these talks. The date and venue of the talks will be decided by the Government of Nagaland with Mr. Phizo.

The rebel Naga leader crossed over to Pakistan from Naga hills and from there went to London three years ago. Since then he had been living in London as a guest of Rev. Michael Scott who made two trips to India recently and held unsuccessful talks with the Government of India and leaders of Nagaland to discuss certain terms to facilitate the return of Mr. Phizo to Nagaland.

The Government of India had taken the stand that it was for the Nagaland administration to take a decision on the issue.

What transpired between Mr. Phizo and the Nagaland administration since then is not known. It is, however, recalled that the Parliamentary Secretary to the Prime Minister from Nagaland, Mr. Jamir, who is a close associate of Mr. Shilu Ao, had recently met Mr. Phizo in London.

(*The Hindu*, Madras and *The Statesman*, Calcutta)

[Prev. ref. 5530:INI:R, 5581:INI:B]

P. **Liberalization Of Prohibition Policy In Maharashtra:** Beer, wine and other beverages with an alcoholic content not exceeding 3½ per cent will soon be freely available to the people of Maharashtra. This was one of the main features of the liberalized prohibition policy announced by the State Chief Minister, Mr. V. P. Naik in Bombay on December 31, 1963.

He announced that toddy with a similar alcoholic content would also be sold freely, but as it could easily be fermented or its alcoholic content increased, toddy would be sold only under Government supervision.

As arrangements for the production and supply of the beverages might take some time, he expected to introduce the new system on April 1, 1964.

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Under the new policy, people who obtain foreign liquor against permits at present will be given a larger quota. People over 40 will be given permits on the advice of their private medical advisers. Those under 40 will have to get certificates from a medical board appointed by the Government, as at present.

Tourists will not only be allowed to buy more liquor, but also allowed to entertain or be entertained by Indians.

Mr. Naik made the announcement after a special Cabinet meeting. He said that the Cabinet was unanimous in its decision on prohibition, as had been the Cabinet sub-committee whose report formed the basis for the modifications in the policy.

He at the outset emphasized that the "basic policy of prohibition" was not being changed and that the State stood by the Directive Principle of the Constitution on prohibition. At the same time, he said, experience of prohibition over 14 years had shown that it had not been able to change the confirmed addict. Instead, a new tribe of illicit distillers and bootleggers had come into existence.

The new policy, he said, was aimed at ridding society of this tribe, which had grown out of unemployed toddy tappers not merely by deterrent punishment but also by making illicit operations difficult and gradually members of this tribe might change over to "profitable, productive purposes".

He appeared to be surprised by the large number of questions asked by correspondents. In reply to one question, he said that after the new arrangement had been working for some time it would be taken to its "logical conclusion." He did not elaborate.

On January 9, Mr. V. P. Naik said that the proposal to manufacture and distribute beverages with an alcoholic content not exceeding 3.5 per cent in Maharashtra from April 1 would be "postponed."

All other changes in the State's prohibition policy, including liberalization of permits he had announced would be implemented "even earlier" than April 1.

He modified his resolution at the suggestion of the former Chief Minister of Madras, Mr. Kamaraj, who said in a note that any prohibition policy decision should be of "an all-India nature".

At the same time, Mr. Kamaraj was understood to have suggested that the liquor permit system could be liberalized even further than proposed by Mr. Naik.

Mr. Naik had said on December 31, 1963 that permits would be issued to any one above 40 who produced a certificate from his "personal doctor" saying that it was required for the applicant's health.

Mr. Naik later said that a certificate issued by "any doctor" would be valid—apparently at Mr. Kamaraj's suggestion.

(*The Times of India*, Bombay)

[Prev. ref. 5119:INI:Q]

Q. **Socialist Party's Annual Conference:** Declaring that he was opposed to nationalized industries being run like private enterprises, the Socialist leader, Dr. Ram Manohar Lohia said at the open session of the Socialist Party Conference in Calcutta on December 31, 1963 that nationalization was not the only burning issue of Indian politics.

He also voiced his opposition to nationalization of banks and other industries on the lines favoured by the Congress Party.

He accused the Congress Party of trying to divide the Opposition by raising the issue of nationalization of banks.

He pointed out that if Rourkela and Jamshedpur were to be run on similar lines with the same structure of wages and amenities, he did not see why he should prefer nationalized industries to the public sector.

Expressing his keen desire for a merger of the Socialist Party and the P-SP, he appealed to the leaders of the P-SP to work out a way for this.

He clarified his inaugural speech on the question of the "united front." He said the Socialist Party had decided not on a policy of united front of all parties but on a policy of "united action" in respect of programmes.

The Socialist Party had also decided on a policy of electoral adjustment and "discriminating support."

The concluding session of the Conference was also addressed by Mr. Nollasivam, the new Chairman of the Party, and Mr. Maniram Bagri, MP.

Mr. Nollasivam declared that the ruling party had failed to bring any good to the people and therefore had to be dislodged.

Mr. Bagri called on the people to march to Delhi and oust the Congress from power.

New Chairman Elected:

On December 31, 1963, Mr. Nollasivam, MLA (Madras), was elected Chairman of the Socialist Party.

Mr. Golab Barbara (Assam) was elected General Secretary.

(*The Statesman*, Calcutta)

[Prev. ref. 5015:INI:A]

R. **Jan Sangh Annual Conference:** The President of the All-India Jan Sangh, Mr. Deva Prasad Ghosh, at the annual Conference of the party in Ahmedabad on December 29, 1963 called upon all nationalist parties in the country to "come nearer to one another and marshal their ranks" because a "veritable Congress-Communist axis is in the offing."

He said nationalist parties with similar aims and ideals should work in concert inside and outside the legislatures especially on issues where a "broad agreement existed between them." In electoral contests, they should come to an understanding so that nationalist votes should not be split.

In a criticism of the Prime Minister, Mr. Nehru, he said: "Communists in India after the Chinese invasion have, in sheer instinct of self-preservation, flocked round Mr. Nehru as their saviour."

He said under the cover of the Kamaraj Plan, Mr. Nehru had removed and appointed Ministers to suit the likes and dislikes of Moscow. "Both in theory and in practice," he said, "Mr. Nehru is leading us all down the slippery slope of communism."

He characterised as a "hoax" Mr. Nehru's remarks that he would not rest content or relax in his endeavour till India's soil was free from the aggressors' grip. It was meant to deceive the nation and lull it into a false sense of security.

"Mr. Nehru hopes that, in course of time, the people will forget all about the Chinese occupation, just as they have almost forgotten about Pakistani occupation of Kashmir, and worry about it no longer."

About Kashmir, Mr. Ghosh said Article 370 of the Constitution must go and all further parleys with Pakistan about the future of Kashmir must be abandoned.

He also criticized the idea of democratic socialism as a contradiction in terms and compared it with Orwellian concept as "luminous darkness or truthful lie."

Resolutions:

The plenary session of the Conference ratified the merger of the Jammu and Kashmir Praja Parishad with the Jan Sangh.

A resolution congratulated the Parishad for "its constructive lead" and said that this action would go a long way in forging direct political links between the people of Kashmir and the rest of India.

The resolution also demanded abrogation of Article 370 of the Constitution and construction of new roads linking Kashmir with the neighbouring States of Punjab and Himachal Pradesh.

By an amendment moved by Mr. Abdul Rehman, a delegate from Kashmir, the resolution demanded application of the Indian Constitution to Kashmir.

The delegates' session adopted a resolution demanding a thorough reappraisal of India's policy towards Pakistan. The policy should be realistic and based on the principle of reciprocity.

The resolution, adopted after incorporating some amendments, wanted the Government to treat Pakistan as a "hostile country" like China and take effective steps to get Pakistani aggression in Kashmir and elsewhere vacated.

Earlier, the party's working committee adopted a resolution on what it called "political gangsterism and police excesses."

The resolution said: "The committee is shocked over continuing reports from Uttar Pradesh, Punjab and Jammu and Kashmir about political gangsterism thriving with the active collaboration, or passive connivance, of the party in power and the custodians of law.

"As in all these States, political opposition to the ruling party is spearheaded by the Jan Sangh, our party has had to pay the heaviest toll to this outburst of goondaism manifested latterly in a series of murderous assaults on Jan Sangh workers."

(*The Times of India* and *The Hindustan Times*, New Delhi)

[Prev. ref. 5018:INI:P]

S. **Land Reforms In UP:** The President has given assent to the Uttar Pradesh Zamindari Abolition and Land Reforms (Amendment) Bill, 1963.

In a recent ruling the High Court of Allahabad held that certain zamindari areas in the State were not covered by the existing definition of the word "estate" occurring in the UP Zamindari Abolition and Land Reforms (Amendment) Act 1958.

For the implementation of the scheme of land reforms throughout the State, it was considered necessary to amend the definition of the word "estate" so as to include all those zamindari areas which had been held not to be included within the present definition of that word and to provide for consequential matters. The Bill seeks to achieve this object.

(*National Herald*, Lucknow)

[Prev. ref. 2670:INI:V]

T. **Tikkarpara Dam Project In Orissa:** The Prime Minister, Mr. Nehru, laid on January 5 the foundation stone of Orissa's biggest multipurpose dam across the Mahanadi at Tikkarpara, about 133 miles west of Bhuvaneswar.

"Let this great dam serve the nation," he said as he pressed a button unveiling a marble foundation plaque amidst cheers

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from the large crowd from nearby villages who watched the ceremony.

Estimated to cost Rs. 175 crores, the Dam is the core of the State's ten-year Development Plan styled as "Orissa's decade of destiny." Besides helping in flood control, the Dam is designed to produce initially 2,000 megawatt of hydel power and irrigate about nine million acres of land. Situated about 80 miles downstream from the Hirakud Dam, the Tikkarpara Dam will be 4,170 feet long, and 450 feet above sea level.

Earlier, Mr. Nehru laid the foundation stone of a 250-mw thermal power plant at Talcher in Orissa. He said that the electric power was a prime need for India's industrial development.

The Rs. 30.35-crore power station is being financed with a loan of $33 million by the US Agency for International Development. The first of the four units of the project each with a capacity of 62.5 mw is expected to be commissioned by August, 1965.

(*The Statesman*, Calcutta)

U. Social Welfare Measures In Andhra Pradesh: The Andhra Pradesh Cabinet decided on January 2 to liberalize old age pensions, and increase the provision under this head from Rs. 4,00,000 to Rs. 25,00,000.

At present those attaining the age of 65 are entitled to old age pension. In future even those reaching 60 would be eligible if they are physically handicapped. The pension will be sent by money order and the M.O. commission would be borne by the Government.

The Cabinet also decided on other social security measures like free education to all girls till the completion of the secondary education, involving a total additional expenditure of Rs. 1 crore.

The Cabinet has provided Rs. 50,00,000 for grant as taccavi loan free of interest to the farmers owning less than two acres wet and 5 acres dry on the basis of two sureties and not security.

(*The Hindu*, Madras)

INDONESIA

A. New Ministerial Postings: President Sukarno has decided to appoint Mr. Wirjono Prodjodikoro as Compartment Minister for Judicial and Home Affairs.

Mr. Prodjodikoro will continue to function as Minister|Chairman of the Supreme Court.

President Sukarno has further appointed Mr. Astrawinata Minister of Justice and also as State Minister assigned to the Presidium of the "Kerdja" (Working) Cabinet, which consists of the President and three Deputy Prime Ministers.

Mr. Prodjodikoro and Mr. Astrawinata have been assigned the posts held by the late Mr. Sahardjo.

(*Information Service Indonesia*)

[Prev. ref. 5584:IND:A]

B. Envoy To India: Mr. Suska has been appointed Indonesian Ambassador to India.

Born on August 22, 1909 at Padang, Mr. Suska started his career as a journalist in 1927. From 1927 to 1941 he acted as editor of various newspapers in Padang.

(*Information Service Indonesia*)

[Prev. ref. 4020:INI:B]

JAPAN

A. Withdrawal Of US Air Force Personnel: According to a US-Japanese announcement made in Tokyo on December 31, 1963, USA will withdraw about 3,000 Air Force men and nearly 2,000 civilian dependants from Japan next Spring.

At the same time some US Air Force units will be moved from Kyushu Island to Yokota near Tokyo.

Three US Air Force squadrons of the new F-105 fighter aircraft will be moved to Japan, while bomber units of the B-57 type will be withdrawn.

The shifting has been enabled by "the improved capabilities of the Japanese armed forces to defend their country."

The statement said there would be "no radical decrease" in the overall US forces and there would be no reduction in the capability of US forces "to carry out their responsibilities under the Japan-United States mutual defence relationship." Improved capabilities of the Japanese defence forces had made possible the reduction.

There are about 50,000 American troops in Japan now.

(*The Japan Times*, Tokyo and *The Hindu*, Madras)

[Prev. ref. 5728:JAP:A]

B. Court Ruling On Stationing Of US Forces: The Supreme Court ruled on December 26, 1963 that the stationing of US forces in Japan was constitutional.

The case known as the "Sunakawa case" dates back to July, 1957 when 360 students and trade unionists trespassed on a US Air Force base in Tachikawa in the outskirts of Tokyo opposing a runway expansion plan. Seven persons were arrested and tried on charges of violation of the special criminal law of USA-Japan administrative agreement.

Judge Akio Date of the Tokyo District Court acquitted all the seven defendants in March, 1959 ruling that the stationing of US forces in Japan was a violation of the Japanese Constitution.

The prosecution immediately appealed to the Supreme Court, bypassing the Tokyo Higher Court.

The Supreme Court in December, 1959 reversed the verdict and ordered a retrial.

In the retrial the Tokyo District Court in March, 1961 found all the seven defendants guilty of the charges and sentenced them to a fine of 2000 yen each The prosecution had demanded six months' imprisonment.

Both the prosecution and defence were dissatisfied with the verdict and appealed to the Tokyo Higher Court which in February, 1962 rejected the appeals and supported the lower court verdict.

The defence then appealed to the Supreme Court.

(*The Times of India*, Bombay)

[Prev. ref. 3779:JAP:A]

C. Return Of Defector To China: The Government announced on December 30, 1963 that it had decided to allow a Chinese Communist defector, Chou Hung-ching, to leave Japan for the mainland after January 1.

The Government took final action in the controversial case of the wavering defector 85 days after he scrambled over the wall of the Soviet Embassy in Tokyo asking for asylum.

Chou, a 44-year-old Japanese language interpreter who came to Tokyo with a Chinese technical mission, had become the object of a tug of war between Peking and Formosa.

The Foreign Ministry said the decision had been made after it was "ascertained that finally Chou's intention is to return to China."

Chou, after the Russians turned him over to the Japanese authorities, first said he wanted to go to Formosa, then stay in Japan or go to some country which did not recognize Peking.

After being visited by representatives of China, he suddenly demanded to be sent back immediately to the mainland and has since stuck to that stand.

(*The Statesman*, Calcutta)

D. Revolutionary Changes In Agriculture: Japan is passing through an agricultural revolution.

There is a radical change from traditional agricultural ways that until now have been considered an integral part of the very fabric of Japanese life.

Two weapons are being used—the internal combustion engine and chemical fertilizer. Using both in ever-increasing quantities, farmers have fashioned a new life for themselves. Production is up, costs are down, and hundreds of thousands of young people are leaving for the factories and mills of the cities.

Probably more than any single device, the tractor has made the difference for farmers. Japanese farms average only 2.5 acres each and in days now fast vanishing it was customary for all members of a farm family to enter the fields at sunrise and labour like beasts of burden until sundown.

Rice fields were ploughed with oxen or horses. The harvest was gathered on men's backs and threshed by sweating women. Today, more than 60 per cent of all Japanese farmers own tractors—more than 1.2 million machines. They are small machines, about 5 horse-power and the type a farmer walks behind as it crawls through the rice fields.

In searching for a solution to its own farm problems, Japan has developed skills and techniques that are eagerly sought after in other rice-eating countries. So, Japan now exports agricultural machines and advice along with rice.

(*The Hindu*, Madras)

E. Re-organization Of Shipping Companies: The re-organization of Japan's 90 shipping companies into six powerful enterprises each with a fleet of over one million tons and capable of effectively competing with the world's shipping lines was virtually completed on December 19, 1963 when Osaka Shosen Kaisha (OSK) and Mitsui Steamship Company signed a merger agreement.

The new firm which will start functioning on April 1 will control a giant fleet of 204 ships totalling 2,329,000 deadweight tons. The new firm, Mitsui-OSK, will thus be in the same class as the British P. and O.-Orient group which has a total tonnage of 2,194,320.

Two other groups headed by Nitto Shosen and Daido Kaiun merged on December 18, 1963 to give birth to the Japan Line, another of the six new giants.

(*The Hindu*, Madras)

[Prev. ref. 5425:JAP:D]

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KOREA (South)

A. National Assembly Elections: President Park Chung Hee's Democratic Republican Party secured an absolute majority in the National Assembly in the elections held in the last week of November, 1963.

Of the 175 seats, his party won 110 seats, while the Opposition Civil Rule Party won 41 seats. The remaining seats were to be divided in proportion to the seats won.

General Park won the Presidential elections in October, 1963 over the Civil Rule Party leader, Po Sun Yun by a margin of 1.4 per cent of the total 11,036,175 votes cast.

[The last legislative elections staged in August, 1960 had resulted in an endless squabble between factions of the Conservative Party to which General Park put an end in May 16, 1961 by staging the coup d'etat, and dissolving the Assembly].

All competing parties were pro-American and anti-Communist, but while the Democratic Republican Party sought strong powers for the President, the Opposition wanted the Assembly to check the executive, even threatening to impeach General Park as soon as the new Parliament is convened.

President Kennedy's assassination abruptly brought a truce in the electoral campaign when loud Opposition claims that the Government was planning to interfere in the voting had created a tense atmosphere.

The Home Minister and the Director of the National Police resigned in the wake of alleged exposes of Government instructions on the mobilization of votes.

Though the real fight was between the two parties, as many 12 parties were in the field.

The new National Assembly began its four-year term on December 17, 1963.

Gen. Park also took over as President on December 17. He declared that he would not permit dictatorship or what he termed incompetence masquerading under the name of democracy.

His assumption of power came two years and seven months after he seized the Government in a coup that, he said, was designed to protect South Korea from Communism and corrupt politicians.

He stressed the need for South Korea to achieve "autonomy, independence and prosperity" through its own toil.

He stressed two themes of his political philosophy: (1) South Korea must achieve greater independence from foreign influence and 'unsuitable foreign customs and manners"; and (2) the nation's ultimate goal is defeat of communism and reunification of the divided Korean peninsula.

The 46-year-old President dissolved his Revolutionary Council on December 16, 1963 but kept most of his colleagues in the Government's inner circle.

(*Republic of Korea*, Seoul and *The New York Times*)

[Prev. ref. 5537:KRS:A, 5588:KRS:A]

MALAYSIA

A. **British Support:** It was officially announced in Kuala Lumpur on January 6 that Malaysia and Britain had reached full agreement on measures to meet "Indonesian aggression with resolution and in unity."

They re-iterated their determination to resist the Indonesian confrontation campaign against Malaysia.

The decisions were announced in a joint communique issued at the end of the talks the British Defence Minister, Mr. Peter Thorneycroft, had with the Malaysian Prime Minister, Tengku Abdul Rehman.

Later, on his arrival in Singapore, Mr. Thorneycroft said there was no need for British troop re-inforcements in the Borneo territories, where security forces are opposing "intruders."

He said the forces there were adequate to the task assigned to them at present.

Asked about the possibility of Australian and New Zealand troops becoming involved in Sabah and Sarawak, he had "nothing to say."

Asked if there was evidence that Indonesian troops were participating in the attacks in the Borneo territories, he said it was a "question of insurgency" and it was "difficult to itemise." However, there was "little doubt" Indonesia was "playing a substantial part."

He described the position in Sabah (formerly North Borneo) as "a continuing situation." He added, in reply to questions, that a situation was always grave where one State was acting in an aggressive manner towards another.

Earlier on January 5 Mr. Thorneycroft, pledged that Britain would "stand shoulder to shoulder" with Malaysia in its struggle against Indonesia.

At an airport news conference, he said: "I come as a partner and an ally."

He said he would later go to Sabah State.

Asked about speculations that increased Commonwealth military assistance to Malaysia, particularly from Australia and New Zealand, would be forthcoming, he said it would be up to the Malaysians to request such a contribution.

He added: "Between us, Britain and Malaysia, we have sufficient forces to do the job that confronts us."

On Britain's defence commitments to Malaysia, he said: "There is no doubt about our intentions to honour to the hilt our commitments to you. We shall stand shoulder to shoulder in the gallant struggle you are making. That we shall do."

Indonesian View:

The Indonesian Defence Minister, Gen. Abdul Harris Nasution on December 4, 1963 blamed Britain for his country's conflict with Malaysia.

He called the British "the leaders of colonialism in South-East Asia" in an interview published in the latest issue of the Philippines Free Press.

He said Indonesia had no fear of attack by Malaysia.

The British, he said, were behind a plot to sabotage Maphilindo. "They wanted Malaya to be hostile to Indonesia and the Philippines. They pursue the policy of separatism. They want us to fight each other.

"We were ready to accept the United Nations survey results (on whether the people of North Borneo and Sarawak wanted to join Malaysia), but the British sabotaged the whole thing by announcing the formation of Malaysia even before the UN survey was through.

"They prevented our representatives on technical grounds from entering the Borneo territories during the UN survey."

He compared Indonesia's experience with colonialism with that of President G. A. Nasser's in Egypt.

British Payments:

In a written reply in the House of Commons on December 16, 1963 the Secretary of State for Commonwealth Relations and the Colonies, Mr. Duncan Sandys, said Britain would make payments totalling about £1.5 million to Malaysian territories before the end of the current financial year.

He said Parliament would be asked in due course to vote the necessary supplementary estimates.

Advances totalling about £1,416,000 will be made from the Civil Contingencies Fund in respect of, among other things, the gift offered to the Borneo territories, the grants offered to Singapore, and the compensation scheme for Borneo expatriates.

He said: "An advance from the Civil Contingencies Fund may also be required in respect of the supply of arms and equipment."

Defence Expenditure:

The Malaysian Deputy Prime Minister and Defence Minister, Tun Abdul Razak, outlined in the House of Representatives on December 23, 1963 an expansion programme for the armed forces which will cost nearly £20 million. He warned that if the situation arising from the Indonesian "confrontation" deteriorated, he might have to seek supplementary funds during 1964. His proposals were approved.

They included the raising of an additional army brigade, which would be fully operational by 1966 and bring the number of brigades in the Royal Malaysian Army to five. Two battalions, to be known as the Royal Malaysian Rangers, would also be raised in the Borneo territories. Tun Abdul Razak did not say so, but it was generally assumed that one battalion will be recruited in Sarawak and one in Sabah (North Borneo).

There will be further expansion of the Territorial Army in Malaya and the Border Scouts in Borneo. The Navy and Air Force are also to be strengthened, and Labuan is to be developed as the main base in the Borneo territories.

(*The Times*, London, *The Hindustan Times*, New Delhi and *The Straits Times*, Singapore)

[Prev. ref. 5550:MAL:A]

B. **Budget Estimates:** The Finance Minister, Mr. Tan Siew, told Parliament on December 16, 1963 that the Federation Government was budgeting for an overall deficit of $511 million (Malaysian) (about £60 million) in 1964.

Of this, $226 million would be met by borrowing, and the remainder drawn from reserves.

He announced increases in the duty on alcohol and cigars and in taxes for non-residents.

He told Parliament that the Indonesian "confrontation" would cost the Federation $250 million (Malaysian) in a year. It had already thrown 10,000 Malaysians out of employment. According to him, Indonesia will be the major loser in its trade embargo against Malaysia. He added: "At the same time, it must be conceded that confrontation has had its adverse effects on our economy, too."

He said Singapore and Penang were the hardest hit, as they were the heavy traders with Indonesia. Elsewhere, the

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embargo's effects were limited to rubber mills in Johore State, to Malacca fishermen and to overland rubber importers in Sarawak. The effect of the embargo on living costs had been small.

He said that Britain had agreed to provide £15 million in capital aid for defence, and to bear the cost of raising, maintaining and training two new infantry battalions in the Borneo States of Sarawak and Sabah until the end of 1965.

It had also agreed to provide £2 million a year for five years for development of Sarawak and Sabah and had extended the period in which the Singapore Government could draw a loan of up to £5 million.

(*The Malayan Times*, Kuala Lumpur and *The Statesman*, Calcutta)

[Prev. ref. 5962:MAL:A]

C. **TV Service Opened:** The Prime Minister, Tengku Abdul Rehman, opened on December 27, 1963 a Government television service in Kuala Lumpur and said a second channel would be opened in the Malayan states in 1964.

Television is already operating in Singapore.

(*The Malayan Times*, Kuala Lumpur)

MONGOLIA (Outer)

A. **Hural Chairman Relieved Of Post:** *Tass* said on December 25, 1963 that Mr. L. Tsende had been relieved of his post as Chairman of the Great People's Hural (Council). No reason was given.

The report from the Mongolian capital, Ulan Bator said Mr. Batochiryn Altangerel who was not previously listed as a member of the Administration, had been appointed to succeed Mr. Tsende.

The assembly of the Hural, which took the decisions, also appointed Mr. Sonomyn Luvsan as First Deputy Premier.

There are four other Deputy Premiers.

(*The Times of India*, Bombay)

NEPAL

A. **Issue Of Development Loan Bonds:** The Government will issue development loan bonds from January 29 to raise Rs. 1 crore in Nepalese currency.

The bonds will carry an interest of 6 per cent payable every six months. This was the first time that Nepal is taking to public debt to mobilise resources for the three-year Development Plan, the second since the Kingdom's liberation from the Rana regime.

Nepal's First Plan was launched in 1956 while the current Rs. 67,00,00,000 (Nepali) Plan was launched by King Mahendra after his take-over in 1962.

The Plan is expected to lay a sound basis for achieving the long-range economic objective of providing employment to 150,000 persons annually.

Of the total outlay, Rs. 50 crores (Nepali) is to be met out of foreign aid; Rs. 21 crores is to come from the United States, Rs. 14 crores from India, Rs. 21 crores from the Soviet Union, Rs. 4 crores from China, Rs. 1.5 crores from the United Kingdom, Rs. 1 crore from United Nations agencies and Rs. 50,00,000 from other sources.

The total amount of foreign aid already made available is, however, far in excess of the estimated Rs. 50 crores which the Plan takes into account.

The amount committed under the Indian aid programme is about Rs. 29 crores, of which only Rs. 14 crores is included in the Plan. Similarly, the Chinese have promised an equivalent of Rs. 30 crores of which only Rs. 4 crores has been accounted for in the Plan.

(*The Times of India*, New Delhi)

[Prev. ref. 4690:NEP:C]

B. **First Divorce Case:** Nepal, which had preserved its ancient laws until two years ago, had its first divorce case in the third week of December, 1963.

A regional criminal court confirmed the divorce of a Rana couple who had fallen in love and married only four years ago. They have a child under three.

Polygamy was prevalent in Nepal and divorce was impossible until two years ago, when King Mahendra introduced revolutionary legal reforms abolishing many customary practices and laws.

The King also introduced equality of law and equality before the law for all citizens irrespective of caste. Until then Brahmins stood on a different footing in the application of various laws and were exempt from capital punishment, however serious the offence.

(*The Statesman*, Calcutta)

[Prev. ref. 5371:NEP:B]

C. **New Data On Mara Civilization—Japanese Expedition Fails:** Two members of the successful Japanese expedition to *Mount Saipal* returned to Khatmandu on December 26, 1963 after a vain search for some new data on Mara civilization, earliest known human settlement in western Nepal.

The two members, K. Fukuda and T. Matsumura, were part of the six-member expedition of Japanese students of Doshisha University. Two others, including the leader, K. Kojima, who climbed the peak, returned three weeks earlier.

Fukuda and Matsumura stayed back to collect information on the Mara civilization. Matsumura said all papers pertaining to the civilization were reportedly taken away by the Nepalese authorities from the local people. Mara kingdom used to exist in a place now called Gumagaon. The Japanese students could not get to another village also connected with the civilization.

(*The Times of India*, New Delhi)

[Prev. ref. 5358:NEP:E]

PHILIPPINES

A. **Land Reform Implementation:** President Macapagal signed on October 14, 1963 an order requiring all executive departments, bureaux and offices to render full assistance to Government agencies implementing the Agricultural Land Reform Code.

The order was issued by the Executive Secretary, Mr. Rufino G. Hechanova "by authority of the President."

It stressed that the reforms contemplated by the Agricultural Land Reform Code were important and extensive. "Such complement and resources may be made available from other executive agencies of the Government without unduly impairing the public service."

Mr. Hechanova said the assistance of other offices under the executive department was essential to achieve economy and avoid duplication of efforts in the implementation of the intended reforms.

He ordered that the assistance be in the form of personnel and other resources available from the department, bureau or office concerned, and in terms of non-power, resources and other requirements of the project.

He added that the expenses to be incurred as a result of such assistance shall be changed to the account of the department, bureau or office providing the same, or to both in accordance with special arrangements made under existing laws or rules and regulations.

The new order authorized all executive departments, bureaux and offices to give full priority and immediate attention to any such request of the Land Reform Council made in proper form and by its authority.

(*The Manila Times*)

B. **New Diplomatic Posts:** The Acting Secretary of Foreign Affairs, Mr. Librado D. Cayco, proposed to President Macapagal on November 1, 1963 the opening of 17 new diplomatic and consular establishments, including one in Kuching (Sarawak), a member of the Federation of Malaysia.

In a memorandum to the Chief Executive, Mr. Cayco sought the opening of diplomatic missions in Ottawa, Canada; Stockholm, Sweden; Vienna, Austria; Lisbon, Portugal; Ankara, Turkey; Brasilia, Brazil; Copenhagen, Denmark; and Kabul, Afghanistan.

He also recommended the opening of consulates-general in Calcutta, India; Rotterdam, Netherlands; Liverpool, England; Barcelona, Spain; Athens, Greece; Auckland, New Zealand; Miami, USA; St. Louis, USA; and Kuching.

Of the eight diplomatic and nine consular posts proposed by Mr. Cayco, four were in the Western hemisphere—one in South America, one in Canada, and two in the United States—and eight in Europe and five in Asia, including Australia.

The establishment of a consulate-general in Kuching (Sarawak) was considered significant, according to Foreign Office observers. Sarawak recently became a part of the new Federation of Malaysia, with which the Philippines has no diplomatic relations at present.

This indicated, the observers said, that diplomatic ties might be restored between the two countries.

(*The Manila Times*)

THAILAND

A. **Colombo Plan Consultative Committee Meeting:** Ministers representing 19 member-Governments met in Bangkok from November 12 to 14, 1963 for a conference of the Colombo Plan Consultative Committee.

They discussed problems of economic development in South and South-East Asia.

[A brief account of the Ministerial Conference was published on page 5618].

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Member-countries represented at the meeting were Australia, Burma, Canada, Ceylon, India, Indonesia, Japan, Laos, Malaysia, Nepal, New Zealand, Pakistan, the Philippines, Thailand, UK, USA and Viet-Nam (RVN). Cambodia, another member, did not send a representative to the conference.

A communique issued after the conference said that the Committee reviewed economic development in the region during the past year and the progress of the Colombo Plan and that an assessment was made of the tasks ahead of the countries of the region.

The Committee noted that comprehensive and integrated national planning for economic and social growth was now a feature of the countries of the region. The rate of economic growth in the countries of the Colombo Plan area showed some variations with increase in gross national product of up to 9 per cent in the year under review.

On a per capita basis, changes in the national income ranged from a rise of up to 5 per cent to an actual decline in some areas. This was due partly to the high rate of population growth and partly to fluctuations in agricultural production which achieved at best no more than a slow rate of growth.

The rate of capital investment in many countries, however, showed significant increase.

In most countries of the area the share of industrial production, the value of national product showed a marked increase. Most of the development programmes emphasized the need to develop irrigation, the use of water resources and the introduction of improved agricultural techniques and reform and rural development co-operative enterprises and full exploitation of mineral resources.

There was a common concern with the creation of industrial infrastructures and the development of transport and power. There was growing awareness of the region to develop human resources through education, training and health and community training programmes.

The main factors contributing to the inflationary pressures in many countries of the region continued to be the relative inadequacy of domestic savings and the excess of Government expenditure over revenue.

Most countries have maintained food production at the 1963 record level in spite of less favourable weather conditions.

Although there has been an average annual increase in food production of about 3 per cent over the past decade for the region as a whole, rising population has absorbed two-thirds of this increase and the per capita rise in food output has been about one per cent.

The industrial sector has, however, continued to grow at the rate of about 8 per cent per year.

The communique also said that the value of exports from the Colombo Plan area rose by between 2 and 3 per cent. Imports into the area as a whole were between 5 and 6 per cent higher in value in 1962 than in 1961.

Foreign exchange reserves as a whole were much the same at the end of 1962 as at the end of 1961.

However, most countries in the area showed a rise in reserves in early 1963.

The total of all economic aid including technical assistance provided by donor-countries under the Colombo Plan since its inception has been $13,830 million. The value of such aid in the year 1962-63 amounted to $1,830 million.

The developed countries can contribute to the expansion of trade opportunities for developing countries by reducing the artificial restraints such as high tariffs, import quotas and high internal taxes.

Greater efforts should also be made by the developing countries to expand trading opportunities with neighbouring countries.

Continued attention should be paid to the important role of non-project assistance in aid programmes. Some countries have reached a stage in which the growing burden of foreign debt puts severe limitations on their capacity to borrow further and thus to press ahead with economic development.

Some donor-countries have improved the terms of their aid in recent years to face this problem of the developing countries, but more needs to be done.

Expenditure on technical assistance during the year under review increased by about $17 million to a peak of $118 million.

New training places provided under the Colombo Plan numbered 4,433 compared with 4,539 in 1961-62.

The next meeting of the Committee will be held in London in 1964.

Annual Report:

The following is a summary of the 12th annual report of the Committee which the members discussed:

The first chapter of the annual report for 1962-63 highlights the programmes of economic development in various countries, their problems and the prospects.

Another chapter deals with the progress of international co-operation under the Colombo Plan and the aid given by them to developing member-countries of the region.

The report says that the developing countries have continued to show progress in their economic development. However, the economic growth in the Colombo Plan region as a whole has fallen short of the goals of achievement most countries had set for themselves.

While economic progress has been tangible and the rising national incomes serve as a tribute to the efforts of these countries there is a general feeling that the performance can and must be improved. Monetary and fiscal policies and encouragement of savings must be used to counter inflationary pressures.

There should be a proper balance between consumption and investment and sufficient resources devoted to exports, the report said. Administration within the Government and within the economy must be regarded to the requirements of rapid economic growth.

Although there has been an average annual increase in agricultural production of about three per cent over the past decade for the region as a whole the rising population has absorbed about two-thirds of this increase and the per capita rise in food output has been about one per cent per year.

The growth of agricultural production is essential as a basis and counterpart of effective industrialization. Improved methods of cultivation and better organization are, therefore, necessary.

In the development of human resources there must be continued effort within a country to expand and improve programmes for development of human resources.

Further efforts by developing countries to increase their export earning are needed. Greater effort should be made to cultivate trading opportunities with neighbouring countries.

The countries of the Colombo Plan region should also approach more progressively the fostering of their tourist industries. These countries need the broadest possible market opportunities as well as appropriate internal policies to expand export earnings.

Artificial restraints such as high tariffs and import quotas constrain economic growth opportunities in developing countries and are likely to result in wasteful allocation or underemployment of the resources available to a country.

There is a scope for further improvement in the granting of capital aid and technical assistance from abroad. Non-project assistance in aid programmes to developing countries should be stepped up.

The report places high hopes on the forthcoming United Nations Conference on Trade and Development which will provide a forum for developing countries and more industrialized countries to discuss issues of common concern relating to an increase in world trade and the stimulation of economic development.

Colombo Plan Ministerial Conference:

The Colombo Plan Ministerial Council met in Bangkok from November 11 to 14, 1963.

Delegates reported to the conference the economic and financial position of the member-countries.

In their opening day speeches, the delegates stressed on development through trade and not aid.

Addressing the opening session, the late Prime Minister, Field-Marshal Sarit Thanarat and the Thai Foreign Minister, Mr. Thanat Khoman, urged a stabilization of commodity prices and an opening of markets to manufactured goods from developing countries.

Field-Marshal Sarit Thanarat said: "We all look forward to the implementation of such a policy, and I earnestly hope this conference will give the matter its serious consideration."

Mr. Khoman, who presided over the conference, said if the present trade trend of falling commodity prices and rising prices of manufactured goods could be arrested and reversed, "the development of less privileged nations would be more realistically assured than through minimal aid."

Indonesia's Air Communications Minister, Mr. Iskander, made an oblique reference to his country's break in trade relations with Malaysia. He stressed the "common heritage" and "close economic ties" between Indonesia and Thailand and expressed the hope that these would "become even closer."

Mr. Iskander, Malaysia's Deputy Prime Minister, Tun Abdul Razak, and the Philippines' Foreign Under-Secretary, Mr. Librado Cayco, voiced full agreement with Mr. Sarit's statement stressing the need for stabilising the export earnings from primary goods.

Tun Razak also cited the high rate of population growth, lack of capital and shortage of skilled personnel as handicaps which South-East Asia's developing countries must overcome.

Mr. Cayco said "as a trading nation, we (the Philippines) are wedded to the philosophy of inter-dependence among nations. We fully realise that no country can be truly self-sufficient, nor can it long exist in isolation from its neighbours."

Communique:

A *communique* issued at the close of the conference on November 24 said that the economic development of several Asian countries had been hampered by their "growing burden" of foreign debt.

It said: "Some developing countries have reached a stage at which the growing burden of foreign debt puts severe limitations on their capacity to borrow further and thus to press ahead with economic development.

"Many of these countries are obliged to devote a substantial proportion of our-

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rent foreign exchange earnings to repay foreign debt."

The communique said agriculture appeared to be the "most sluggish and resistant to rapid growth" in countries of the Colombo Plan region. Although there had been an average annual increase in production of about three per cent over the past decade, rising population in the region had absorbed two-thirds of this increase.

"The industrial sector has shown considerable dynamism and continued to grow at a rate of about eight per cent per annum."

It urged developed countries to contribute to the expansion of trade opportunities of developing countries by reducing various artificial restraints such as high tariffs, import quotas and high internal taxes.

It said that the rising level of development expenditures imposed some strains on the stability of prices in a number of countries in the area.

"The main factors contributing to the inflationary pressures in many countries in the area continued to be the relative inadequacy of domestic savings and the excess of Government expenditure over revenues."

A statement entitled "Review of Economic Progress", issued at the end of the conference, said that there had been a steady increase in population in all countries in the region.

The statement said the last census carried out in 1960 showed that population was increasing at more than 2.5 per cent per annum in several Colombo Plan countries. But "there is an increasing awareness of the implications of population growth for economic progress as a whole."

(*The Statesman*, Calcutta, *Bangkok World* and *The Nation*, Rangoon)

[Prev. ref. 5509:CEY:B]

B. Trade With UK: Trade with UK has expanded steadily.

Exports of Thai produce to the UK market have risen by 14 per cent, while imports to UK goods rose by 10 per cent.

In 1962 Thailand exported approximately 515 million baht worth (£8.5 million) of commodities to UK, compared with 435 million baht worth (£7.25 million) shipped in 1961.

Imports of British goods increased from 790 million baht (£14.7 million) in 1961, to 880 million baht (£14.75 million) in 1962.

Thai exports were mainly foodstuffs and timber, while imports from UK were chiefly chemicals, textiles, machines and automobiles.

(*Far East Trade*, London)

TURKEY

A. Inonu Government Resigns: Mr. Ismet Inonu, the Prime Minister, and his Government resigned on December 2, 1963 and the resignations were accepted by President C. Gursel.

Mr. Inonu later had talks with Gen. Cevdet Sunay, Chief of the General Staff, and with political leaders.

The collapse of the coalition Government came about because two parties in it, the New Turkey Party and the Republican Peasants' Party, withdrew the previous week after suffering heavy losses in the provincial elections.

In the elections, the Justice Party won mayorships in 42 cities, against 23 taken by Mr. Inonu's party.

The administrative committee of the parliamentary group of the Republican Peasants' National Party decided on November 26, 1963 that the Party should withdraw from Mr. Inonu's ruling three-party coalition. A statement said the decision was taken because of the results of the previous week's local elections, in which the opposition Justice Party made substantial gains.

Mr. Ekrem Alican, leader of the New Turkey Party, which also belongs to the coalition, said a week earlier that he thought his Party would withdraw, as it had lost an important number of votes in the elections. The third Government party, and the biggest, is the Republican People's Party, led by Mr. Inonu.

Mr. Inonu told President Gursel on December 9 that his Party was not prepared to form a new coalition Government.

This was in reply to the President's request on December 7 that Mr. Inonu should form a new Government.

Justice Party Leader Asked To Form Government—Fails:

Mr. Ragip Gumushpala, a retired general and leader of the Opposition Justice Party, was asked by President Cemal Gursel on December 10 to form a new Government.

The Justice Party was called upon by President Gursel after a statement on December 9 by the Republican People's Party, the leading party in the outgoing coalition, that it would not enter another coalition until other parties had failed to form a Government. This followed the statement by Mr. Inonu that he had no wish to try to form another Government.

The Justice Party, with only 145 seats out of 450 in the National Assembly (Lower House) will not be in a position to form an administration alone, and the Prime Minister-elect therefore was expected to have a difficult time in the next few days in his attempts to put together a new coalition.

General Ragip Gumushpala, leader of the Justice Party, was the Chief of Staff before the Army overthrew Mr. Adnan Menderes in 1960.

He was prematurely retired when he refused to co-operate with the military junta and opposed the execution of Mr. Menderes after the Yassiada trials. President Gursel's invitation to him to form a Government indicated that the Army had at last been compelled to recognize the hard facts of Turkish political life and admit that it can no longer rule without the co-operation of the Justice Party.

President Gursel again called on Mr. Ismet Inonu on December 14, 1963 to form a new coalition Cabinet, following the inability of Mr. R. Gumushpala to do so.

The official announcement stating that Mr. Inonu, who resigned as Prime Minister on December 2, 1963 had been asked to form a Government said he told President Gursel he would give his reply after consulting his party.

Cabinet Crisis Deepens:

Fears that the ministerial crisis, already in its 22nd day, was about to enter a new phase were expressed on December 22 following the New Turkey Party's decision to set two conditions for signing a coalition agreement with the People's Republican Party.

After a long meeting on December 21, 1963 the New Turkey Party led by Mr. Ekrem Alican announced the conditions as: (1) the post of Vice-Premier should not go to the Republican Party, which already supplied the Premier; (2) application and execution of the five-year plan should be carried out by a Minister chosen from the New Turkey Party and not from the Republican Party.

Political circles considered the conditions to be an ultimatum aimed in particular at Mr. Ismet Inonu's righthand man, Mr. Turhan Feyzioglu, who in the former Cabinet held the post of Vice-Premier and was concerned with the five-year plan.

Mr. I. Inonu Forms Minority Government:

Mr. Ismet Inonu announced on December 23, 1963 the formation of a minority Government composed of his own Republican People's Party and a group of 32 Independents.

Out of the 450 seats in the National Assembly, he holds 207. In the event of a vote of no-confidence he will call for a General Election.

An absolute majority, since nine seats are vacant, is 221.

The Minister of Finance in the new Government is Mr. Ferit Melon; the Foreign Affairs Minister Mr. Feruin Cemal Erkin; the Minister of Commerce Mr. Senni Islimyeli; and the Minister of Industry Mr. Muammer Erten.

The Cabinet crisis lasted 23 days and in its last phases was influenced by the events in Cyprus and the mounting pressure for Turkish action in the Island.

(*The Times*, London, *The Hindu*, Madras and *Middle East Economic Digest*, London)

[Prev. ref. 4770:TUR:A]

VIET-NAM (RVN)

A. Government Re-shuffle: The "Provisional" Government and the armed forces high command were re-shuffled on January 6 with a view to speeding up the war against the Viet-Cong.

The Prime Minister, Mr. Nguyen Ngoe Tho, announced at a news conference on January 7 the dismissal of the Information Minister, Maj-Gen. Tran Tu Ooat and the transfer of a few more portfolios to the Security Minister, Maj-Gen. Ton That Dinh.

Earlier in the day, Gen. Dinh relinquished his post as commander of the key Third Corps region. US authorities were known to have been urging Gen. Dinh to work either at his army post or in the Government.

The Head of State, Maj-Gen. Duong Van Minh, in a decree on January 7 gave overall command of the armed forces to Maj.-Gen. Tran Van Don.

Command of the Third Corps went to Maj.-Gen. Tran Thieh Khiem, former military security chief. The new Information Minister is Brig.-Gen. Doimau.

(*The New York Times* and *The Times of India*, Bombay)

[Prev. ref. 5589:RVN:A]

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ASIAN RECORDER

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ADEN

A. Airport Bomb Explosion—Yemeni Participation Alleged: Sharif Hussain bin Ahmad al Habili, Minister of the Interior in the Government of the South Arabian Federation, accused the Yemen Republic on December 15, 1963 of having plotted the "shameful and inhuman" bomb outrage at Aden airport on December 10, which killed one woman and injured 53 other people, including Sir Kennedy Trevaskis, the British High Commissioner for Aden and the South Arabian Protectorates.

Sharif al Habili said at a news conference: "We have not the slightest doubt about this and supporting evidence is as bright as the Sun. If any one is doubtful, let him just hear **Sanaa Radio.**"

The Federal Government on December 15, for the first time, named the three suspects whom the police have been questioning "in direct connexion with the bomb attack". They were Khalifah Abdullah Hassan Khalifa, Muhammad Abdul Majid Mia, and Ahmad Nassir Kashbari. It is alleged that the first two are members of the pro-Yemen Republic People's Socialist Party (PSP) and the third man a member of the South Arabian League. A Federal Government Press release said that the police believe the bomb was thrown from the public gallery at Aden airport, where the three men were employed. They were present in the building at the time of the incident.

A statement distributed at Sharif al Habili's news conference said there was "overwhelming evidence" that the Yemen Republican authorities had deliberately instigated acts of violence against the Federation. Their agents had laid mines in federal territory, resulting in damage and many casualties. They had provided arms for, and engaged the service of, mercenaries from federal tribes to undertake subversive acts and stir up trouble.

The statement said that during the recent strike of labourers at the British military base, **Sanaa Radio** had tried to incite the workers to armed revolt. Facilities for training terrorists and saboteurs had been arranged and the Yemen Republicans had sent hand grenades into the Federation. Some of these grenades were recently seized from persons crossing into the Federation and these proved to be of the same type as that used on December 10.

In all these activities, the statement said, the Yemen authorities had had the collaboration of certain elements in Aden and elsewhere in the Federation, particularly the PSP, who had provided a locally slavish mouthpiece for the Yemen's abuse of the Federation. The recent airport outrage was clearly part of a plan directed against the Federation and calculated to undermine public confidence. It fitted with the openly declared intentions of the Yemen authorities and their collaborators in Aden.

Meanwhile, the Aden Trade Union Congress (ATUC) official has alleged that the police had raided the ATUC premises and confiscated Arabic typewriters, duplicators, and stencils. Police sources on December 15 confirmed the arrest the previous night of a member of a three-man ATUC delegation which met Sir Kennedy Trevaskis to protest against the recent detentions and deportations of ATUC members. Sir Kennedy told the delegation that the Federal Government had taken those measures, albeit with his support, and they were the correct authority to approach on the matter.

Statement In British House Of Commons:

The Joint Under-Secretary of State at the British Colonial Office, Mr. Nigel Fisher, said in the House of Commons:

"There is some reason to suppose that the bomb explosion at Aden airport on December 10 was, in fact, part of an organized conspiracy, rather than the work of an isolated individual."

He added that it was a "provisional assumption" as police investigations were continuing.

He gave the information in reply to a private question from a member who wanted to know why Mr. Abdullah al Asnag, the Secretary-General of the Aden Trades Union Congress and People's Socialist Party, had been taken, together with other leaders, to Kamaran Island.

Mr. Fisher told him that he had been misinformed. They were being kept inside the Federation. They were being detained because the High Commissioner and the Federal authorities "consider it a necessary step in the immediate interests of security."

The member, Mr. Thomson, expressing concern about this "apparently large-scale reprisal against the political leaders of the Socialist Party in Aden", wanted to know whether charges were to be preferred against them. Were the normal processes of law to be followed? he asked.

Agreeing that the measures being taken might appear "somewhat drastic to us in London", Mr. Fisher said the House should appreciate that they were being taken by the Federal authorities in consultation with the High Commissioner, in the light of their local knowledge and their responsibility for ensuring public security. It was something they must leave "to the judgment and assessment of the chaps on the spot".

More Bomb Threats:

Another secret leaflet appeared in Aden on December 21, 1963 threatening to blow up important Government establishments and saying that the grenade attack at Aden airport was "not the first of its kind".

The leaflet, type-written in English, was signed "Bomber" and said: "Give us the right to elect and be free from Bedouin Ministers."

A Federal Government spokesman commented that the leaflet was a further evidence of subversive elements still at large in Aden, bent on undermining stability.

Cabinet Resignation Averted:

An Aden despatch said on December 26, 1963 that Sir Kennedy Trevaskis was finding himself in a difficult political situation of his own creation. It arose when he allowed the South Arabian Federal Government to declare a State of Emergency after the hand-grenade outrage at Aden airport. On December 24 he averted the resignation of the whole Aden Cabinet, which demanded that Sir Kennedy should within 24 hours transfer all detainees to Aden State, release those against whom there was no evidence and try those against whom evidence was available, and lift the State of Emergency as soon as possible. The Aden Ministers agreed to extend their ultimatum pending another meeting which was held on December 26.

After this joint meeting of the Federal and Aden Ministers, Sharif Husain bin Ahmad al Habili, Federal Minister of the Interior and acting Minister of National Guidance and Information, said that after negotiations the Aden Ministers withdrew their threat of resignation and both parties agreed to meet soon with the Federal Minister of Internal Security to examine the general situation regarding detainees.

The Aden Cabinet threatened resignation after a visit by a delegation including Aden and Federal Ministers and Opposition members of the Aden Legislative Council to 30 out of the 57 detainees in Ahwar, capital of the Lower Aulaqi Sultanate of the Federation, on December 24. The delegation reported that the condition of the detainees, who were on hunger strike, was "bad". In solidarity with the Aden Cabinet, 16 Aden municipal councillors and 18 Aden representatives in the Federal Council (legislative body), too, have threatened resignation if the Aden Government's demands are not met.

The Federal authorities, having assumed power, appear to be strongly resisting Aden demands put through Sir Kennedy, who is thus under pressure from both the Federal and the Aden Governments. A compromise in at least transferring detainees to Aden appears to be an immediate necessity if the political tension and confusion in Aden is to be lessened. Already the Federal and Aden Ministers of Finance have resigned their posts allegedly in protest against the situation.

Mr. Ali Salem Ali Resigns:

On December 18, 1963, the Minister of Labour, Welfare and Immigration in the Aden State Government, Mr. Ali Salem Ali, tendered his resignation by telegram to Sir Kennedy Trevaskis, the British High Commissioner.

He said he had also sent his resignation to Mr. Zain Abdul Baharoon, Chief Minister of Aden, who was then in London for talks at the Colonial Office. In neither telegram did he state his reasons for resigning.

An independent politician, Mr. Ali Salem Ali joined the Cabinet in July, 1963. His presence was construed as tacit support of the Baharoon Government by the pro-Yemen Republic People's Socialist Party (PSP) and its Labour wing, the Aden Trades Union Congress. It was believed that his resignation was precipitated by the declaration of a State of Emergency throughout the Federation by the Federal Government after the bomb outrage at Aden airport. The Federal Government's action had provoked much resentment among Adenis, who considered it interference in Aden's internal security.

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Mr. Ali Salem Ali's younger brother, Muhammad Salem Ali, vice-president of the PSP, was among the 52 people, mainly ATUC and PSP leaders, detained after the bomb attack.

A Federal frontier post at Kirsh, about 70 miles north-west of Aden, has opened for incoming traffic from Yemen. Four other posts were opened later. The Federation closed its frontiers with Yemen after the bomb incident, but two days later opened the frontier to outgoing traffic.

Curbs On Correspondents:

South Arabian Federal authorities on December 17, 1963 refused foreign correspondents in Aden permission to visit about 50 people detained outside the State of Aden following the bomb explosion at the airport.

A Federal Government spokesman said the detainees were still being interrogated and, therefore, no visits could be permitted.

Correspondents had asked to visit the detainees after an allegation by the Trade Union Congress that its Secretary-General, Mr. Abdullah Abdul Majid Alasnag, and two others were being "tortured".

The spokesman denied the allegation, and said a medical officer had examined the detainees.

A TUC spokesman said the police arrested the remaining two members of the three-man TUC delegation which at the week-end saw Sir Kennedy Trevaskis to protest against arrests and deportation.

The Government spokesman would not comment on the reports of the arrests and the raid.

A spokesman for the People's Socialist Party said the detainees in the Fadhli State of the Federation, about 35 miles east of Aden, had started a hunger-strike "until death" claiming they had been given poor food and living conditions.

The TUC spokesman said the Congress and the Socialist Party had cabled members of the British Parliament to send a commission to inquire immediately into the Aden situation.

Inquiry Into Torture Charge:

On December 29, 1963, the British High Commissioner, Sir Kennedy Trevaskis, asked the Chief Justice of Aden State to inquire into allegations of torture and brutal treatment of Adenis detained by the Federal authorities after the grenade incident.

An announcement said that Sir Kennedy's request was made with the agreement of the Federal Government.

Muhammad Hasson Ghanem, one of 14 detainees freed on December 23, 1963, speaking of conditions at Zingibar prison in Fadhli State, said the Arab officer in charge of the prison ordered Muhammed Salem Ali, Vice-President of the People's Socialist Party, to strip naked for refusing to surrender a transistor radio.

When other detainees protested, he yielded by allowing Ali to remain in his underwear, but later isolated him in a cell "full of mosquitoes and insects". Ghanem said he had not seen or heard of torture or beating of prisoners.

Three British Labour MPs arrived in Aden on December 29, 1963 on a fact-finding mission about the political situation in Aden, and two Scotland Yard detectives also came to help the Federal Government to investigate the grenade explosion.

The three Labour MPs who were stoned by tribesmen during a fact-finding mission to Aden returned to London on December 31, 1963 after completing their inquiries into the condition of political and labour leaders being detained in Fadhli State.

The MPs confirmed on arrival that they had nowhere found any evidence to support allegations of physical torture. They said, however, that the conditions in the early part of the detainees' imprisonment had been far from satisfactory.

Mr. Oram said: "Many were arrested at midnight or later and were driven 40 miles in open trucks wearing only their night clothes. For a certain number of days they were in very cramped conditions—up to 19 in a 15-foot square room. They had no beds or blankets."

Mr. Loughlin described the stone-throwing incident that prevented the Labour Party delegation from visiting the prison at Zingibar, the capital of Fadhli State. "It was clearly an organized demonstration", he said. "There were placards saying 'Down with colonialism' and 'Go back home'. As soon as our driver realized what was happening he put his foot down and went straight on. Things got a little out of hand."

Mr. Taverné said: "Now that we are back home we shall have talks with the Labour Party and also hope for a meeting at the Colonial Office with Mr. Nigel Fisher to discuss the whole situation in Aden, and in particular questions relating to Aden's internal security."

(*The Times*, London and *The Times of India*, New Delhi)

[Prev. ref. 5603:ADN:A]

CAMBODIA

A. Proposal For Conference Of Geneva Participants—Clarification: The Government has issued a *communique* clarifying reports of its proposal for holding a conference to guarantee its neutrality (see page 5579).

The **communique**, released by the Cambodian news agency, pointed out that on August 20, 1962 the Head of State, Prince Norodom Sihanouk, sent a message to the Heads of States or Governments of the countries which signed the Agreement on the neutrality of Laos.

It called on them to sign a similar Agreement guaranteeing Cambodia's neutrality and its boundary.

The **communique** said: "However, this proposal has failed to secure the unanimous concurrence of the countries concerned and has been shelved to this date.

"The replies to Prince Norodom Sihanouk's message of August 20, 1962 show that aside from our neighbours, Thailand and South Viet-Nam, which are extremely hostile to any international agreement in relation to Cambodia, certain Western and neutralist countries also deem it impossible to participate in the proposed conference. There is nothing to indicate that the situation has changed today.

"In view of this situation, the Royal Government believes that Cambodia's only and last recourse is to appeal to the 1954 Geneva Conference which ended the hostilities in Indo-China and explicitly guaranteed the peace and independence of the States in French Indo-China."

Judicially, it stated, the 1954 Conference still guaranteed respect for the signed Agreements and it was thus possible to appeal to the co-Chairmen of the Conference, Britain and the Soviet Union, to reconvene the Conference.

Therefore, the **communique** stated, the Cambodian Secretary for Foreign Affairs made a verbal communication to the British and Soviet Ambassador on November 22, 1963 and sent a message to the co-Chairmen of the Geneva Conference on November 24, 1963, calling in the name of the Royal Government for the convocation of an emergent meeting of the 1954 Geneva Conference participants "to study measures to ensure Cambodia's neutrality by international guarantee and supervision."

The **communique** stressed that the Royal Government would express great satisfaction if the co-Chairmen desired and were able to secure the participation in the proposed conference by the countries which signed the Geneva Agreement on the Laotian question on July 15, 1962. "In any case the only purpose of Cambodia is to obtain an international guarantee which will permit it to live in peace."

Non-Aggression Pact Offer To Thailand:

The Head of State, Prince Norodom Sihanouk, offered on January 7 to sign an immediate non-aggression pact with Thailand to re-establish friendship between the two countries.

In an interview, he said that he would be willing to sign the pact to reassure Thailand "if Thailand does us the honour of considering us a militarily dangerous Power merely because we are going to receive modern French equipment."

He was referring to a statement by the Thai Foreign Minister, Mr. Thanat Khoman, expressing irritation at Cambodia's latest acquisition of French military aid.

Thai Reaction:

Mr. Thanat Khoman on January 11 rejected Cambodia's reported offer.

He told newsmen in Bangkok that there was no need to sign a pact because Thailand was party to the UN Charter which condemned aggression.

Thailand also did not have any designs on Cambodian territory.

Rapprochement With USA:

Addressing a conference of Buddhist monks on January 11, Prince Norodom Sihanouk said he was almost ready to patch up with USA and accept American aid.

[He had cancelled US aid (see page 5556) claiming that USA was supporting anti-Government plots.]

The Prince referred to a recent agreement for French aid, and said: "I am ready even today to accept any aid that the United States wants to give us under the same conditions that France is giving us—that is, without conditions.

"The United States will see that we are conciliatory and I hope it will not hesitate any more to take the tiny step remaining for us to hold out our hand."

(*The Times of India*, Bombay and *The New York Times*)

[Prev. ref. 5556:CAM:A, 5579:CAM:A]

CHINA

SUMMARY: Support To Splinter Groups In Communist Parties—Mr. Chou En-lai's Visit To Albania; Acting Premier Named; Population Control.

A. Support To Foreign Splinter Communist Groups: The Chinese Communist Party has come out more

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strongly than ever before in support of splinter groups forming in communist parties whose leaders follow the pro-Khruschev line regarded in Peking as "revisionist".

The Chinese Party hopes and apparently believes that these groups will gradually replace the present parties and their leaders who, it says, are becoming increasingly indistinguishable from Social Democrats.

Such a process, it believes, is already well-advanced in various Asian and Latin American countries and will also occur in Europe before long.

This is the interpretation given by observers to a speech by Mr. Chou Yang, Deputy Director of the Propaganda Department of the Chinese Communist Party's central committee.

He made a speech at an important meeting where Chinese social scientists, philosophers, historians, and other intellectuals were told to throw their weight fully behind the Chinese Party's struggle against "revisionism" (see page 5592).

China has given open verbal encouragement to rival communist parties or groups formed in Brazil, Ceylon, Belgium, and Australia among other countries.

Mr. Chou Yang justified the present split by saying that Marxism had always bred revisionists and opportunists. This was an inevitable process. "Everything tends to divide itself into two, and theories are no exception."

Chinese Communists, he added, now were the true standard-bearers of Marxism-Leninism against Mr. Khruschev and Soviet leaders who were trying to revise all Marxist tenets.

He said that Marxist-Leninists—in other words the Chinese Party and its supporters—"always treasure unity of the ranks of the proletariat but... must never cooperate with those who expunge the class struggle from the movement and must never surrender principle for the sake of unity."

He added: "It is precisely through repeated struggles against internal and external enemies of all shades that the forces of Marxism-Leninism have grown strong. 'True Marxist-Leninists' did not fear being temporarily isolated, for they knew that 'nobodies' like themselves represented the future. All great men were once 'nobodies'."

He implied that the policies of the Soviet Party meant that it was "bound to forfeit its place in the ranks of the vanguard of the international proletariat".

"In a number of countries the vanguard of the proletariat formerly standing at the forefront of the struggle is now corroded by modern revisionism while the proletariat and revolutionary people of many countries in Asia, Africa and Latin America... now stand in the front line of battle.

"In Europe, North America and Australasia, the leaders of certain communist parties are increasingly singing the same tune as Social Democrats in defence of the interests of imperialism and capitalism.

"They are expelling true Marxist-Leninists from the party and taking other measures to create splits. In these circumstances, political parties genuinely representing the revolutionary proletariat are bound to appear on these continents. Such a process is already taking place among some of the communists in Latin America and Asia.

"Some people who for a time fail to see things clearly and are misled by the revisionists will sooner or later learn from facts to part ways with revisionism and return to the road of Marxism-Leninism.

"In short, whatever the country or place may be, where there is oppression there will be resistance; where there is revisionism, there will be Marxism-Leninism fighting against it; and where the expulsion of Marxist-Leninists from the party and other measures are taken to create splits, new outstanding Marxist-Leninists and strong revolutionary parties are bound to emerge.

"Changes are taking place which are contrary to what the modern revisionists and modern dogmatists expected. These persons are creating their own opposites and will be buried by them in the end. This is the inexorable law."

Mr. Chou En-lai's Visit To Albania:

Albania, the only East European country to ally with China in the ideological struggle, played host to the Premier, Mr. Chou En-lai in the first week of January.

Mr. Chou En-lai took time off from his African tour to visit Albania for nine days from January 1.

On January 10 Communist leaders of China and Albania condemned the "rehabilitation" of Yugoslavia in the world Communist movement and called for a struggle against "modern revisionism and modern dogmatism."

This was stated in a joint **communique** signed by Mr. Chou En-lai and Mr. Mehmet Shehu, his Albanian counterpart.

The **communique** did not name the Soviet Union nor Mr. Khruschev, but observers noted that they were regarded in China and Albania as the chief exponents of modern revisionism, while modern dogmatists were party leaders who blindly followed the Soviet leadership.

The **communique** said: "The revisionist Tito clique of Yugoslavia has betrayed the socialist camp and become a special detachment of the US imperialism for sabotaging world revolution.

"The Tito clique opposed the socialist camp and did everything to undermine its unity. It also acted against liberation movements in Asia, Africa and Latin America and placed itself in the service of imperialism and neo-colonialism."

The **communique** was signed on January 8 following talks Mr. Chou and the Chinese Foreign Minister, Marshal Chen Yi, had with Albanian leaders including Mr. Enver Hoxha, Communist Party First Secretary, and Mr. Shehu.

The talks covered bilateral relations, international affairs and questions of the international Communist movement and showed "full unanimity of views."

It condemned the Moscow partial nuclear test ban Treaty as a "delusion" which increased the danger of war, and called upon Communist countries and the international proletariat to support national and democratic revolutionary movements in Africa, Asia and Latin America.

Speaking at Scutari, a lake town near the Yugoslav border on January 4, Mr. Chou En-lai said that Albania was not isolated, and though China was miles away the two countries were closely bound together by great friendship and unity.

He did not refer to Mr. Khruschev by name, but when he spoke of Yugoslavia and referred to Tito's clique he described the Yugoslav President as an "imperialist agent."

(*The Times*, London and *The Statesman*, New Delhi)

[Prev. ref. 5591:CHI:A]

B. Acting Prime Minister Named: Mr. Teng Hsiao-ping was appointed acting Prime Minister of China during the African tour of Mr. Chou En-lai.

Diplomatic observers in Hong Kong said that Mr. Teng, who is 58, is the youngest of China's leaders. He led the Chinese delegation in the important ideological talks with the Soviet Union in Moscow during the Summer (see page 5376).

China had not appointed an acting Prime Minister since 1957, when Mr. Chen Yun, officially the most senior of the deputies, took over as he had done several times before, during Mr. Chou's absence abroad.

When Mr. Chou travelled to Nepal and Burma in 1960, and then to the Soviet Communist Party Congress in 1961, no one was named.

(*The Times*, London)

[Prev. ref. 5376:CHI:A]

C. Oil Production: According to the Petroleum Press Service, China seems well on the way to becoming self-sufficient in the field of oil supplies, and thus dispensing with Soviet oil.

China's production of crude oil has grown from less than 1 million tons in 1955 to 5,800,000 tons in 1962, and about 7,000,000 tons in 1963.

At the same time its imports of Soviet oil which increased from 1,500,000 million tons in 1955 to about 3,000,000 tons in 1955, 1960 and 1961, declined to 1,855,000 tons in 1962. In 1963, these imports probably dropped still more. Soviet oil deliveries, which in 1955 represented half of China's oil supplies, represented only one-quarter of the supplies in 1962.

The Petroleum Press Service said that in 1962 the Chinese Government indicated that it would aim at self-sufficiency in five years but it now appeared that under the spur of its conflict with Russia, it was striving successfully to reach this goal in less than half the appointed time.

(*The Times of India*, Bombay)

[Prev. ref. 3223:CHI:A]

D. Population Control Campaign: Official publications and travellers from China report that a birth control campaign is being vigorously carried out throughout the country.

The Chinese Communists say they are not worried about over-population but are concerned about the "health of the mother."

China has an estimated population of 735 million. A recent issue of the newspaper **Liberation Daily** in Shanghai reported that more than 3,500 birth control centres had been set up in the city.

"Many local delegates to the National People's Congress," the paper said, "have made frequent tours of factories, schools and Government departments to inspect the progress of birth control there."

Another Communist publication in neighbouring Kwantung province said: "A documentary film on methods of birth control has broken box office records in the province."

Visitors from China report that sterilisation is offered free to all women.

(*The Times of India*, Bombay)

E. British Exhibition Plans: A British Industrial Exhibition will be held in Peking from November 2 to 14 at the invitation of the Government of China.

The Exhibition will be sponsored on the British side by the Sino-British Trade Council whose members are the Association of British Chambers of Commerce, the China Association, the Federation of British Industries and the London Cham-

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ber of Commerce, and on the Chinese side by the China Council for the Promotion of International Trade (CCPIT). CCPIT is the Chinese organization through which the Ministry of Foreign Trade of China works to encourage overseas trade.

The Exhibition will be organized by Industrial and Trade Fairs Ltd., at the request of the Sino-British Trade Council and with the co-operation and full support of the Board of Trade.

The Exhibition will be held in the Peking Exhibition Centre and will occupy some 80,000 square feet of space. This is the first time any Western country has been invited to display its products in Peking on this scale.

The Exhibition will be concerned with capital goods produced by the engineering industries and with scientific instruments, measuring and control apparatus. It is intended that the exhibits should coincide as nearly as possible with the range of products normally purchased by the China National Machinery Import and Export Corporation (Machimpex). This includes all types of machinery, electric and non-electric, machine tools, agricultural machinery, vehicles, tele-communication and electronic equipment. No consumer goods or basic materials will be shown.

(*Eastern World*, London)

[Prev. ref. 5378:CHI:D]

FORMOSA

A. Deposits Of Oil And Natural Gas: After a quest of more than 10 years, Formosa has succeeded in finding large deposits of natural gas and is increasingly hopeful that in due course oil will be struck in sizable quantities.

A geological survey indicates oil and gas-bearing strata underline nearly half of Formosa. The area includes the western plains and the eastern mountain range between Hualien and Taitung. Sandstone is the most important oil-bearing rock. Geologists have discovered more than 80 oil-potential anticlinal structures on the island.

Oil was first discovered on Taiwan in 1817 but was produced in only small quantities during the half-century of Japanese occupation. The Japanese drilled some 250 wells in various localities. The highest production was 143,490 barrels in 1927. Natural gas set a Japanese era record of 4,750 million cubic feet in 1940. After that, production of both oil and gas began to decline. By the time Formosa was restored to China in 1945, most fields were virtually depleted.

The Government-owned Chinese Petroleum Corporation (CPC) undertook an intensive search for oil. From 1948 to 1963, it drilled 50 wells. However, most produce natural gas and only small amounts of oil.

The Tiehchenshan field is the largest gas producer. Developed in 1962, this field is also the first discovery made by CPC geologists at a new anticline. CPC also has five Japanese-developed gas fields. The Chuhuangkeng field is in Miaoli county. Since VJ-day, CPC has drilled nine new wells, of which two have a combined daily output of 100,000 cubic meters. Also in Miaoli county is the Chinshui field, which covers 2,223 acres. It has 50 wells, but CPC keeps only eight in production.

Chinshui was the first field chosen by CPC for deeper horizon oil prospecting. Test drilling was conducted at Well No. 38 in the Spring of 1959. After two months, a rich deposit of natural gas was tapped at 4,063 meters. Geologists believe it contains approximately 6,026,000 kiloliters of crude oil and 903,900,000 cubic feet of gas. Current daily production is 100,000 cubic feet of gas and 65 barrels of oil. Other wells in this area turn out 600,000 cubic meters of gas and 164 barrels of crude daily.

In Hsinchu county, 50 miles south of Taipei, are the Chutung and Hsinying gas fields. The Hsinying field has 26 gas wells, nine of which are producing in small quantities. The only gas-producing field in the southern part of Formosa is the Chutouchi field. Five of its eight wells are producing a total of 10,000 cubic feet a day.

CPC made its biggest strike at Tiehchenshan, 30 miles east of Miaoli. The drilling of the 4,241.3-meter TCS-1 well, the deepest in South-East Asia, cost more than $437,500. Gas was found at a depth of 2,800 meters. The field now produces 130,000 cubic meters of natural gas a day.

Natural gas is an important natural material of high industrial value. Through condensation and extraction processes, the gas can be converted into gasoline, fertilizers, and many raw materials for the manufacture of petro-chemicals.

Formosa also converts natural gas into carbon black by channel process and compresses it into steel cylinders under a pressure of 110 kg/cm for fuel to operate trucks. A large proportion of the gas has been used to manufacture fertilizers.

In 1961, CPC signed a contract with the Mobil Chemical Investment Incorporation and the Allied Chemical Corporation of the United States to build a large urea plant at CPC's No. 52 natural gas well in Chinshui. Total capital is $22.5 million.

The plant, which was completed in October, 1963, has annual capacity of 100,000 metric tons of urea and 106,000 metric tons of ammonia to be used in the manufacture of fertilizer.

Natural gas also is a clean, economical source of fuel for household cooking and heating. One hundred cubic feet of gas is equal to from 8 to 13 lbs of coal.

CPC is planning a pipeline net-work linking Formosa's principal cities and will supply natural gas for industrial and household use.

(*The Financial Express*, Bombay)

INDIA

SUMMARY: Indian National Congress Session; Trade Agreement With Ceylon; Two Rockets Launched; Military Awards.

A. Indian National Congress Session: The 68th session of the Indian National Congress met near Bhuvaneshwar in Orissa under the presidentship of Mr. K. Kamaraj on January 9 and 10.

Mr. Kamaraj had been unanimously elected to that office by State units of the organization (see page 5583).

It was one of the most significant sessions in the history of the party, for it defined the party's goal in clear terms as "the establishment of a socialist State through parliamentary democracy".

It adopted several amendments to the party constitution to suit the requirements of the times and its new objectives.

It unanimously passed a resolution on democracy and socialism which "unfolds the vision of a society to be established on the basis of democracy, dignity of the human individual and social justice."

It re-iterated its faith in non-alignment through a resolution on international relations.

Another major highlight of the session was that it brought into sharp focus the differences between those wanting to quicken the pace of socialization and the others seeking transformation of society through a gradual process. They entered into a heated discussion on the resolution on "democracy and socialism" at the Subjects Committee stage. The draft of the resolution had been prepared by the Working Committee.

Critics called it rather vague and pressed for certain definite steps such as nationalization of banks.

The resolution was debated by the Subjects Committee for three days. Over 70 persons participated in the debate before the draft resolution was unanimously passed.

During the debate, the Central Finance Minister, Mr. T.T. Krishnamachari said: "The big danger today is posed by rising prices, the large amount of unaccounted money by commodity trade and tax evasion. We have to put it down."

He described the resolution as the blueprint for action for the next year or the next few years. The growth of the economy had been stupendous and the quantum of achievement something to be proud of.

The goal of providing a minimum national living standard was not so distant. It might be reached at the end of the Fifth or the Sixth Plan.

He did not think nationalization of banks advisable at this stage, but said it would be beneficial if such credit institutions brought more money into the field and could be used for development purposes.

Mr. V. K. Krishna Menon, former Defence Minister, and Mr. K. D. Malaviya, another ex-Minister, were among those described as the "Left" group, who wanted effective measures to curb monopolies and nationalization of banks. Those who opposed immediate bank nationalization included two former Ministers, Mr. S. K. Patil and Mr. Morarji Desai.

All the amendments (including the substitute resolution) except one were withdrawn after the mover, Mr. Lal Bahadur Shastri, had given an assurance that the Congress Parliamentary Board would take active interest in the implementation of Congress policies and not confine itself to solving organizational wrangles alone.

The lone amendment, which was voted upon, was lost by an overwhelming majority and the resolution adopted amidst cheers.

After the Jaipur session, (see page 5522) several Pradesh Congress Committees had forwarded their recommendations to the A-ICC. Maharashtra asked for nationalization of banks, State trading in essential commodities and foreign trade and co-operativisation of consumer goods industries, the object being "to curb the ever-assertive monopolistic trends in the economy" and to "infuse a sense of urgency and definiteness." Rajasthan wanted "a ceiling on ownership of industrial units and other means of production or trade or business to safeguard against the development of monopolistic trends in trade, besides a ceiling on incomes of all sections of society." Orissa went even farther. The Congress legislature party in Punjab unanimously passed a resolution demanding the imposition of a ceiling on private wealth, nationalization of banks, export and import trade, etc. Gujerat struck a note of caution against over-enthusiasm for ushering in socialism, pointing out that it was incorrect to believe that nationalization of industries was the only path to socialism. However, it wanted definite steps to remove the disparity between the highest and lowest incomes, though the ceilings "must be reasonable and just."

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Mr. K. D. Malaviya's Draft Resolution:

In a draft resolution entitled "Democracy and Socialism" which he moved at the Congress session, Mr. Keshav Dev Malaviya, former Central Minister, would have the A-ICC re-iterate the need to work "more vigorously and purposefully" for a socialist society which must "commit the Government to a concrete programme of socialism."

He said the programme of socialism must consist of:

(1) A more commanding height to the public sector;

(2) Wholesale trading in foodgrains along with fixation of prices for farm produce;

(3) Credit facilities to farmers;

(4) Nationalization of banks;

(5) Ceilings on the value of industrial licences given to individuals;

(6) Re-organization of services; and

(7) Delinking of the Press from industrial and business houses.

Presidential Address:

In his presidential address, Mr. K. Kamaraj suggested the appointment of a commission, on the British pattern, to keep a check on monopolies, a Ministry for development of backward areas, free education up to the secondary stage, a re-adjustment of taxation and other policies to reduce economic disparities and pensions for the old and the infirm.

He spoke in Tamil.

He hoped that it would be possible to establish a socialist society without class conflict.

He wanted State Governments to be encouraged to go in for several medium-size industries as public sector projects. Congress policies, he said, were not directed against private enterprise as long as it was identified with individuals exercising an initiative for the common objective of planned progress.

He commended the idea of Congress leaders in the administration periodically exchanging positions with those in the organization, so that the tendency to form groups in the organizational and legislative wings would be greatly reduced.

He appealed to all those who had faith in democracy and socialism to join the Congress. This appeal was particularly directed at those who had left the party because of a feeling that the party would not take a definite stand in favour of socialism.

Working Committee Members:

Of the 20 members of the Congress Working Committee, apart from Mr. K. Kamaraj, 13 are nominated and seven elected.

The members elected by the Bhuvaneshwar session were Mrs. Indira Gandhi, Mr. Sadiq Ali, Mr. G. Rajagopalan, Dr. Ram Subhag Singh, Mr. Y. B. Chavan, Mr. B. Patnaik and Mr. Mohanlal Sukhadia.

Thirteen members contested the election, the others being Mr. C. B. Gupta, Mr. Mahavir Tyagi, Mr. K. D. Malaviya, Mr. S. N. Mishra, Mr. K. Hanumanthaiya and Dr. H. K. Mahatab.

Among the newly elected, five were members of the outgoing Working Committee. They were Mrs. Gandhi, Mr. Chavan, Mr. Rajagopalan, Dr. Ram Subhag Singh and Mr. Sadiq Ali.

Mr. Patnaik and Mr. Sukhadia replaced the other two elected members, Dr. Harekrushna Mahatab and Mr. Darbara Singh.

Four hundred and thirty members of the A-ICC participated in the voting.

The following are the votes polled by each candidate:

Mrs. Indira Gandhi (347), Mr. Sadiq Ali (324), Mr. G. Rajagopalan (318), Dr. Ram Subhag Singh (318), Mr. Y. B. Chavan (313), Mr. Biju Patnaik (293), Mr. Mohanlal Sukhadia (268), Mr. C. B. Gupta (160), Mr. Mahavir Tyagi (195), Mr. K. D. Malaviya (107), Mr. Shyam Nandan Mishra (105), Dr. H. K. Mahatab (88) and Mr. K. Hanumanthaiya (78).

On January 11, Mr. Kamaraj nominated the following persons to the Congress Working Committee:

Mr. Lal Bahadur Shastri, Mr. Morarji Desai, Mr. Jagjivan Ram, Mr. S. K. Patil, Mr. D. Sanjivayya, Mr. N. Sanjiva Reddy, Mr. Atulya Ghosh, Mr. Fakhruddin Ali Ahmed, Mr. S. Nijalingappa and Mr. Gulzari Lal Nanda.

Mr. G. Rajagopalan was appointed General Secretary and Mr. Atulya Ghosh was named Treasurer.

Resolution On "Democracy And Socialism":

In the principal policy resolution on "Democracy and Socialism," the Congress gave the highest priority to assuring as speedily as possible a national minimum in essential requirements to every citizen in respect of food, clothing, housing, education and health.

The 3,000-word resolution, prepared by the Nehru drafting committee set up by the Congress Working Committee, and unanimously adopted on January 10 indicated the broad pattern of action and policies to be pursued by the Congress as the ruling party at the Centre and in the States to establish a "socialist State based on parliamentary democracy."

It laid stress on reducing the "vast disparities in income and wealth which exist now."

It indicated that the objective of attaining the national minimum was expected to be realized by the end of the Fifth Plan. "Otherwise the planning and progress will become devoid of meaning for the common man."

The resolution seeks to limit private incomes on properties. "This limitation should apply especially in respect of inherited wealth and urban property. The State should secure a large share of capital gains and appropriate a much larger proportion of unearned income than is being done at present.

"Government should place itself in a position more effectively than is the case now to direct the means of credit and investible resources of the country along the lines of national priorities and our social purposes.

"At present small entrepreneurs and newcomers are placed under a serious disadvantage in respect of availability of financial resources. There is also need for further steps for the removal of abuses and malpractices in financial institutions."

The resolution suggested systematic and strong action against "anti-social forces which pose a threat to democracy and socialism."

"Speculative gains, the illegitimate incomes in a variety of forms and evasions of obligations under various laws have led to the presence of large amounts of unaccounted money in the hands of unscrupulous individuals.

"The activities of such anti-social elements result in large distortions in the economy and the unhealthy tendencies which they release can undermine the foundations of the social and political life of the country."

It called upon the State to take over progressively operation of rice mills and other units for processing agricultural produce, and suggested that the State should run these units until it was feasible to operate them under "co-operative management." Marketing of all agricultural produce should be through the agency of co-operatives to the utmost possible extent.

These are some of the steps that have been suggested "to obviate the excessive margin of middlemen and to help to ensure a fair line for the producer as well as the consumer."

The resolution gave to the public sector a strategic and predominant role in trade and industry. "The public sector must grow progressively in large-scale industry and trade as well as in the field of heavy and basic industries and trade in essential commodities.

"The private sector has an important role in the economy of the country. It will have to play its part within the broad strategy of the national plan of development."

Resolution On International Affairs:

Moving the resolution on international affairs on January 9, Mr. Morarji Desai expressed grave concern at the attacks on minorities in Khulna and Jessore in East Pakistan and hoped that Pakistan would take steps to curb these incidents lest they should lead to more serious consequences.

He said: "The happenings in Khulna and Jessore have pained us extremely. Pakistan must realize that this kind of thing, if not curbed, can lead to very bad consequences".

The manner in which some people in Pakistan were trying to exploit the unhappy incident at the Hazratbal shrine in Kashmir was extremely regrettable.

Unfortunately, Pakistan's attitude towards India had always been such that she exploited every possible opportunity to create difficulties for India. Her hob-nobbing with China was a glaring example.

"We wish to live in peace with Pakistan. We have made repeated offers of a no-war pact, but she has been rejecting them. We want to settle all our differences with Pakistan amicably. We are hopeful that she will some day see reason, realize the folly of her attitude and accept the hand of friendship extended by India".

He said that with China also India was anxious to settle her dispute amicably. But if the Chinese refused to vacate Indian territory "we should keep ourselves prepared to turn them out by force".

The resolution, the key-note of which was promotion of peace in the world, said that India had adopted and consistently pursued a policy of freedom from entanglements with the world blocs. It gave full support to UN in its effort to rid the world of the "scourge of war" and said this could only be realized by full and complete disarmament and the outlawing of war.

It welcomed the statements made by the US President, Mr. L. B. Johnson that he intended to pursue the policy and the approach that had led to the partial nuclear test ban agreement and to follow up the good results of the atmosphere created.

It also welcomed the initiative taken by the Soviet Premier, Mr. N. Khruschev in proposing the adherence of nations to a

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"no war" agreement, thereby renouncing the use of force in settling international disputes.

It also re-iterated the party's support to the Government's acceptance of the Colombo proposals, which made it clear that while India sought a peaceful approach to the problem, it was equally resolved not to yield to aggression or acquiesce in the surrender of national sovereignty.

The resolution was unanimously adopted on January 10.

Amendments To Party Constitution:

On January 9, the Congress passed a resolution on amendments to the party's constitution.

One of the amendments to the party constitution related to the object of the Congress which, in future, shall be "the establishment in India, by peaceful and constitutional means, of a socialist State based on parliamentary democracy".

Another amendment prescribed the qualifications of an active member of the Congress, who is to collect Rs. 12 annually and enrol 50 primary members each year.

The session also adopted resolutions condoling the death of Dr. Rajendra Prasad, Mr. Purushottam Das Tandon, Dr. B. C. Roy, Mr. M. S. Kannamwar and several other Congressmen who had died since the last session at Patna.

A separate resolution, condoling the death of President J. F. Kennedy, said that the late President in his short term of office "contributed greatly to the reduction of world tension and to the promotion of world peace."

Session Ends:

The 68th session of the Congress ended on January 10 with an appeal by Mr. K. Kamaraj in his closing address to all those who genuinely believed in democratic socialism to unite in the common effort to establish a socialist State in the shortest possible time.

He said that a truly socialist society could only be built up if the people were vigilant and alert and were conscious of their rights and responsibilities.

His directive to Congressmen was to spread out and work with the people in the task of establishing a socialist State.

He said that the first duty was to raise the standard of life of the people through effective industrialization.

He declared that it was only on the basis of industrialization that the national wealth could be increased, and the poverty and ignorance in which the people were steeped could be eradicated.

For the last 15 years or so, owing to various measures taken by the Government, the national wealth had increased. "But that wealth is now being used by a very few people."

He said that as a result of the various steps that are being taken, and would be taken, wealth was bound to accumulate in the future. The problem was how this increased wealth should be used for the benefit of all the people. On this depended the establishment of a socialist State.

He said: "We are trying to prevent the accumulation of wealth in a few hands. Those who are in possession of this wealth will naturally oppose our efforts. Therefore we have to be vigilant."

He said to achieve equitable distribution of wealth, all those who believed in democratic socialism should come together. "Some people have gone away from this organization. There are others outside the Congress who believe in socialism. It is necessary for all of them to unite. I appeal to them to come and join the Congress in great numbers."

Mr. Nehru's absence from the session somewhat robbed the proceedings of its vigour and dimmed the enthusiasm of the people. This was the first time in the post-independence history of the Congress that the Prime Minister was absent from an annual session.

The session was described by many delegates as one of the most important and significant in recent years both from the point of view of the organization and the economic policies of the Government.

Mr. Nehru's Illness:

The Prime Minister, Mr. Nehru who had come for the Congress session was taken ill on January 7. He could not attend the rest of the Subjects Committee meetings and the plenary session for the first time in several years.

A medical bulletin issued on January 7 said: "The Prime Minister has been working under great strain for some weeks as a result of which his blood pressure has shown a tendency to be high. This morning he felt very tired and weak. It was, therefore, decided to send for the doctors who have been attending on him in Delhi. They have examined him and are hopeful of quick recovery within a short time. They have, however, advised complete rest and cancellation of all engagements for the present. The Prime Minister is cheerful and in good spirits."

Subsequent bulletins reported steady progress in his condition. He returned to New Delhi on January 12.

(*The Statesman*, Calcutta, *The Times of India*, Bombay and *The Hindu*, Madras)

[Prev. ref. 5522:INI:A]

B. Trade Agreement With Ceylon: The Indo-Ceylonese trade talks concluded in New Delhi on January 13 with an Agreement on the goods to be exchanged between the two countries during the current calendar year.

Measures for a smoother and quicker flow of goods on either side were also discussed.

Details of the arrangement for 1964 are more or less on the lines of those for 1963. This is subject to the ratification of the two Governments.

The arrangement for 1963 provided for the exchange of certain specific commodities like dried fish, cane, jaggery and tamarind from India and rubber and copra from Ceylon.

In the agreed minutes signed by the two delegations the exchange of specific commodities between the two countries in 1964 would amount to Rs. 7 crores out of an overall annual trade of about Rs. 22 crores both ways. The working of the arrangement is to be reviewed once in three months.

Ceylon was understood to have submitted a list of engineering goods, machine tools, textile looms and lathes which she would like to buy from India. The purchases are to be made under the credit of Rs. 5 crores offered to Ceylon by India under the Indo-Ceylonese Trade Agreement of 1961. India will examine whether she is in a position to supply these goods and further discussions will be held later.

The Ceylon delegation for the talks were led by Mr. G. V. P. Samarasinghe, Director of Commerce, and the Indian delegation by Mr. D. K. Srinivasachar, Joint Secretary, Ministry of International Trade.

(*The Times of India*, New Delhi)

[Prev. ref. 5002:CEY:B]

C. Mechanical Instruments Plant In Kerala—Contract With USSR Signed: A contract with USSR for the preparation of the detailed project report and working drawings for the establishment of a mechanical instruments plant in Palghat (Kerala) was signed in New Delhi on January 10.

The contract was signed by Mr. S. Ranganathan, Secretary, Ministry of Industry, on behalf of the Government of India and Mr. N. M. Silouianov, Counsellor for Economic Affairs of the USSR Embassy.

Soviet technical assistance for the project will be financed out of the credit already extended by USSR to India.

The Palghat project, which will be the second instruments plant to be set up in the public sector with Soviet assistance, will have a total annual production capacity of 2,871 tons of mechanical, hydraulic and pneumatic instruments including pressure, vacuum, flow and level measuring instruments, control apparatus, automatic hydraulic regulating units and control desks for various devices.

The detailed project report of the plant will be prepared by a Soviet designing institute on the basis of the memorandum of instructions recently approved by the Government of India and will provide for the establishment of machine and assembly shops, auxiliary shops, designing department, special designing bureau and other services necessary for the running of the plant.

The project report for the Kotah precision instruments plant to be established in Rajasthan has been received and is under consideration; when these two plants go into full production, the increasing needs of process control instruments for Indian industries can be largely met and a saving of foreign exchange of Rs. 20 crores annually can be effected.

(*The Hindu*, Madras)

[Prev. ref. 5269:INI:H]

D. Second Rocket Launched: India made further progress in rocketry and outer space research on January 8 when it fired the second sounding rocket from the Equatorial rocket launching station at Thumba, 15 miles from Trivandrum.

The rocket was as successful as the first one fired on November 21, 1963.

The photographs taken from the four observation stations at Kanyakumari, Kottayam, Kodaikanal and Palayamkottai were better and clearer this time than those of the first rocket firing.

Dr. Vikram A. Sarabhai, Chairman of the Indian National Committee for Space Research (INCOSPAR) said the shot appeared to have gone right through the electro-jet unlike the last one. He said some difference was also noticed in respect of the ejection of vapour. The reasons for this could be definitely known on comparing the illuminosity from the photographs taken on the previous occasion and now.

Third Rocket:

The first series of rocket launchings from the Equatorial sounding rocket base at Thumba to probe outer space ended on January 12 with the launching of the third rocket.

The rockets, launched with sodium vapour payloads, were for the study of atmospheric winds, turbulence, diffusivity and temperature at high altitudes.

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The vapour clouds released by the rockets had been photographed by special cameras from Kanyakumari, Palayamkottai, Kottayam and Kodaikanal. It will take six months to analyse the photographs and obtain results.

Magnetometer experiments were due to be conducted from Thumba from January 25.

The third rocket had a perfect launching according to Mr. H. G. S. Moorthy, test director of the project.

He said there was no simultaneous firing of a rocket from the launching base near Karachi. Pakistani scientists, he added, informed them at 1-45 a.m. that they were not prepared for the simultaneous launching.

(*The Hindu*, Madras)

[Prev. ref. 5531:INI:D]

E. **Military Awards:** A Press release on January 10 said that the President had approved the award of *Maha Vir Chakra* for acts of gallantry in meeting the Chinese attack in N-EFA to Lt.-Col. Bejoy Mohan Bhattacharjea, Garhwal Rifles, and Second-Lieutenant Bhagwan Dutt Dogra, Gorkha Rifles.

The award of **Vir Chakra** for acts of gallantry to Maj. Pandharinath Anant Rege, Assam Rifles, Flt.-Lt. Krishan Kant Saini G.D. (Pilot), Second-Lt. Surindar Nath Tandon, Garhwal Rifles, Sub. Udai Singh Rawat, Garhwal Rifles, Hav. Malkiat Singh, Punjab Regiment (posthumous), Hav. Kirpa Ram, Sikh Regiment (posthumous), Hav. Govind Kamble, Mahar Regiment (posthumous), Lance-Naik Hasta Bahadur Gurung, Assam Rifles, Rifleman Bajiram Thapa, Assam Rifles, and Rifleman Purna Bahadur Tamang, Assam Rifles, had been approved.

The President also approved awards of **Ashoka Chakra Class II** to Mr. O. J. Soares, Mr. S. K. Roy, Mr. M. K. Kumar, Mr. A. P. Mukadam, Mr. F. A. Richor, Mr. R. N. Ganguly, Mr. H. C. Misra, Mr. S. K. Maqbul and Mr. S. Datta of SS Indian Success—all posthumous—and to Mr. R. Sopu Angami.

Maj. P. S. Grewal, Gorkha Rifles, Hav. Bagh Singh, Rajputana Rifles and Naik Govind Ram, Corps of Engineers (Posthumous) were awarded **Ashoka Chakra Class III.**

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5065:INI:A]

F. **Role Of Private Sector In National Income:** The private sector, including the agricultural and services sectors, is responsible for 90 per cent of the national income, organized industries alone contributing 20 per cent.

Reviewing the part played by private enterprise in building up the country, a brochure by the Federation of Indian Chambers of Commerce and Industry released in New Delhi on January 5 claimed that private investment has proved to be more productive than Government effort. In the first two Plans, the private sector accounted for 50 per cent of the national investment and more than 80 per cent of the additional income.

The Federation study made a pointed reference to the handicaps which had slowed down the progress of private enterprise. Apart from the Industrial Policy Resolution which has reserved some areas exclusively for the State, these included the delay caused by Government procedures in granting industrial licences, permission for capital issue and in clearing foreign collaboration arrangements.

Total investment by the private sector during the first decade of development aggregated Rs. 4,900 crores, including Rs. 1,400 crores or 28 per cent in the organized sector, mining and small industries. The output of private industrial units and mines went up by 100 per cent during the first two Plans and was expected to register a further rise of 60 per cent in the Third Plan.

Nearly 95 per cent of the output of organized industries was in the private sector in 1960-61 and their contribution to the national income went up from 5.8 per cent in 1950-51 to 10.5 per cent in 1960-61. The contribution of the small entrepreneur to the national income increased by 24 per cent.

Particularly significant production increases occurred in electrical equipment, transport equipment and non-metallic minerals, the output going up respectively 5.1 times, 4.1 times and 4.1 times. Increases in other sectors were: base metals 2.4 times, machinery 2.2 times, chemicals 1.9 times, rubber and leather products 2.1 times and food-processing industries 2.4 times.

Between 1956 and 1960 no less than 188 new items of manufacture were added in the private sector, 106 being in the engineering sector and 82 in chemicals and other industries.

A major part of the resources needed to finance this development and expansion was provided by industry itself. Undistributed profits and surpluses accounted for 62 per cent of the total investment in the First Plan and 47 per cent in the Second. The figure for the current five-year period is expected to be about 48 per cent.

The private sector also helped by providing almost the whole of Government's income-tax revenue accruing from industries. This came to Rs. 788 crores during the first decade of planning. The contribution by way of excise duties was Rs. 2,020 crores. Additional employment provided by private organized industries was 10,00,000.

(*The Times of India*, New Delhi)

[Prev. ref. 3876:INI:J]

G. **Bhilai Steel Plant Targets Fulfilled:** The Bhilai Steel Plant successfully fulfilled its production targets for all major products for 1963, according to an official annual report released in Raipur on January 2.

During the year 153,000 tons of pig-iron, 124,000 tons of steel and 80,000 tons of saleable steel were produced, which were above the annual rated capacities of the respective shops. Expansion works were in progress.

The actual production of 'hot metal' (pig-iron) during the year was 1,263,989 tons against the annual rated capacity of 1,110,000 tons.

(*The Times of India*, New Delhi)

[Prev. ref. 5017:INI:K]

H. **Lt.-Governor's Address To Goa Legislature:** The Lieutenant-Governor of Goa, Mr. M. R. Sachdeva, said in his address to the State Assembly in Panjim on January 13 that the Central Government was taking steps to develop Marmagao as a civil port and naval base.

A development committee had been formed with himself as chairman to tackle development problems.

He said that the welfare of the people of the Union Territory must be paramount. "This will require patience, hard work, skill and, above all, deep understanding of the problems involved.

"The torch of freedom has been lit. You are the first torch-bearers of the freedom that has come to the territory. Let the torch always remain alight and ever burn brighter and brighter".

During the two years following liberation, steps had been taken to bring the administration and the pattern of work more or less in line with the rest of the country. A three-year Plan, corresponding to the country's Five-Year Plan had been introduced and steps taken to implement it.

He said that for 1964-65 the Planning Commission had approved an outlay of Rs. 7,61,63,000 to be spent on intensification of agricultural production and development of power, tourism, industries, education, health and fisheries. Money had been provided for the construction of the Mandovi bridge and the Daman-Ganga bridge. Preliminary investigations for a bridge over the Zuari and on improvement of roads and communications in the territory had also been approved.

Energetic steps had been taken to develop electric power.

Deposits of iron-ore had been computed by the Geological Survey of India at 500 million tonnes of 58 per cent grade. Export of iron and manganese ores during 1962-63 was 5,334,000 tonnes against 5,278,000 tonnes in the previous year.

Goa had been selected, along with 45 districts in India, for a rural industries project.

(*The Times of India*, Bombay)

[Prev. ref. 5609:INI:K]

IRAN

A. **French And West German Credits:** France has granted Iran credits for 300,000,000 francs ($60,000,000). A protocol to this effect was signed in Paris on December 13, 1963 by Dr. Alikhani, the Minister of Economy, and the French Minister of Industry, Mr. M. Bokanovsky.

The credit is to carry a five per cent interest and the sums used for each project are repayable in instalments over a period of ten years from the date of the completion of the project. The credits must be utilized for the purchase of French machinery or to meet the costs of French consulting engineering firms. Iran will continue to submit requirements to international tender and credits will only be used when and where French firms are awarded contracts. The protocol stipulates that the credits must be utilized in 1964 and 1965, no funds being available after December 31, 1965. Considerable expansion of Iran's petro-chemical industry, electrical power net-work and communications system is envisaged.

Meanwhile, the Director of the Plan Organization, Mr. Safi Asfia, was in West Germany to sign executive Agreements for DM123 million out of a total credit of DM200 million ($50 million) to Iran. The DM123 million have been earmarked for use on the Sefid Rud Dam project and its irrigation net-work. Discussions also took place on the utilization of the remaining DM77 million which were originally intended to help the NIOC finance its projected refinery-pipeline complex near Tehran, but since the NIOC has secured the necessary funds from a consortium of French and West German private firms, the Government has turned the credit over to the Plan Organization.

(*Middle East Economic Digest*, London)

[Prev. ref. 5562:IRN:B]

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IRAQ

A. New Army Appointments: A message on December 17, 1963 said that another series of senior appointments in the Army had been announced and a new head of the Air Force named.

Brig. Abdul Rahman Arif was appointed Deputy Chief of Staff and Commander of Field Forces, and Colonel Arif Abdul Razzak, who was Minister of Agriculture, became Commander of the Air Force.

Colonel Arif is a brother of President Arif and as a Divisional Commander helped materially in November to seize power from the Baath. The Chief of Staff is presumably still Lieutenant-General Taher Yahya who in November became Prime Minister.

Colonel Razzak is the man who as Commander of the Habbaniya air base last February, sprang the revolt against Major-General Kassem. He then seemed to fall out with the Baathist Government, but after the November coup he appeared in the Cabinet in the unlikely post of Minister of Agriculture.

Brig. Hardan Takriti was the Air Force Commander and in November was made Minister of Defence. His position vis-a-vis both President Arif and the Baath has been obscure.

The other Army posts now filled are the commands of four of Iraq's five divisions. The new regime, in November decided that whoever filled the divisional commands should automatically be among those on the Revolutionary Council.

All these moves, said The Times, London, may mean a shift towards the Arab nationalists as opposed to the Baathists, in which case there would be a slight turn towards President Nasser.

(*The Times*, London)

[Prev. ref. 5549:IRQ:A]

ISRAEL

A. Budget For 1964: Presenting the State Budget totalling I£3,465,000,000 to the Knesset on December 23, 1963, the Finance Minister, Mr. Pinhas Sapir, appealed for restraint in claims for increased wages and profits to enable the country to maintain the economic stability of the previous year.

The following are the main points of Mr. Sapir's Budget speech:

"Our major effort during the past years has been directed first and foremost to the maintenance of stability—in wages, taxes, production costs and prices. Now, at the end of this year, I can say with confidence and satisfaction that these efforts have been crowned with success, in spite of weighty obstacles and pressures operating in the contrary direction.

"The principal aims of our economic activities are: rapid development of the economy; improvement of the balance of payments; full employment; a just distribution of incomes; a stable and realistic rate of exchange; dispersal of the population.

"The precondition for all these is wage and price stability.

"Development Of The Economy In 1963: While the Consumers' Price Index rose by 9 per cent and 10 per cent in 1961 and 1962 respectively, it rose in 1963 by less than 5 per cent, including 3.8 points due to a rise in the cost of housing and key money. The productive branches of the economy have maintained almost complete stability.

"The deficit in the balance of payments for goods fell to $300 million—$38 million, or 13 per cent, less than in 1962. This considerable fall is due to a considerable increase in the export of goods, which rose by $70 million to $343 million, combined with a moderate increase of $33 million in imports. This year 54 per cent of our imports have been covered by exports, and we are advancing, though gradually, along the second half of the road that leads to economic independence.

"There was also a reduction of the deficit on current account, which includes services, from $449 million to approximately $420 million—a fall of some 6.5 per cent. Import of goods and services rose by less than 7 per cent, while export of goods and services increased by the respectable figure of 19 per cent.

"Our foreign currency balances continue to grow. We now hold some $580 million—$80 million more than last year. As a result, we have been able to pay off in advance $50 million of foreign currency debts, which has not only meant savings in interest payments in foreign currency, but strengthened our good name and financial standing abroad.

"We have begun to pay back the capital of the Independence Bonds; this year we are redeeming $24 million worth in foreign currency, in addition to $30 million worth in Israel money. Next year we shall redeem $45 million worth in foreign currency and another $30 million in local currency.

"The Gross National Product increased, in real terms, by 10 per cent. The largest increase, 13 per cent, was in industrial output.

"Investments in fixed assets, including building, grew by some 4 per cent. During the year, the Government adopted a policy of selectivity in approving investments, with priority for those helping to promote employment, the dispersal of the population, exports, etc.

"The population increased by 3.7 per cent, or some hundred thousand souls, to approximately 2,430,000, while the numbers employed increased by a higher percentage. Unemployment fell to an average of 4,200 compared with 4,600 in 1962.

"The National Income increased by 20.5 per cent and real wages by an average of 6 per cent.

"The increase in personal consumption is estimated at 9.5 per cent, or 5-6 per cent per head. Although the rate of the increase in consumption appears to have fallen in comparison with previous years, it is still high and causes the diversion of too many resources from export and investment to current private consumption. This increase extended to all sections of the population, including recent immigrants.

"Means of payment increased during the year by 26 per cent; the average over the year was 30 per cent higher than in 1962. This is mainly the result of our growing foreign currency balances, which are of great benefit to the economy but also involve dangers.

"Economic Policy for the coming year: During the coming year we intend to persevere along the path we have followed, which has proved to be the right one. Our main efforts will be devoted to maintaining stability.

"Investments should grow, in real terms, by at least 12 per cent. We shall be receiving Zim's flagship Shalom, nine coastal ships, four citrus ships and five cargo ships, as well as others. We shall be getting ships and planes to the value of $68 million—$50 million more than last year.

"Imports of goods and services are expected to grow by some 14 per cent. If there are no upsets, exports can be increased by $100 million to $700 million. The deficit on current account may be expected to grow by some $40 million, which is more than accounted for by the increase of $50 million in the import of ships and planes.

"If the estimates are fulfilled, our exports in 1964 will be the same as our imports in 1960, just as this year's exports covered the amount we spent on imports in 1959. On the road to economic independence, our exports are thus about four years behind our imports. Had it not been for increased defence costs, the backlog would undoubtedly have been smaller.

"Imports of capital are estimated at $500 million. We are still far from saturation point in investments associated with modern industrial know-how and experience.

"The following measures will be adopted to restrain consumption: (a) a balanced budget; (b) credit restraint; (c) increased investment in stocks, short-term loans, and Government bonds; (d) sale of shares in Government companies; (e) loans to the Government, from the banks, within the limits of their liquidity ratios, to be used for development; (f) encouragement to holders of foreign currency not to exchange their holdings into local money; (g) encouragement for the raising of funds through the Stock Exchange; (h) encouragement for saving schemes.

"To prevent increases in production costs: (a) the Government will continue its efforts to prevent unjustified price increases; (b) it will encourage manufacturers to improve quality, efficiency and marketing; (c) tax stability will continue; (d) we shall continue to expose local manufacturers in various branches to competition from imports.

"The State Budget: The Budget is balanced, and in keeping with the Government's economic policy. It is designed first and foremost to maintain stability. This will be done by stable tax rates and payments for Government services, the financing of a greater part of the development budget from domestic sources, and the continuation of the policy of grants to keep down the prices of vital services and commodities.

"The Budget has a disinflationary tendency. Total budgetary outlays in foreign currency will be some I£400 million larger than foreign currency income. The Government will therefore have to acquire foreign currency in return for Israel Pounds which will come from the absorption of means of payment from the Israel public.

"The Budget, especially for social services and housing, is based on the assumption that the increased rate of immigration will continue. It makes a contribution to the redistribution of the national income and improvement in the position of lower-income groups.

"Taxes as a whole will not be raised this year. Income from taxation is estimated at I£1,909 million, 18.2 per cent higher than in 1963-64. The increase is almost entirely due to greater economic activity and more efficient collection.

"There will be an increased tax on foreign travel and a tax on large dwellings. Customs duties on spare parts for electronics manufacture will be cut, so as to encourage the industry.

"In order to balance the Budget without increasing taxes, we shall raise considerable sums on the local money market. We expect a net increase of I£140 million from short-term loans, I£150-160 million from the sale of other Government bonds, and about I£100 million from the sale of shares in Government companies. About I£50 million will be borrowed from the banks.

"The implementation of the Zadok Committee's Report on taxation will be possible only if it does not upset the monetary balance by an exorbitant increase in the purchasing power at the dis-

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posal of the public. If the Committee's recommendations are executed in addition to a rise in wages, an exaggerated increase in demand will lead to grave results.

"The income of the Development Budget will total I£1,373 million. Some 52 per cent will come from foreign sources, compared with 56.5 per cent in 1963-64.

"**Expenditure:** The Budget balances at I£3,465 million, compared with I£2,920 million in the current year—an increase of I£545 million, or 18.7 per cent. The increase is mainly devoted to defence expenditure, debt repayments, subsidies to cover increased costs, education and social services. Of increases totalling I£128.5 million in the cost of Government services apart from defence, some I£80 million will go for education, health and social welfare.

"**Development Budget:** I£675 million will be spent on development projects—I£45 million more than last year. This includes: I£144 million for agriculture and water; I£30 million for mines and quarries; I£42 million on electricity, mostly for the new 250,000 kwh power station to be constructed in Haifa, which will bring our electricity output up to about a million kwh; I£22.5 million for industry, in addition to large sums from banks, especially the Bank for Industrial Development, the Stock Exchange and foreign investments; I£290 million for housing. Ten thousand dwellings will be built for immigrants, covering over half the Ministry's budget, to provide a permanent home for every immigrant on arrival. Considerable sums will be spent on clearing the ma'barot, which will be liquidated within two years, and housing in development areas; I£65 million on post and telephones, covering equipment for about 32,000 new subscribers. Installation costs will be raised by I£100, and foreign postal rates will be adapted to the new rate of exchange, which was not done last year;

"I£60 million for ports and transportation, providing for the completion of Eliat Port, Stage A of Ashdod Port and Stage B of the Kishon Harbour, and the railroad from Beersheba to Dimona;

"I£9.5 million for housing, water, education, roads, electricity, etc., under the five-year plan for the development of Arab and Druse villages."

Summary of Budget Expenditures:
(in I£ millions and percentages)

	1964-65		1963-64		
	I£m	p.c.	I£m.	p.c.	Increase I£m
Expenditure of Ministries and transfers to local authorities	858	24.8	729.5	25.0	128.5
Expenditure on defence and special budgets	1,115	32.2	873.5	29.9	241.5
Grants for exports, price reduction, etc.	151.5	4.4	96.0	3.3	55.5
Development projects and revolving capital	695	20.0	645.5	22.1	49.5
Debt repayments	645.5	18.6	575.5	19.7	70.0
TOTAL	3,465		2,920.0		545.0

"**Defence Expenditure:** This constitutes the largest item in the budget. We are not masters of the scope of our defence expenditure. This is directed to us by the neighbouring countries, which are arming at an accelerated pace with new and modern arms. The cost of modern armaments grows rapidly, as does the cost of training the men to operate them. The result is a growth in the burden on the Budget, both in Israel pounds and in foreign currency.

"I can only hope, together with all our people, that the day is not far off when we shall be freed from this burden, and we shall be able to apply all our strength and resources to constructive endeavour raising the standard of living and fostering education and culture."

(*The Israeli Digest*, Jerusalem)

[Prev. ref. 5369:ISR:C, 5564:ISR:B]

B. New Chief Of General Staff: Brigadier Itzhak Rabin (41) was named Chief of the General Staff on December 15, 1963 in succession to Major-General Tzvi Tzur, who is retiring.

The new Chief became Major-General when he took over on January 1, 1964.

General Rabin had been soldiering for 23 years, with the underground for the re-establishment of Israel and in the defence force since the proclamation of the Jewish State. He has attended a staff course at Camberley. During his days with the underground he alternately fought against the British and alongside them.

(*The Times*, London)

JAPAN

A. Cabinet Approval Of Budget: The Cabinet approved on December 29, 1963 a Budget for 1964 which allows for an increase of more than 14 per cent in Government spending.

The Budget total is 3,255,438 million yen.

The Cabinet also approved a Government investment and loan programme for 1964 totalling 1,340,200 million yen, an increase of 20.8 per cent over 1963.

The biggest increases in proposed expenditure are in the fields of social security, public works, education and grants to local government authorities.

Measures to promote medium and small enterprises and agriculture were especially emphasized in the Cabinet draft. The Government is relying almost entirely on the natural increase in revenue to finance its vastly expanded programme. Taxes were cut by approximately 100,000 million yen, considerably less than the cut promised by the Prime Minister Mr. Hayato Ikeda in his election campaign.

Economic Growth Rate:

Meanwhile, the Economic Planning Agency has reported that Japan's economic growth rate in fiscal 1962 was 5.9 per cent in real terms.

This is a long way short of the dramatic growth rate achieved in the pre-1958, when Japan's economic expansion slowed almost to a halt.

The cyclical pattern has come to be an accepted feature of Japan's growth rate, but it is causing increasing anxiety. During the past few months, since it became obvious that the economy was picking up speed again, bankers have argued constantly in favour of holding the growth rate down to about 6 per cent.

Mr. Kiichi Miyazawa, Director-General of the Economic Planning Agency, reported on the figures for 1962 at a Cabinet meeting on December 17, 1963. He said that the gross national product in 1962 was 19,315,200 million yen. Japan's gross national product was fifth highest in the world. The national income was 15,782,500 million yen, an average of 165,901 yen a head. The average was 10.1 per cent higher than the previous year in money terms.

The Finance Minister, Mr. Kakuei Tanaka, predicted on December 16, 1963 before a Diet budget committee that the growth rate in 1963 would be 6.5 to 7.2 per cent in real terms. A higher growth rate could not be expected because of the poor balance of payments situation and rising consumer prices.

(*The Japan Times*, Tokyo and *The Times*, London)

[Prev. ref. 5032:JAP:A, 5348:JAP:A]

B. Relaxation Of Restrictions On Investment: The Ministry of Finance has removed control restrictions from investment abroad of up to $US50,000 from January 4.

The step has been decided upon in line with the policy to simplify business procedures in preparation for Japan's shift to an "Article 8" status nation under the General Agreement on Tariffs and Trade.

The Ministry has said, however, that the measure will apply only to direct investments for purposes such as the establishment of companies and undertaking of business ventures in foreign nations on condition that these business activities help expand Japan's exports, improve Japan's balance of payments position, and promote developments of newly rising nations.

According to the Ministry, restrictions will continue on indirect investments and large-scale direct investments to be made in instalments of under $50,000 each. These investments still require approval by both the Finance Ministry and the Bank of Japan.

(*The Times*, London)

[Prev. ref. 5370:JAP:D]

KOREA (South)

A. Memorandum To UN On Communist Threat: On the eve of a debate on the Korean question in UN, South Korea, which is not a member of the world Organization, presented a memorandum to the UN Secretariat on December 22, 1963.

The 39-page memorandum warned that in view of the belligerent policy of China and North Korea, the threat of renewed Communist aggression is real and ever-present in Korea.

It said: "These (UN) forces are therefore, vital to the defence of the Republic of Korea against such Communist aggression.

"The continued presence of UN forces in Korea helps maintain peace and security—a primary United Nations responsibility—in that part of the world.

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"The attitude of the Republic of Korea towards the United Nations contrasts markedly with that of the North Korean authorities, who have always rejected the competence and authority of the United Nations.

"To achieve their supreme objective of establishing a free and unified Korea, the people of the Republic of Korea have co-operated whole-heartedly in all United Nations endeavours. The Republic of Korea eschewing force, seeks only a peaceful solution of the Korean question within the frame-work of the United Nations.

"It firmly believes that the re-unification of Korea should be achieved through genuinely free elections throughout Korea under United Nations supervision in proportion to the indigenous population. In this endeavour the Republic of Korea accepts the competence and authority of the United Nations to bring about the unification of Korea.

"The attainment of a unified, independent and democratic Korea would contribute to the peace and security of Asia and the entire world. Such an achievement would represent a triumph for the United Nations and its hallowed principles."

It provided a detailed history of the development of Korea following World War II and during and after the Korean War.

It also outlined progress in the agricultural, social and economic fields made in South Korea during the past decade and contrasted it with developments in North Korea during the same period.

(The New York Times)

LAOS

A. Reported Cease-Fire Agreement: The *New China News Agency* said on January 2 that the neutralist General Kong Lae and the Pathet Lao General Singkapo have agreed on a cease-fire for their forces in Laos.

In a dispatch from the Laos Plain of Jars, the Agency said that the two men agreed to set up a committee to supervise the cease-fire. But they failed to agree on a statement on their meeting.

Press reports on January 12 said that the neutralist Prime Minister, Prince Souvanna Phouma, had accepted an invitation from the Pathet Lao leader, Prince Souphanouvong, to go to Sam Neua in northern Laos to discuss ways to stabilize the situation in Laos.

It gave no date for the visit, but said Prince Souvanna Phouma had told newsmen it would be in the "near future."

(The Times of India, Bombay)

[Prev. ref. 5455:LAO:A]

MALAYSIA

A. Indonesian Violation Of Air-Space And Border Raids—Protest To UN: The Permanent Malaysian Representative to UN, Dato Ong Yoke Lin, on December 31, 1963 called on the UN Secretary-General, U Thant, and conveyed to him a message from the Malaysian Government protesting against alleged violation of its air-space and border raids by Indonesia.

In Kuala Lumpur, the Defence Minister, Tun Abdul Razak, who sent the protest, said that he believed the raiders were Indonesian regular soldiers.

The Malaysian troops involved—Malayans—recently relieved elements of a battalion of the Royal Leicestershire Regiment. One of those killed was a major. The Malaysian Government radio said that of the attacking force at least two men had been killed and one captured.

Asked if he thought the present situation could grow into a real shooting war with Indonesia, Tun Abdul Razak said at Kuala Lumpur airport, while awaiting the arrival of the soldiers' bodies: "This is a real shooting war now." He said the attacks took place at Kalabakan timber mills, 30 miles from the Indonesian border.

Mr. Donald Stephens, the Chief Minister of Sabah, who accompanied Tun Abdul Razak, repeated: "Murder, Murder". He promised "blow for blow" if fighting continued in his state.

He said: "Our defence forces are ready to meet the Indonesians, and we have made plans to cope with open aggression in Sabah, though I cannot reveal what they are.

"We have evidence that the attackers who killed the eight members of the security forces were Indonesians. They wore uniforms and carried machine-guns."

At Alor Star, in north Malaya—the home town of the Malay Regiment engaged in the Sabah incident—the Prime Minister, Tengku Abdul Rehman, said: "As soon as aggression starts in a big way and the lives of people are lost in defence of our freedom and everything we hold dear, an appeal will be made to the United Nations to intervene. They must intervene."

An Indonesian Foreign Ministry representative in Djakarta denied that Indonesians took part in the attack. He said the attackers could not have been either Indonesian regular troops or Indonesian volunteers.

Indonesian Accusation:

Indonesia accused Britain and Malaysia on January 8 of "aggression" against its territory, in a document handed to the UN Secretary-General, U Thant, by her chief delegate, Mr. Lambertus Palar.

A Government spokesman said in Djakarta that the document listed "violations of Indonesian air-space" by British and Malaysian aircraft. Four of them had been shot down.

Manila Talks:

The Indonesian President, Dr. Sukarno, accompanied by his Army Commander, Maj.-Gen. Achmad Jani and the Foreign Minister, Dr. R. Subandrio, arrived in Manila on January 7 to seek the Philippines' co-operation in the economic aspect of his "confrontation policy" against Malaysia.

On his arrival. Dr. Subandrio said: "We will try to find a way out of the Malaysian impasse. We will not be scared by British arms. It is obsolete to think in terms of scaring away any Asian country with modern arms."

Asked whether there would be another tripartite meeting of the Heads of Governments of Indonesia, Malaysia and the Philippines, he said: "I do not know. The other side is arrogant because of British arms. They want to impose certain solutions on us. It is wrong for Kuala Lumpur to think that we will crawl on all fours and give (Malaysia) recognition. That will never come about.

"Indonesia wants consultations. But the main purpose of our visit here is to come to some economic arrangements. This has nothing to do with the disruption of Indonesia's trade through and with Singapore".

He was asked whether Indonesia wanted a settlement with Malaysia. He replied: "We are not crazy warmongers."

[Malaysian leaders have repeatedly said that there will be no talks either with the Philippines or Indonesia so long as they do not re-establish diplomatic relations with Malaysia. The two countries withdrew their Embassies from Kuala Lumpur on the proclamation of Malaysia.]

Indonesian and Philippine diplomats announced on January 8 that they had agreed to use the spirit of last Summer's Manila Agreement "as the vehicle for finding a peaceful solution to the Malaysian problem."

The statement was issued at the end of a 95-minute session of political panels headed by Dr. Subandrio and the Philippine Foreign Secretary, Mr. Salvador Lopez.

The statement said the panels agreed to re-affirm their adherence to the Manila Agreement to continue "efforts to give substance to Maphilindo as a living reality."

[Maphilindo was the association of the former Malaya, Indonesia and the Philippines formed at the summit meeting in August, 1963. It was shattered when Malaysia was formed the following month.]

The announcement said the discussions were "proceeding smoothly along constructive lines and are revolving around the theme of Asian solutions to Asian problems."

The Philippine Foreign Secretary, Mr. Lopez, acting as spokesman for both countries, said the delegations opened the talk "by giving detailed reports on events and developments that have taken place in Indonesia and the Philippines between the Manila summit conference last August and the present time."

"These talks are being conducted in the spirit of mushjawara (friendly consultation) which lies at the heart of the Manila Agreement."

The Manila Agreement called for "mushjawara" with the former Malaya as well as Indonesia and the Philippines.

Dr. Subandrio said: "We start with two. We hope to end with three."

President Sukarno and President Macapagal said on January 11 that they hoped for a new meeting with Tengku Abdul Rehman, for a settlement of the Malaysia dispute.

This hope was expressed in a joint communique issued at the close of Dr. Sukarno's "working State visit" to the Philippines.

After the two Presidents had drunk toasts, Dr. Sukarno said: "This statement strengthens the ties of friendship between Indonesia and the Philippines; it could also provide a solution to the problems of the area."

Meanwhile the British Defence Minister, Mr. Peter Thorneycroft said at Jesselton, Malaysia, that the Indonesian confrontation policy against Malaysia was "pretty serious and dangerous."

He renewed the pledge that Britain would stand "shoulder to shoulder" with Malaysia in the fight against guerrillas in the Borneo region.

Communist Opposition To Malaysia:

In Indonesia the Communist Party chief, Mr. D. N. Aidit, in a statement to the plenary session of the party published on December 6, 1963 in the

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party's organ, *Harian Rakjat*, said there were three approaches to the Malaysia crisis. They were the reformist, adventurist and revolutionary approaches.

He said the reformist position held the expectation that "the British imperialists and the Tengku will be prepared to settle the issue peacefully. This is contrary to President Sukarno's theory that the only way to settle it is through confrontation."

He said the adventurist theory was "actually designed to try to topple the Sukarno regime." The advocates of this approach, he said, "talk furiously about the Malaysia issue, but their real intention is to provoke armed measures from the British in order to create panic inside the country (Indonesia) as an opportunity to end Dr. Sukarno's Government and later present their victory to the USA."

He said it was wrong to exaggerate "the strength of the British imperialists. But it would be incorrect to think that the Malaysia issue can be solved over a short period because this will lead to reformist or adventurist views."

The revolutionary view held that only confrontation against Malaysia in all fields could solve the crisis. "In the political field this means continuing exposure of this neo-colonialist project by calling on the sympathy of friendly, new emerging forces. The most urgent task is recognition of the Kalimantan Utara (North Borneo) rebel movement backed by Indonesia."

He said confrontation should also cover the economic field, including expropriation of British enterprises and efforts to solve domestic economic difficulties.

(*The New York Times*, *The Statesman*, Calcutta and *The Hindu*, Madras)

[Prev. ref. 5610:IND:A]

NEPAL

A. Cigarette Factory With Soviet Aid: A major part of Nepal's demand for cigarettes will be met internally by 1966 when the Soviet-aided cigarette factory goes into full production.

According to an official of the factory, 90 per cent of the work on the plant has been completed and it is expected to go into production in September, 1964.

The factory has a capacity to produce 2,000 million cigarettes annually in four grades.

Nepal at present imports substantial quantities of cigarettes, the bulk of them from India. She had also imported recently some consignments of cigarettes from China and Pakistan.

Tobacco is now cultivated on a modest scale in Nepal. Eventually, it is expected to cover an area of 5,000 bighas.

(*The Times of India*, New Delhi)

[Prev. ref. 5552:NEP:B]

PAKISTAN

SUMMARY: Consortium Aid For Indus Basin Projects; Import Policy; Ban On Jamaat-i-Islami.

A. Consortium Aid For Indus Basin Projects: The Chairman of the West Pakistan Water and Power Development Authority (WAPDA), Mr. Ghulam Ishaq, disclosed in Karachi on December 26, 1963 that the Aid-Pakistan Consortium would give an additional aid of $315,000,000 to cover the foreign exchange component of Indus Basin projects.

He said that the Indus Basin projects included the Tarbela Dam provided it was found feasible by the World Bank.

He returned to Pakistan on December 26 after a 16-day trip to Washington and London at the head of a 3-man WAPDA team. The other two members of the team were Lt-Gen. Intchsener, Chief Technical Adviser, and Mr. Kirmani, Chief Engineer, Indus Basin Projects.

On the Tarbela Dam, Mr. Ghulam Ishaq said details and terms of reference on the project had been studied and finalised. As a result of these studies the World Bank was organizing a group of consultants to visit Pakistan. He expected the group to be in Pakistan by the middle of January.

He said that the World Bank intended to undertake an overall survey of the Tarbela Dam which will take two years.

The new projects, he said, related to power distribution in West Pakistan and setting up of a 200-megawatt thermal station for the Lahore and Lyallpur region. He said WAPDA had requested AID to provide $15 million for its power distribution project. The WAPDA needed this money to cover the project's cost for the next two years.

(*Dawn*, Karachi)

[Prev. ref. 5458:PAK:A]

B. China Biggest Buyer Of Pakistan Cotton: It was stated in Karachi on December 29, 1963 that China had become the biggest buyer of Pakistan cotton in 1963. It had purchased about 280,000 bales, after the signing of a Trade Pact with Pakistan earlier in 1963.

While 30,000 bales were purchased out of the old crop in 1963, about 2,50,000 bales were understood to have been bought from the current crop.

Nearly 70,000 bales of cotton, which had already been registered by the State Bank of Pakistan, were shipped to China from Karachi during the following week.

The registration for the remaining bales of cotton, to be supplied to China by Pakistan out of the current crop, was expected to be made by the State Bank of Pakistan by January. The parties concerned were believed to have already applied for the registration of the deal.

According to indications available from trade circles, China may buy more Pakistani cotton early in 1964 for which negotiations are under way.

After China, Hong Kong becomes the next main buyer of Pakistani cotton with purchases of about 1,00,000 bales from the current crop.

The export performance of cotton in 1963 was the best in the past five years, as a result of huge purchases by China.

The prices of cotton have now fully stabilized as compared with the previous years, due to good export performance. Efforts are being made by Pakistan to maintain this performance as well as stability in prices during the coming year.

The target for cotton production in the country set in the Second Five-Year Plan is 23,00,000 bales, of which about 20,00,000 bales was reached in 1963. Due to increased production, export avenues have also to be expanded further during the coming year.

Pakistani trade delegations, which will be going out in 1964, will also make efforts to boost exports and earn more foreign exchange for the country.

Out of 70,000 bales of cotton already registered by the State Bank, 35,000 were shipped to China by m.v. Tina. The remaining 35,000 bales were carried by another chartered ship, m.v. Kalliopip.

(*Dawn*, Karachi)

[Prev. ref. 5034:PAK:B, 5541:PAK:F]

C. Import Policy For January-June, 1964: The new import policy for January-June, 1964 is more liberal than the policy during the preceding half-year.

Under the new policy, 52 items have been placed on the Open General Licence list.

Major improvements have been made in the facilities for importing goods.

Announcing the new policy in a broadcast on January 3, the Chief Controller of Imports and Exports, Mr. Shafiul Azam, said that the new policy was formulated to enable fuller use of the industrial capacity, to strengthen the base of the export industries and for the progressive substitution of the import of a wide range of manufactured items by local products.

A few selected items of iron and steel have been placed on the free import list.

Some of the main items whose import was proposed to be increased are drugs and medicines, books and magazines, scientific instruments and appliances, marine engines, machinery and spares, dyes and chemicals, raw films, nylon twine for the fishing industry, typewriters and office machines.

The list of licensable items will be constantly kept under review to make it responsive to the requirements of the economy.

There are at present 50 items on OGL list. It was proposed to drop building and engineering materials of all sorts from this list and add three items, namely, brakefluid and marine engines (both for East Pakistan only) and nylon twine.

In the commercial sector, some major items of the iron and steel group have been put on the free import list, which means that traders will now be able to import them freely. These items are pig-iron, tinplate billets and strips.

Cement for East Pakistan will continue to be on the OGL subject, however, to a periodic review of the situation.

(*Dawn*, Karachi)

[Prev. ref. 5373:PAK:B]

D. President Ayub Khan Elected President Of All-Pakistan Muslim League: President Ayub Khan was on December 24, 1963 unanimously elected President of the All-Pakistan Muslim League by over 400 Councillors of the party in Dacca.

Addressing the Council soon after his assumption of party leadership, he asked the party men to put in their best endeavours to make the people conscious of two basic requirements, which he described as "love for hard-earned freedom and self-discipline." These two things, he pointed out, must go hand in hand to produce a healthy and progressive society.

He gave the nation the motto of "unite, work and achieve". This, he said, should be the guideline.

Later, the Council approved several amendments to the Constitution of the Muslim League. One of these authorized the President of the organization to co-

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opt any Minister as ex-officio member of the organization to work for the party. According to another amendment, at least one meeting of the Council will be held each year and alternately in East and West Pakistan. One-third of the 300 Councillors will be entitled to requisition the Council meeting but among the signatories to the requisition notice at least one-third must be from each Wing.

The Central Parliamentary Board will comprise 14 members. The President of the League and the leader of the League Parliamentary Party in the National Assembly will be ex-officio members.

(*Dawn*, Karachi)

[Prev. ref. 5309:PAK:B]

E. Ban On Jamaat-i-Islami —Leaders Arrested: The Jamaat-i-Islami has been banned throughout Pakistan under the Criminal Law Amendment Act of 1908.

Press Notes issued in Dacca and Lahore on January 7 declared the Jamaat an unlawful association.

The Lahore Press Note said that the Jamaat-i-Islami and its leaders covertly and sometimes openly had been attempting to subvert the loyalty of the people of the State and the Government.

The Press Note said that no Government can obviously tolerate such prejudicial activities nor allow any party to disrupt the law and order in the country.

The Government had, therefore, been obliged to take legal action to ban the Jamaat in order to prevent it from pursuing its anti-State subversive activities.

Maulana Syed Abul Ala Maudoodi, Amir (leader) of the Jamaat-i-Islami, and 18 other office-bearers and workers of the party were arrested in Lahore in the early hours of January 6 by a special police party headed by the Additional Superintendent of Police, Chaudhuri Sikander Hayat.

Arrests were also made at a number of places including Kushtia, Karachi, Hyderabad, Multan, Gujranwala, Okara and Peshawar.

(*Dawn*, Karachi)

[Prev. ref. 5553:PAK:C]

F. Fundamental Rights Bill Passed By National Assembly: The National Assembly passed on December 25, 1963 the Fundamental Rights Bill.

At 02.55 a.m. the Speaker announced the result of the division on the third reading which stood at 109 votes to nil, and declared the Bill as passed.

The Pakistan People's Group which had all along opposed the Bill, abstained from the voting on the third reading. That was why there was no vote against it.

Doing away with the cumbersome procedure of lobby division on every clause by mutual agreement between the Opposition and the Treasury benches, the House went for six divisions. Votes on Mr. Mahbubul Haq's motion for deletion of fourth schedule were 105 against and 22 for.

Major divisions were on Rider Clause and one barring jurisdiction of courts to Tribal Areas beside overall vote.

The Rights Bill consisting of 12 clauses and one Schedule containing 31 laws protected against justiciability under Rider Clause extends basic rights to all citizens of Pakistan except those inhabiting the tribal areas of West Pakistan.

The measure ensures security of person and freedom of movement, freedom of speech, freedom of religion, property rights and equality of citizens.

Under the Rider Clause eight Presidential Orders, five Martial Law regulations, 11 Ordinances promulgated by the President, two Central Acts, four Ordinances promulgated by the West Pakistan Governor and one West Pakistan Act have been protected against justiciability. No East Pakistan law has been sought for protection.

(*Dawn*, Karachi)

VIET-NAM (RVN)

A. Prospects Of Civilian Administration: Inaugurating the Council of Notables (see page 5590) on January 1, the Chairman of the Military Council, Major-General Duong Van Minh, said he hoped power would be turned over to an elected civilian administration as soon as possible.

The Council of Notables is a consultative body of 60 technicians and politicians whose first task is to work out a new Constitution.

War Against Viet-Cong:

Maj-Gen. Duong Van Minh also said the country must expect austerity while the war against the Viet-Cong guerrillas continued.

Priority would be given to development of rural areas and the ensuring of a "just and equitable distribution of the national income."

He rejected the idea of neutralising South Viet-Nam and said that the banning of neutralism and communism would be the only restrictions on democratic liberties.

Meanwhile, the long and bitter struggle to keep South Viet-Nam from being taken over by communism has reached a critical point.

For a year the war has been going poorly for the anti-Communists and the tough, well-armed guerrillas are stepping up the conflict. Facing them is a new and uncertain military Government.

The Viet-Cong hold the initiative, militarily and psychologically, in most rural areas. In regions they effectively control they levy taxes, obtain food, redistribute land and recruit re-inforcements. They are strong in the Mekong River Delta, the country's rice bowl, stronger than they ever were during the French-Indo-Chinese war, some experienced observers believe.

The US Secretary of Defence, Mr. R. McNamara, paid a visit to Viet-Nam in the third week of December, 1963 and the seriousness of the situation there was said to be acknowledged now at the highest American military and civilian levels in Washington and Saigon.

Guerrilla War Intensified:

According to a *Hanoi Radio* broadcast in the last week of December, 1963, the military committee of the Communist-backed South Viet-Nam National Liberation Front has announced intensification of the guerrilla war.

The broadcast said the decision was taken on December 30, 1963—"the third anniversary of the founding of the Front."

The "Order of the Day" issued under the signature of Mr. Tran Nam Trung, head of the military committee, called upon the Viet-Cong to "expand the liberated areas and unceasingly strengthen our forces."

The military committee also ordered destruction of "the system of strategic hamlets" and the building and consolidation of what it described as "fighting hamlets."

The military committee's order claimed that the guerrillas "can now attack whole enemy battalions or annihilate whole companies."

In connexion with the propaganda campaign, the military committee of the "Liberation Front" directed its cadres to "unceasingly raise the ideological and political standards and carry out cultural study and tactical and technical training so as to make the liberation armed forces strong and advanced in all fields."

(*The New York Times* and *The Hindustan Times*, New Delhi)

[Prev. ref. 5227:RVN:A, 5587:RVN:A]

B. Buddhist Convention: Buddhist leaders who headed the campaign against the Diem *regime* formed on January 3 a national organization aimed at establishing Buddhism as a permanent political and social force.

The four-day national Buddhist Convention closed on January 3 with the proclamation of a charter for a unified Buddhist Church supported by the 11 main Buddhist sects.

The most important aspect of the charter was provision of an institute for secular affairs which was described by high-ranking Buddhists as the political and social arm of the Church. Under the charter, this body will have a powerful eight-man leadership group and an organizational net-work extending into each of South Viet-Nam's 42 provinces.

This provision was considered especially significant as, in the view of a number of American officials and other experienced observers, Buddhists who led the anti-Diem protests are the only non-communist group in the country with a ready-made opportunity for developing a mass political base.

(*The New York Times*)

ASIA OUTSIDE ASIA

A. Swiss Tariffs On Tea And Tropical Woods Abolished: The Swiss Government abolished tariffs on tea, mate (Paraguay tea) and tropical woods beginning on January 1, 1964.

The decision followed recommendations by the General Agreement on Tariffs and Trade (GATT), and was designed to stimulate trade and the economic strength of under-developed countries.

(*The Times*, London)

[Prev. ref. 4800:AOA:E]

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ASIAN RECORDER

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ADEN

A. Detenus Freed: Fifteen persons detained under the emergency law, promulgated following the hand-grenade incident at Aden airport on December 10, 1963 were freed on December 27, 1963.

Those freed included members of the Aden Trades Union Congress, the People's Socialist Party, South Arabian League People's Democratic Union, Aden municipal councillors, a journalist, and a mosque preacher.

The decision followed a threat by the Aden Government to resign over the detainees.

Britain's Assistant High Commissioner to Aden, Mr. George Henderson, who was seriously injured in the bomb explosion on December 10, 1963 died in hospital in Aden on December 27, 1963.

Assassination Bid Fails:

Late on the night of January 2, unknown assailants failed to assassinate five Adenis, among them Mr. Ali Salim Ali, who in December resigned as Minister of Labour, Welfare and Immigration in the Aden Government in protest against the declaration of a State of Emergency.

The police were still looking for the attackers, who succeeded only in causing slight injury to two friends of Mr. Ali.

Mr. Ali Salim Ali was at the wheel of a car belonging to his younger brother, Mr. Muhammad Salim Ali, vice-president of the People's Socialist Party (PSP), who was among 44 Adenis detained under the Emergency decree. Next to him was Mr. Ahmad Basandwah. The back seats were occupied by Mr. Mahmud Siddik and Mr. Husain Abdu Hamza, both PSP members, and Mr. Wadi Humaidan, an immigration officer. The light was on in the car, which was parked at Abyan Beach, just off the main road near Aden airport.

"Suddenly we heard shots which we first thought were firecrackers", Mr. Ahmad Basandwah said. "But when I looked out I saw two bursts of fire. We all ducked, and moments later managed to extinguish the light inside the car. But when we tried to start the car to chase the gunmen we found a burst tyre, probably from a bullet." The gunmen, in a green car, escaped in a north-westerly direction towards Sheikh Othman town, Aden state.

One bullet shattered the parked car's rear window and flying glass cut Mr. Wadi Humaidan's left temple and left ear lobe, and caused abrasions on Mr. Mahmud Siddik's left cheek. They were discharged from hospital after first-aid treatment.

Mr. Hassan Ali Bayumi, a journalist and secretary-general of the United National Party, who was due to meet the five men at the beach, said that 15 minutes after the incident an anonymous caller telephoned his wife three times, each time replacing the receiver before she could answer. "But the fourth time the caller said: 'We have wiped out those at Abyan beach'."

The shooting attempt heightened tension in Aden. It was feared that the authorities may delay the release of PSP and Aden Trades Union Congress leaders for fear of further incidents.

Two Ministers of the South Arabian Federal Government, who are also tribal chiefs, were reported to have been wounded in a bomb explosion.

(*The Times*, London)

[Prev. ref. 5603:ADN:A]

BURMA

A. Agreement On Demarcation Of Border With Pakistan: A memorandum of agreement settling the problem of demarcation of Burma's boundary with Pakistan was signed in Rangoon on January 21 by the Foreign Ministers of the two countries.

A joint communique was issued at the conclusion of the four-day visit to Burma of Pakistan's External Affairs Minister, Mr. Z. A. Bhutto, on January 22.

It said the Foreign Ministers agreed "in principle that the inherited fluctuating boundary" between the two countries should now be transformed into "a fixed boundary".

They were satisfied that after that there would not be "any possibility of future misunderstanding on the question of the international boundary" between Pakistan and Burma.

The communique said the two Ministers had discussed "the position of Muslims in Arakan"—a reference presumably to the abortive Muslim separatist agitations in the Burmese district adjoining East Pakistan's Chittagong hill district.

Though the Pakistani locus standi in the "position of Muslims in Arakan" was not quite clear, Mr. Bhutto "expressed his belief that the Burmese Government would solve the question of Muslims in Arakan with sympathetic consideration and assured that Pakistan on its part would be glad to extend maximum co-operation in any way possible, consistent with its policy of good neighbourly relations. The Burmese Foreign Minister recalled the assurance given in 1961 and said that that question had been largely resolved. It would, however, continue to receive sympathetic consideration".

The two Foreign Ministers agreed to hold a ministerial level meeting soon to discuss procedure for the elimination of "sources of friction and disputes at the borders" as well as other matters.

(*Dawn*, Karachi and *The Nation*, Rangoon)

[Prev. ref. 5183:CHI:A]

B. Gen. Ne Win Alleges Political Conspiracy: The Chairman of the Revolutionary Council, Gen. Ne Win, told a peasants' seminar on January 1, observed as Peasants' Day, at Popa in Central Burma that traitors were trying to wreck his Government's socialist nation-building by undermining the economy and seeking the assistance of a foreign country.

He declined to name the foreign country or elaborate on the exact details of the conspiracy which, however, he promised to place before the public when all relevant facts were marshalled.

This speech was the first official admission of an anti-Government conspiracy by some politicians, business tycoons and other prominent people arrested during December, 1963.

He explained that the Burmese Way to Socialism, which was being practised by his Government, was becoming increasingly obnoxious to "certain formerly privileged classes such as some businessmen, politicians, political parties, officials and others who have misused State power to enrich themselves at the expense of the public."

He said these people were now trying their best to create problems in the country to make the Government's position untenable. As typical instances, he referred to the artificial scarcity of essential commodities, such as rice, cooking oil and salt. For some time, the prices of these commodities rocketed, but, as was common knowledge, the Government was able to counter the tactics of hoarders, blackmarketeers and other economic racketeers in time and provide the public with essential foodstuffs at fair prices.

But this was only one round in the unending game of hide and seek being played between the Government and the racketeers. Many a time, the racketeers were one jump ahead of the Government. However, he assured his listeners that the Government, backed as it was by the majority of peasants and workers, was bound to triumph in the end.

Nonetheless, he stressed, the plots posed a formidable threat to the nation, especially when instigated by a foreign country. He said it was obvious that foreign instigation was impossible without the collusion of some unworthy elements in the country.

(*The Hindustan Times*, New Delhi)

C. Stockpiling Of Essential Commodities: To prevent the shortage of essential commodities as a result of the speculative activities of unscrupulous traders, the Government has decided to stockpile essential supplies in districts.

A countrywide census of consumers of goods like rice, salt, kerosene and cooking oil will be taken preparatory to the stockpiling.

Workers are being given cooking oil on credit while Government servants have been asked to register their requirements of consumer goods.

(*The Nation*, Rangoon)

[Prev. ref. 5544:BUR:B]

CAMBODIA

A. British And Soviet Proposals On Convening Conference: A British Foreign Office spokesman said in London on January 15 that Britain, a co-Chairman of the 1954 Geneva Conference on Indo-China,

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had put certain proposals to the Cambodian and other interested Governments on the question of convening a conference to re-inforce Cambodia's neutrality.

The spokesman said these proposals concerned advanced preparation for a possible conference. But he declined to disclose them because he said they must remain confidential if efforts to convene a conference were to be successful.

The proposal for holding such a conference was first made by Prince Norodom Sihanouk.

Soviet Proposal:

The Soviet Union has proposed that 14 nations, including USA, meet in Geneva in April at a conference that would guarantee the neutrality of Cambodia.

Such a conference had been demanded by the Chief of State, Prince Norodom Sihanouk.

The Soviet proposal, the first to suggest a specific time and place for the conference, was handed on January 18 to Sir Humphrey Trevelyan, the British Ambassador.

According to a Soviet Foreign Ministry's statement on January 21, the proposal, if agreed to by Britain, would be addressed to the other nations that took part in the 1954 Geneva Conference on Indo-China and met in 1961-62 to guarantee the neutrality of Laos.

In addition to the Soviet Union and Britain, which are the two co-Chairmen, the countries concerned are Burma, Canada, China, France, India, Poland, Thailand, the United States, and the four Indo-Chinese States of North and South Viet-Nam, Laos, and Cambodia.

Moscow's proposal was the latest in a series of diplomatic exchanges over whether Cambodia would press demands for an international conference or would be satisfied with a signed declaration guaranteeing its neutrality.

Although both the United States and Britain were understood to have reservations about holding a conference, the British Government had a week earlier sent a draft of a declaration on Cambodian neutrality to the Soviet Union, along with a protocol suggesting arrangements to supervise any agreement that might be reached.

British Stand:

Earlier, on December 20, 1963 a British Foreign Office spokesman said in London that Britain agreed in principle to take part in the conference suggested by Prince Norodom Sihanouk to guarantee his country's independence and neutrality.

He said that communications to this effect had been handed over by the British Ambassador in Pnom Penh to the Cambodian Foreign Minister, and by the British Ambassador in Moscow to the Soviet Foreign Minister.

The announcement did not, however, mean that a conference was a foregone conclusion. "Such a conference still presents difficulties," the Foreign Office spokesman said, "but we are trying to achieve conditions which would make possible the holding of a conference with constructive results acceptable to all the Governments concerned.

"Meanwhile, it would clearly be of the greatest help if all the Governments concerned could exercise the utmost restraint in the present situation."

(*The New York Times* and *BIS*)

[Prev. ref. 5640:CAM:A]

CEYLON

A. New Tax Levies: A 10 per cent tax on remittance abroad for maintenance and on transfer of assets in Ceylon came into force on January 10.

Sale of foreign exchange for purposes of travel and stay abroad will be subject to a tax of 20 per cent.

A similar 20 per cent tax would also be levied on sale of foreign currency for a Ceylon travel ticket.

Sale of currency for the purpose of obtaining or purchasing a ticket for travel by rail issued by the Ceylon Government Railway by arrangement with the South Indian Railway will, however, be exempted from the tax on tickets.

Non-citizens leaving Ceylon for good will also be exempted from payment of tax on their tickets.

Transfer of provident fund, pension fund or retiring gratuity will not be subject to the tax imposed on transfer of assets.

(*The Hindu*, Madras)

[Prev. ref. 5399:CEY:A]

B. Resignation Of Speaker: Colombo reports on January 22 said that the Speaker of the House of Representatives, Mr. R. S. Pelpola, had resigned.

Mr. Pelpola had not been attending the House since the discussion on a motion of no-confidence in him. The motion was rejected by the House.

Mr. Pelpola has not resigned his membership of the House.

(*The Hindu*, Madras)

[Prev. ref. 3520:CEY:B]

CHINA

A. French Recognition: It was officially announced in Paris on January 27 after weeks of anticipation that France had recognized the *regime* in Peking.

The announcement said: "The Government of the French Republic and the Government of the People's Republic of China have decided, by mutual accord, to establish diplomatic relations.

"They have agreed to designate their Ambassadors within three months."

Immediately after the announcement, the Kuomintang Administration protested against the French decision, but did not break off relations with France.

A Chinese Foreign Ministry statement broadcast by Radio Peking on January 28 said China, in agreeing to enter into diplomatic relations with France, understood that Paris would break with the KMT regime.

It noted that "according to international practice, recognition of the new Government of a country naturally implies ceasing to recognize the old running group overthrown by the people of that country."

This is contrary to what French official sources had said. They insisted Peking had not asked to end relations with the Formosa Government.

In Paris, a French Foreign Ministry spokesman said that agreement between France and China was made "without any conditions of any sort."

The French Government saw no reason to envisage ending diplomatic relations with Taiwan.

In Taipeh, the KMT Government withheld its decision to sever relations with France and instead lodged a protest to the French Government for its "most unfriendly act."

The Legislative Yuan, the Taiwan Parliament, at a special plenary session, supported the Government's decision.

President Gen. de Gaulle had dispatched a special envoy to Taipeh to ask Gen. Chiang Kai-shek to refrain from breaking ties with France. The American authorities had also urged Taipeh to maintain relations with France.

France thus embarked on a 'two Chinas' policy, establishing a precedent.

France is the fifth NATO member to recognize Communist China. The others were Britain, Denmark, Norway and the Netherlands.

Three other non-Communist European countries have also recognized the Peking regime—Finland, Sweden and Switzerland.

World Reaction:

The US State Department in a statement said:

"The United States regrets France's decision. We have repeatedly expressed to the Government of France reasons why we consider that this would be an unfortunate step, particularly at a time when the Chinese Communists are actively promoting aggression and subversion in South-East Asia and elsewhere.

"The United States will stand firmly by its commitments to the Government of the Republic of China as well as all other countries in our common endeavour to prevent and deter aggression and to promote the interests of peace."

There was no Indian official comment on the French action. Authoritative circles, however, described as "unfortunate" the timing of the recognition. They hoped that the recognition of China by France at this time would not lead to any increase in China's military potential in the light of her continuing aggressive posture against India.

A Soviet Government spokesman said that re-establishment of diplomatic relations between France and China "is a step in the direction of strengthening of peace in the world."

A Malaysia Government spokesman said that if France succeeded in its recognition of Peking without breaking off relations with Taiwan, Malaysia might follow suit.

Japan hoped that the French action would not damage the solidarity of free nations. A Foreign Ministry spokesman said Japan acknowledged the fact that the Peking regime ruled over the Chinese continent with a population of over 600 million, but that, at the same time, the trend of Japanese public opinion was to continue neighbourly and friendly relations with the Chinese Kuomintang Government.

The Japanese Prime Minister, Mr. Hayato Ikeda, had declared earlier that his Government had no intention of abrogating the Japan-Nationalist China Peace Treaty despite French recognition of Communist China.

He had made the statement in the Upper House of Parliament in reply to a question by Mr. Sanzo Nosaka, chairman of the Japan Communist Party. Mr. Nosaka had demanded that Japan should recognize Peking and abolish the KMT-Japanese Peace Treaty.

Mr. Ikeda said it was inappropriate for Japan to follow the example of France in view of the situation in which Japan was placed and the relationship between Japan and KMT China.

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He added that Japan should make its own decision on this issue to the best interest of the country. It also should respect world opinion in UN.

(*The Times*, London, *The New York Times* and *The Statesman*, Calcutta)

B. Tito-Togliatti Criticism: In a *communique* published in Belgrade on January 22, President J. B. Tito of Yugoslavia and the Secretary-General of the Italian Communist Party, Mr. Palmiro Togliatti, condemned the position of the Chinese Communist Party in the ideological dispute.

The communique was issued at the conclusion of a week-long visit by Mr. Togliatti to Yugoslavia.

The communique affirmed the necessity of averting a secession which, even if it were temporary, would weaken the "common struggle of the working class and the progressive forces."

The 2,000-word communique said that "compromises with dogmatic and sectarian positions are impossible."

It said the restoration of the unity of the Communist movement would be the fruit of a "stubborn struggle leading to new victories for democracy, socialism and peace," which would "make it possible to confirm in a practical way the correctness of the positions adopted."

It was "important" to avoid the spread of nuclear weapons to "new Powers, individual or collective," and warned: "A new world war would have catastrophic consequences for all human civilization."

It called for "real understanding of the divergencies that have shown themselves in theoretical conception and practical and political solution" between different Communist parties.

Each party, the communique said, was unable on its own to comprehend the ever more complex problems facing the workers' movement, and so co-operation between the Communist parties was essential.

The communique called on the "democratic workers' movement" in the capitalist countries to link their own struggle against "capitalist monopoly" with that of the "progressive forces of the developing nations" against all forms of colonialism and neo-colonialism. The action of these "progressive forces" must be given "an increasingly democratic and socialistic orientation."

(*The Times of India*, Bombay)

[Prev. ref. 5265:CHI:B]

C. Report On Agricultural Collectivization: An article on agricultural collectivization by the Minister for Agriculture, Mr. Liao Lu-yen, has appeared in a recent issue of *Cuba Socialista*.

It shows that the communes have undergone a change in the last few years of their existence.

The article makes it clear how much the Chinese have revised their original ideas. "More than 70,000 people's communes were formed in 1958", it says, flatly contradicting the original Chinese pronouncements in that year when the number was put at 25,000 or 26,000. Disadvantages in the system have come to light over the years, and one of the most obvious was that the commune was too large and unwieldy. Into the limbo of lost ideas has gone the original plan that communes should be combined into a still larger unit.

What has happened is that the communes have broken up into their natural parts, the age-old villages, now dignified by the name "production team", and grouped together into "production brigades" and communes. Today the teams themselves are made up of only 20 or 30 families, unlike the early days when they comprised 100 or so, and the communes themselves must be about one-third of the size they were originally. It is now the former village which has the rights of ownership over land, tools, and so on, not a complete break with pre-1949 tradition since some village land used to be held in common.

One of the main economic motives of the foundation of the communes has been justified: the creation of a supply of labour big enough to build small dams and reservoirs and to run light industries or the intensive cultivation of livestock, but the "backyard steel" furnaces are a thing of yesteryear and the Marxist-Leninist ideal—to each according to his need—was dropped almost as soon as it was suggested. Communal living never got off the ground at all, and though communal eating still exists, the dining rooms are said by Western visitors to be much like canteens anywhere.

In Marxist-Leninist thinking the peasant has a dual nature, that of a labourer and that of a small landowner, and the landowner side is forever reverting to bourgeois ideas and sabotaging the Party's plans. This is being countered at the moment with the usual kind of Chinese campaign—the "class struggle" against "spontaneous capitalists".

More extreme measures have been left on one side, and if remarks in 1963 are to be believed, Peking is putting its trust in Lenin's dictum that "only by putting tractors and machinery into use in agriculture in a big way and by bringing about electrification can this problem of small peasants be solved".

Electrification is certainly going ahead. This is fairly easy near the cities where the urban power stations can supply the farms, and vegetable production has been greatly increased as a result, but in the heart of the countryside it is much more difficult as it involves building plants and training some sort of technical force to maintain them and the power transmission lines. Mechanization hardly extends yet beyond the installation of irrigation pumps; China's tractors are still mostly used on the large State farms.

(*The Times*, London)

[Prev. ref. 5413:CHI:A]

D. Population Estimates: According to population experts in Hong Kong, China's population has topped 735 million.

This does not include the estimated 15.8 million Chinese living in South-East Asia, who would raise the total to more than 750 million.

Peking makes frequent announcements of its population figures. The last such report estimated a population of 656,640,000 in 1957. It showed an increase of 54,692,000 during the preceding 4½ years representing an annual rate of increase of two per cent.

The Chinese Communists were encouraging birth control at that time. Since then they have discouraged birth control and the current annual rate of increase is believed to be 2.2 per cent.

(*The Hindu*, Madras)

[Prev. ref. 5641:CHI:D]

INDIA

SUMMARY: Republic Day Celebrations; CPI Call For Opposition To Chinese Party Line; New Appointments To Central Cabinet; Mid-term Appraisal Of Third Plan.

A. Republic Day Celebrations: Republic Day was celebrated all over the country on January 26. The Capital, New Delhi, went gay on the occasion despite it being the coldest day in 30 years.

The highlight of the celebrations in New Delhi was a mammoth parade in which the participants included the Armed Forces, cultural troupes and schoolchildren.

As the President, Dr. S. Radhakrishnan, ascended the rostrum, a 31-gun salute was fired and the band, opposite the saluting base, played the National Anthem. This was followed by a solemn ceremony of investiture at which three heroes of battles with the Chinese in October, 1962 were honoured with awards of **Param Vir Chakra.**

Dr. Radhakrishnan presented the awards to the widows of Subedar Joginder Singh, a Platoon Commander of the Sikh Regiment, and Maj. Shaitan Singh, Company Commander of an infantry battalion. The two heroes fell victims to Chinese bullets in N-EFA and Chushul during the Chinese invasion in 1962.

The President also awarded **Param Vir Chakra** to Maj. Dhan Singh Thapa for showing exceptional courage and upholding the highest traditions of the Indian Army when his forward post in Ladakh was attacked by Chinese forces.

The parade that followed was of the familiar pattern barring one or two exceptions. The impressive air display, left out in 1963 owing to the Emergency, was there again to thrill the young and the old.

Similarly, even though participation by the Armed Forces was on a restricted scale because of the Emergency, interesting additions were there in the cultural pageant.

Dr. S. Radhakrishnan's Broadcast:

Events in Calcutta, Mr. Nehru's health and the need to accelerate economic growth and strengthen democracy figured prominently in Dr. Radhakrishnan's Republic Day broadcast on January 25.

While declaring that the "distressing" events in Calcutta had admittedly followed "provocation from across the border", he pointed out, however, that the Indians would not be true to their "moral and spiritual values" if "we allow passions to get the better of us".

Any departure from the policy of secularism and equal rights for the people of all faiths, he remarked, would be "morally indefensible" and "politically dangerous". It would weaken the country's internal unity at a time when the "danger from without" was "undiminished".

After stating that Mr. Nehru was now making "rapid progress", he declared: "I know I speak on behalf of all our countrymen and friends of peace in the world in wishing him the speediest recovery so that we may continue to have his inspiring leadership."

An important point he made was that the people's tolerance for "weak, inefficient and unclean" administration would not be unlimited. If evils of corruption, nepotism and blackmarketing were not "effectively dealt with", people's "frustration" might seek "other outlets".

The following is the text of his broadcast:

"Friends,

"As another Republic Day approaches, it gives me great pleasure to speak to our people at home and abroad and send them my warmest greetings and good wishes.

"The last few weeks have been for us a period of great concern. The Prime Minister has not been keeping well,

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though happily he is now making rapid progress. I know I speak on behalf of all our countrymen and friends of peace in the world in wishing him the speediest recovery so that we may continue to have his inspiring leadership.

"This country has had the good fortune of having Jawaharlal Nehru's stewardship at one of the most critical periods in its history. The general development of the country in the years since freedom bears his impress.

"He has brought a modern, secular and scientific outlook to our difficult and diverse problems and has indeed reflected the national purpose over these years. More than any one else our Prime Minister has helped to put us on the right track in our quest for national integration and orderly growth.

"That we have still not attained the ideal he has set for us is borne out by the distressing events in Calcutta and neighbouring areas these last few weeks. Admittedly the provocation from across the borders of our country was there, but we are not being true to the moral and spiritual values transmitted to us from the past if we allow passions to get the better of us.

"The twin means we have chosen for giving our citizens a fuller life are individual liberty and economic planning. In our democracy men of all faiths have the right to live in honour and harmony under the rule of law; the life and liberty of every citizen, irrespective of caste or creed, ought to be sacred to every other. Any departure from this is not only morally indefensible but politically dangerous; it weakens our internal unity at a time when the danger to our country from without is undiminished.

"The Government can and will take every step necessary to put down anti-social behaviour, but the co-operation of the people is no less important if peaceful conditions are to be preserved, for such peace is the basis on which we could build our future.

"Democracy does not believe in the infallibility of any individual or group. It does not think that any particular party represents unblemished good, nor does it assume that those who think they are right are really right.

"Democracy is as much a discipline as it is a privilege; disorder is its antithesis and it behoves us all who wish to see our democracy strengthened to ensure that the manner of its functioning does not become a travesty of what it ought to be.

"The recent unrest in some parts of the country is traceable to a feeling held that the functioning of our democratic and administrative processes is not as clean as it should be.

"Factionalism and groupism in politics and loyalty to caste, clan and community have sometimes led to improper decisions being taken and discontent is the result.

"We have to guard against the mistakes of a few being visited on the many; if faith is to be preserved in the principles of democracy, corruption has to be eliminated in our public life.

"It would be well to recognize that the tolerance of our society for weak, inefficient and unclean administration is not unlimited. If social evils such as black-marketing, corruption and nepotism are not effectively dealt with, there is the danger that the idealistic patriotism of public-spirited youth might in frustration seek other outlets.

"The strengthening of our democracy is equally bound up with an improvement of our economy and a more equitable distribution of incomes and opportunities.

"We are now nearing the end of the third year of our Third Plan. A recent appraisal of our economy has indicated that progress so far in the current Plan is well below what was hoped for.

"It is only if the agricultural sector expands adequately that our economic growth would have sure foundations and be broad-based. This is so obvious, but it bears repetition in the light of the inadequacy of our performance.

"Though our achievements with regard to industrial expansion have happily been attended with greater success than those related to agriculture and increasing output on the farms, we have barely made a beginning in our effort at transforming ourselves into a modern industrial society.

"Looking back over the period since we started our efforts at planned development, our achievement, though not inconsiderable in itself, has, in relation to needs, been insufficient. We are yet to make a marked dent on the problem of mass poverty—a problem made all the more intractable by the rapid growth of population.

"Alongside the growth in incomes, we should see that its distribution does not widen the existing inequalities of wealth and opportunity.

"Concentration of economic power tends to perpetuate inequality; a socialist reconstruction is intended to end it. A natural corollary to our political democracy is, therefore, a broad-based welfare State with increasing attention to investment in our human resources.

"A country like ours can ill-afford to divert its resources into non-productive uses like expenditure on armaments and we had been, by and large, successful in avoiding this: this is regrettably no longer so.

"The aggression on our northern borders has brought home to us the perils of inadequate attention to our defences. We are correcting this but cannot afford to slow down our efforts at economic growth, for the danger to our freedom and our democracy is no less internal.

"The only manner in which we can ensure that our resources are put to the constructive work of bettering conditions for our people is if we have the assurance of living in a world free from the threat of war.

"Man has now reached a stage when his capacity for destroying himself has never been greater. The only sane and lasting way out of the present situation is by achieving general disarmament and setting up a world authority. It is a pity —and one of particular import to us in India—that China has not been participating in the attempts for disarmament.

"In our relations with China and with our other neighbour, Pakistan, it is our earnest endeavour to aim at a peaceful and honourable settlement. We have striven all these years to bring about peace not only on our borders but throughout the world.

"Our policy of non-involvement in military blocs was directed to this end. We remain as firmly committed as ever to the methods of peace and to the ideal of a larger world community.

"The easing of the 'cold war' in the last few months owes not a little to the efforts of both the Soviet Premier, Mr. Khruschev and of President Kennedy, who was so cruelly and senselessly cut off from our midst last November. President Kennedy was a symbol of youth, hope and courage to a new generation which yearned for peace. We in India, who counted him as a great friend of this country, mourn his loss.

"As we begin another year in the life of our Republic let us re-dedicate ourselves to the ideals that have sustained this country in the past and to the completion of the unfinished task of building a brighter future for our people. This can be achieved if all of us work together with determination, unity and character. I wish you all well."

Republic Day Awards:

There were two awards of *Padma Vibhushan* in the Republic Day honours list. They were presented to Acharya Kakasaheb Kalelkar, MP and a writer in Gujerati, and Pandit Gopinath Kaviraj, an eminent Sanskrit scholar of UP.

The list also contained 18 awards of **Padma Bhushan** and 13 of **Padma Shri** for significant contributions in the fields of administration, medicine, science, arts, surgery, literature, archaeology, journalism, social work, agriculture and sports.

Eleven gallantry awards were made, all but one of which were for gallantry against the Chinese invaders. Eight of these were posthumous.

Vishist Seva Medal Class I for "distinguished service of the most exceptional order" were announced for Lt-Gen. Daulet Singh, Lt-Gen. Bikram Singh, Air Vice-Marshal E. W. Pinto, Lt-Gen. Prem Singh Gyani, and Air Vice-Marshal M. M. Engineer, the awards for the first three being posthumous.

There were seven awards of **Vishist Seva Medal Class II** and 29 of **Vishist Seva Medal Class III.**

The list of the gallantry awards was topped by 2|Lt. Parminder Singh, Corps of Engineers, for whom a posthumous award of **Ashoka Chakra Class II** for "acts of conspicuous gallantry in Ladakh" was announced.

Nine **Vir Chakra** awards for acts of gallantry in Ladakh or N-EFA were also announced. One award of **Ashoka Chakra Class III** went to a rifleman of the Assam Rifles for gallantry in Nagaland.

The President also approved the award of 35 **Sena Medals** for acts of exceptional devotion to duty or courage.

The following is the list of awards:

Padma Bhushan: Mr. Anil Bandhu Guha, Adviser, Ministry of Steel, Mines and Heavy Engineering, New Delhi; Professor Anukul Chandra Mukerji, formerly Dean of the Faculty of Arts and Head of the Department of Philosophy, Allahabad University; Mr. Bholanath Mullick, Director, Intelligence Bureau, New Delhi; Dr Chintaman Govind Pandit, Director, Indian Council of Medical Research, New Delhi; Mr. Dara Nussarwanji Khurody, formerly Dairy Development Commissioner, Government of Maharashtra; Dr Jacob Chandy, Principal, Christian Medical College, Vellore, Madras; Dr Jnanendra Nath Mukherjee, scientist, Calcutta; Pandit Kunji Lal Dubey, Speaker, Vidhan Sabha, Madhya Pradesh; Dr Kushwant Lal Wig, Dean of Medical Faculty and Professor of Medicine, All-India Institute of Medical Sciences, New Delhi; Professor Mohd Abdul Hai, formerly Professor of Medicine, PW College, Patna; Mr Narayanrao Shripad Rajhans alias Bal Gandharva, actor and musician, Maharashtra; Mr. Nur-ud-din Ahmed, Mayor of Delhi; Dr Rafiuddin Ahmed, dental surgeon and formerly Minister, West Bengal; Mr Rasipuram Krishnaswami Narayan, novelist, Mysore; Dr Sheikh Abdullah, educationist, Aligarh; Mr Tiruvengadu Narayanavajwa Ramachandran, Special Officer for Archaeology, Government of Madras; Mr Tribhovandas Kishibhai Patel, Chairman, Kaira District Co-operative Milk Producers' Union Ltd., Gujerat; and Mr Tushar Kanti Ghosh, journalist, Calcutta.

Padma Shri: Mr Adi Marzban, writer, actor and producer, Maharashtra; Mrs Ambujammal, social worker, Madras; Mr Charanjit Singh, hockey player, Punjab; Dr. Gadde Ramakoteswar Rao, grape cultivator, Andhra; Mr Krishna Chandra Shukla, Principal, Scindia School, Gwalior; Mr Morapakam Josiam Gopalan, cricketer, Madras; Mr Nawang Gombu, instructor, Himalayan Mountaineering Institute, Darjeeling; Mr Paramanandra Acharya, archaeologist, Orissa; Mr Pratul Chandra Sorcar, magician, Calcutta; Lt-Col. Rameshchandra Bhaskar Sule, Director of Health Services, N-EFA; Lt-Col. Santosh Kumar Mazumdar, Officer-in-Charge, Institute of Nuclear Medicine and Allied Sciences, Delhi; Mr Theofooty Haralu, Political Officer, Bomdila, N-EFA;

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and Mr Vinayak Pandurang Karmarkar, sculptor, Maharashtra.

Vir Chakra (for "acts of gallantry" in Ladakh and N-EFA): Capt. Purushottam Lal Kher (Gorkha Rifles); JC-6022 Sub. Nihal Singh, Jat Regiment (posthumous); JC-17616 Jem Rejbahadur Gurung, Gorkha Rifles (posthumous); 3941391 Hav Bhag Singh, Dogra Regiment (posthumous); 4139573 Nk Ram Kumar (Kumaon Regiment); 4140983 Nk Gulab Singh (Kumaon Regiment) (posthumous); 4134106 UP/L/Nk Singh Ram, Kumaon Regiment (posthumous); 4640003 Rifleman Madan Singh Rawat, Garhwal Rifles (posthumous); and 6792413 Sep (Nursing Assistant) Dharam Pal Singh Dahiya, Army Medical Corps (posthumous).

(*The Statesman* and *The Times of India*, New Delhi)

[Prev. ref. 5064:INI:A]

B. CPI Call For Opposition To Chinese Party Line—Central Executive Meeting: The Central Executive of the Communist Party of India (CPI), at its meeting in New Delhi on January 15, asked its members and supporters to be vigilant against all disruptive steps taken by individuals or groups of Communists to split the Party in response to "the open directives of Chinese or Indonesian leaders."

The Executive took strong exception to its counterpart in Indonesia making common cause with Chinese leaders and repeating the Chinese lie that a so-called "Dange clique" was acting as "spies of Mr. Nehru."

Such attacks were "a total violation of the spirit of the 81-Parties Conference which the Indonesian Communist Party claims that it supports."

The international Communist movement, it said, could not permit such interference in the internal affairs of other parties, "such slander and abuse against a brother party, such open and defiant calls for the formation of a rival party."

The Executive also adopted another resolution supporting the decisions of the All-India Trade Union Conference held in Bombay between December 13 and 15, 1963. It endorsed the 11-point charter of demands and the course of action decided upon.

It called upon all party units to mobilize their forces for the "national campaign of the toilers," threatening a countrywide protest strike if the demands listed in the charter, such as higher wages, better prices for producers and a reduction in prices and taxes, were not met.

Resolution On Bhuvaneshwar Session Of Congress:

In a resolution on the Bhuvaneshwar session of the Congress, passed on January 17, the CPI said that class struggles were inevitable and necessary for social development.

The Committee said that those who hoped to achieve socialism without a class struggle were living in Utopia.

The Central Executive Committee said that the Bhuvaneshwar session of the Congress "does not signify a shift to the Left, notwithstanding certain welcome sentiments expressed in its main resolution on democracy and socialism".

It said: "As a matter of fact, the Congress High Command has virtually rejected all important proposals for immediate concrete actions such as nationalization of banks, which dominated the speeches of an overwhelming majority of the delegates, including some prominent Congressmen. The entire operative portion of the resolution has been left hazy and without any clear lead for concrete measures against the vested interests such as foreign and Indian monopolies, profiteers and speculators or for the well-being of the working people".

The Executive, however, welcomed the "growing sentiments for socialism" on the part of the people, including the members of the ruling party. The Bhuvaneshwar session highlighted the "rising Left trends" within the Congress. The Left forces within the Congress came out sharply not only in criticizing monopolists and the vested interests, but in pressing forward certain concrete urgent demands in the interests of the people and the country.

"In socialism", the resolution said, "the means of production, distribution and exchange are under social ownership and exploitation of man by man is ended once and for all."

The Executive pointed out that "class struggles are an objective law of social development" and said: "Those who want to achieve socialism without a class struggle are either living in Utopia or they deliberately want to disarm the working people ideologically. Hence the Executive Committee fundamentally disagrees with the new Congress President, Mr. Kamaraj, when he calls upon the people to achieve socialism without a class struggle".

The future of the Indian people, the resolution said, lay not in renunciation of struggle but on their development in the spirit of scientific socialism. "The Communist Party of India will, of course, seek to develop such a struggle through the people and democratic means".

The Executive quoted the preamble of the constitution of the Communist Party of India to re-iterate its faith in achieving "full democracy and socialism by peaceful means" and said the controversy between the Congress and the Communists "is not whether socialism is to be achieved through peaceful means and based on parliamentary democracy. The controversy related to fundamental questions".

"A mere adherence to parliamentary democracy is not enough to safeguard democracy in practice for the common man".

The Executive said that the Congress session's declaration of its goal as the establishment of a new socialist State based on parliamentary democracy was nothing new.

After listing "the failure of the Government" to re-organize the agrarian relations through land reforms and assure economic prices for agricultural produce and cheap credit to the poor sections of the peasantry, the Executive called upon all democratic and patriotic forces to vigorously develop united action and struggle against Right reaction for a progressive orientation of Government policies affecting the interests of the masses and the country.

(*The Statesman* and *The Times of India*, New Delhi)

[Prev. ref. 5643:INI:A]

C. New Appointments To Central Cabinet: A *communique* issued from Rashtrapati Bhavan on January 22 announced that Mr. Lal Bahadur Shastri and Mr. D. Sanjivayya had been appointed members of the Central Cabinet.

The *communique* said: "The President, on the advice of the Prime Minister, has been pleased to make the following appointments: Shri Lal Bahadur Shastri, MP, to be a Cabinet Minister and be Minister without Portfolio; and Shri Damodaran Sanjivayya to be a Cabinet Minister and be Minister of Labour and Employment."

The two appointments brought the strength of the Central Cabinet to 13. The Cabinet was reduced to almost half its size when the Kamaraj Plan was put into operation in August, 1963.

The appointment of Mr. Shastri as Minister without Portfolio was regarded in political circles as of high significance in the context of the Prime Minister's illness and the need to reduce his heavy burden of responsibilities in the governmental and parliamentary sphere.

The decision regarding the entry of Mr. Shastri in the Cabinet was finalized after important consultations between Mr. Nehru and the Congress President, Mr. K. Kamaraj.

Mr. Kamaraj and Mr. Shastri were the first to decide together to quit office in order to devote themselves to organizational work. But the special circumstances created by Mr. Nehru's illness impelled Mr. Nehru and Mr. Kamaraj to ask Mr. Shastri to join the Cabinet so that the Prime Minister's burden may be lightened.

In view of his record as Home Minister, Mr. Shastri was considered the most suitable person to assist Mr. Nehru at such a crucial time.

In April, 1961 Mr. Shastri became Home Minister. He was re-elected to the Lok Sabha in 1962 and continued to hold the Home portfolio until August, 1963, when he quit the Cabinet to take up party work.

Mr. Sanjivayya (42) was the first Harijan to become Chief Minister of a State. A lawyer, he was elected to Parliament in 1950. In 1952 he was elected to the Madras Assembly and became Minister for Housing and Co-operation.

After the separation of Andhra Pradesh from Madras in 1953, he became a member of the Andhra Cabinet and held the portfolios of Health and Planning. In 1955 he was elected to the Andhra Assembly and became Minister for Local Administration and Labour. He took over as Chief Minister in 1960. He was elected Congress President in 1962 and held that office for 19 months.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5559:INI:D]

D. Trade Agreement With Afghanistan: A new Trade Agreement between India and Afghanistan was signed in New Delhi on January 21.

The arrangements, initially for a period of one year, will be renewable for another two years. The volume of trade between the two countries is expected to be in the region of Rs. 10 crores to Rs. 11 crores a year.

The arrangements provide for the exchange of specified goods like dry and fresh fruit, asafoetida, cumin seeds, medicinal herbs and other commodities from Afghanistan. India will export traditional items like textiles, tea, spices, certain engineering and electrical equipment and apparatus and hardware.

It was agreed that payment in respect of exports by Afghanistan of cotton and wool and by India of a specified list of non-traditional goods would be paid for in free foreign exchange.

Mr. D. S. Joshi, Secretary, Ministry of International Trade, signed for India and Dr. Nour Ali, Deputy Minister and leader of the delegation, on behalf of Afghanistan.

The two delegations drew up a schedule of prices for commodities. An agreed procedure for regulating the trade between the two countries was also evolved.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 4825:AFG:A]

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E. Mid-term Appraisal Of Third Plan: The Planning Commission's mid-term appraisal of the Third Five-Year Plan confirmed earlier reports that the annual rise in national income during the first two years of the Plan was only 2.5 per cent, or half the rate envisaged.

This "slow economic growth" was attributed by the Commission mainly "to a setback in agricultural production". It estimated that on present indications the shortfall in grain production may be three to five million tons, compared with the Plan target of 100 million tons.

It described the national effort during the first two years of the Plan as "more broad-based than before", and said that the advances made in several basic branches of industry, coal, power and transport, had strengthened the economy.

Even in industry there will be shortfalls in certain crucial sectors, and because of this the Fourth Plan will start at a lower base than originally contemplated.

There has been a heavy shortfall in the aggregate national product despite the fact that the aggregate investment has "probably increased significantly". All this, combined with efforts at mobilizing larger resources, has led to a rise in prices.

Since April when the third year of the Plan began the rise in the general price index exceeded 8 per cent, after falling by 3.6 per cent during the first year of the Plan and rising by 3 per cent during the second.

The Commission noted that a variety of measures to regulate prices and distribution of commodities had been taken. These have had some effect, but "the position is such that further action may become necessary to arrest this trend".

It estimated that the Plan outlay in the public sector during the first three years would be Rs. 4,198 crores and over the entire five-year period Rs. 8,000 crores.

Originally the public sector expenditure for the entire Plan was put at Rs. 8,300 crores, but provision was made for only Rs. 7,500 crores. Since then some more programmes have been approved.

Normal tax receipts, both at the Centre and in the States, have been more buoyant than estimated, but the non-Plan expenditure for national security having risen, the net realization over the Plan period under the item "Balance from Current Revenues" will show "a sizable deterioration".

Additional taxation is expected to yield resources exceeding the Plan target at the Centre. The position as between States varies, but on the whole a shortfall is indicated.

The balance of payments deficit on current account went up in 1962-63 after declining in the previous two years. The rise was, however, more than covered by rising disbursements of foreign aid, and consequently the draft on foreign exchange reserves and gross drawings from the International Monetary Fund were smaller in 1962-63.

Since the Plan was formulated, the foreign exchange requirements have been revised upwards because of the rise in prices, enlargement of the scope of some programmes and inclusion of new projects. Moreover, foreign exchange will be necessary to take advance action on certain Fourth Plan projects.

A total of Rs. 2,100 crores of foreign exchange for project imports is in sight. Additional commitments for projects and programmes can be entered into only on the basis of more aid being available. Additional commitments of non-project assistance required during the last two years of the Plan have been put at Rs. 450 crores.

After noting that export earnings are improving gradually, the Commission has found it necessary to caution that "it is not desirable to go on relying on foreign aid to the extent done in the past and every effort should be made to reach a reasonable degree of self-reliance by the Fifth Plan".

Some States have been drawing on the market at a rate much faster than visualized in the Plan. "But in view of the relative imbalance between different States and the Centre's need for resources it would be necessary to regulate the borrowing programmes of the States in the coming two years." Collections under small savings schemes will have to be stepped up.

The overall financial position in the States is satisfactory, but some States, which have not been able to raise resources on the scale expected, may find it difficult to implement their original Plans in full unless they take further steps to increase their resources.

The Commission was convinced that in the implementations of Plans and policies "there is need for greater emphasis on social objectives and in particular in bringing about a reduction in the disparities in income and wealth and ensuring basic necessities to the weaker sections".

If the situation in agriculture is disconcerting, that in industry is by no means encouraging. The review disclosed that the general index of industrial production rose by 6.5 per cent in 1961-62 and 8 per cent in 1962-63 compared with the estimated average rise of 11 per cent in the Plan.

There have, however, been significant increases in the field of producer goods and basic industries, the output in the basic metal industry rising by 26 per cent, metal products by 69 per cent, machinery by 22 per cent and chemical product by 23 per cent over the level in 1960.

The progress in a number of key industries in the private sector, such as alloy tool and steel, aluminium, steel castings and forgings, machine tools, certain types of machinery, cement, fertilizers, paper and newsprint, has been unsatisfactory.

Some of the public sector projects, particularly Bokaro, have also been much delayed, although investment in this sector over the five-year period is likely to be higher than originally visualized.

The budgetary outlays of the Centre and the State Governments in respect of both developmental and non-developmental expenditure have risen substantially during the current Plan. The rise has, however, been met by larger revenue and capital receipts than by an increase in budgetary deficits.

(*The Statesman*, New Delhi)

[Prev. ref. 5055:INI:E]

F. Export Credit And Guarantee Corporation Starts Operations: The Export Credit and Guarantee Corporation, an agency to strengthen and supplement the activities of existing institutions in the field of export finance, started its operations on January 15.

This marked a significant step forward in India's effort to boost exports by providing exporters with credit and guarantees to bring them on a par with their competitors abroad.

The new agency replaced the Export Risks Insurance Corporation which was claimed to have made good progress in credit insurance. In combining the two functions of credit guarantees and export risk insurance in a single institution, the pattern obtaining in USA and the UK has been followed.

The Export Credit and Guarantee Corporation will largely play a co-ordinating role and take up residuary functions. It will not compete, but will only collaborate with banks in providing export credit facilities. It will also grant credits and guarantees in foreign currency to facilitate import of raw material and semi-finished goods.

Its other functions will include guarantees to foreigners in respect of Indian exports and services and insurance to exporters against risks of loss due to failure to recover any amount payable to them.

The Minister for International Trade Mr. Manubhai Shah, told correspondents in New Delhi that the constitution of the agency itself represented the implementation of the most important recommendations of the study group on export finance.

(*The Statesman*, New Delhi)

[Prev. ref. 5342:INI:H]

G. Elections In Nagaland: It was announced in Kohima on January 19 that the Shilu Ao group had won 33 of the 46 seats in Nagaland's first Legislative Assembly.

It annexed all the three remaining seats. The three constituencies were Chaquoba, Chpozani and Ghaspani.

The final party position was: Shilu Ao group 33, Democratic Party 11, and Independents 2.

Of the 26 contested seats in Kohima and Mokokchung districts, the Shilu Ao group won 13. Fourteen of its members had earlier been returned unopposed and six elected to the Assembly by the Tuensang Regional Council.

New Ministry Formed:

An eight-member new Nagaland Ministry, headed by Mr. P. Shilu Ao, was sworn-in in Kohima on January 25.

The Governor of Nagaland, Mr. Vishnu Sahay, administered the oaths of office and secrecy.

The new Ministry consists of seven Ministers and one Deputy Minister.

The "caretaker" Government had five Ministers, all of whom have been retained in the new Ministry.

The Ministers are Mr. P. Shilu Ao, Mr. Hokieshe Sema, Mr. Jasokie Angami, Mr. R. O. Chiten Jamir, Mr. Akum Imlong, Mr. M. Kithan and Mr. Luthpru.

The Deputy Minister, Mr. N. L. Odyu, will be attached to the Chief Minister.

Mr. T. N. Angami was appointed acting Speaker of the Nagaland Assembly till the election of a Speaker by the members.

(*The Statesman*, Calcutta)

[Prev. ref. 5581:INI:B]

H. Uranium Deposits In Bihar: It was officially announced on January 26 that rich deposits of high grade uranium ore had been struck in Bhatin area, about 40 miles from Seraikela in Bihar, by the prospectors of the Atomic Energy Department.

This would justify, it was stated, the setting up of another uranium ore mill in the area, besides the existing one at Jaduguda.

The Jaduguda mine, presently the principal source of uranium ore in India, is expected to yield raw material for the production of the requisite quantity of atomic fuel for India's first atomic power station at Tarapur on the west coast of India.

(*The Times of India*, New Delhi)

[Prev. ref. 3561:INI:I]

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INDONESIA

A. Bills On Oil Companies: President Sukarno has signed two Parliamentary approved Bills giving three foreign oil companies the status of contractors to Indonesian concerns.

The companies, Shell, Stanvac and Caltex, are to give Indonesia 60 per cent of their profits plus a total bonus of $45 million.

(*The Hindu*, Madras)

[Prev. ref. 5549:IND:C]

B. Progress Of Development Plan: The Eight-Year Development Plan is now in its fourth year. It was launched in 1961.

Total investment of the Plan is Rp. 240,000 million, or Rp. 30,000 million a year. This represented about 13 per cent of the national income in 1960, though if one adds to this other Government and private projects that are not encompassed by the Plan, total investment in development will be at least 15 per cent.

The planners were mindful of the fact that the people's living standard is such that it would not be possible to burden them further with the paying of large sums. At the end of 1960 the burden of public debt, calculated on the basis of each Indonesian citizen, was Rp.686 per capita (with an average annual income per capita of Rp.2,500).

Low living standards and this burden of debt are the two reasons why the investment rate has been kept as moderate as possible. Yet the whole Plan is designed to raise national income by more than 11 per cent by 1960. If possible, there will be no deficit spending, no increase in taxation, and no interference with the annual Budget.

The annual budget for Government routine expenditure has been separated from that for development projects, and the Indonesian Development Bank finances those projects included in the Plan. Thus pressure on the annual Budget is greatly reduced, because a large portion of the capital expenditure is transferred to the development budget.

The main sources for financing the first Eight-Year Plan are the country's potential riches hidden in its soil and waters, receipts of trade products such as oil, rubber, copra, and tin, and the State Trading Enterprises, which are expected to contribute 55 per cent of their profits to the Development Bank.

There are in all 343 projects, classified into 335 A-projects and eight B-projects, and a minimum of 33 alternate projects to be constructed in all fields. A-projects are to promote the welfare of the people; B-projects are those intended to provide financial means for part of the A-projects, and in particular to cover foreign exchange requirements, estimated at about half.

In the first sub-stage (1961-64), projects are being constructed with the aim of meeting the basic needs for rice, clothing, pharmaceuticals, and paper, so that the country may become self-supporting in these commodities. Supply of enough rice and clothing is part of the Government's 'Sandang-Pangan' programme. Besides this, in the first sub-stage, extensive research and surveys will be made to determine the volume and location of deposits of minerals.

It is only in the second stage (1964-69) that all other projects will be carried out, especially for the development of industry, including heavy industry. Once basic industries have reached the self-supporting stage, a great saving in foreign currency will be effected.

The other half of the funds for the Plan will come from rupiah sources, in particular proceeds from the 1959 monetary measures, profits from State enterprises, investment of public savings, and sales of public bonds, capital goods, and consumer goods. Any shortage in either rupiah or foreign exchange sectors can be made good by increased production and exports, or by foreign credits based on technical and economic co-operation.

In this context an export drive was launched in which the State Trading Enterprises have been called on to intensify activities to boost exports.

In harnessing domestic capital, banks are playing an important role. The State has, besides the central bank—Bank Indonesia—established several commercial banks that have the task of mobilizing savings for development, of promoting banking habits, and enhancing financial contributions to the projects.

Two other special banks are being set up. First is the Village Community Development Bank, designed to cover the 47,000 villages and serve the rural community; it will collect savings and give short-term credits to farmers to help free them from usurers. This bank is intended to increase the purchasing power of villagers. Second is the Private Development Bank, which will help to finance private, as distinct from State, projects of importance.

(*Far East Trade*, London)

[Prev. ref. 5343:IND:A]

C. Action Against Workers' Take-over Of Foreign Concerns: The Government stepped in on January 20 after workers had staged a take-over of the Unilever building and the Shell Oil Company in Djakarta.

Trade unionists were also reported to have taken control of 16 rubber and tea estates in West Java.

Workers at Unilever seized the switchboard, bolted the main doors, and claimed to have taken over the Corporation's operations in Indonesia in retaliation against British support for Malaysia. They warned the British and German managerial staff to keep away from the building.

The Unilever organization, one of the largest commercial enterprises operating in Indonesia, employs about 4,000 people.

At the Shell office, Mr. G. W. Holliday, Shell's chairman in Indonesia, denied a published claim by seven oil unions that they had taken over the office. He said that management still rested with himself and his staff, which included about 35 expatriates of varying nationalities.

Groups of workers led by members of the big Perbum union ran up a red flag besides the Indonesian flag at the Shell building entrance and pasted signs on the walls saying "Indonesian property". For part of the morning the Shell switchboard was out of action and arguments were reported to be going on inside between management officials and union leaders.

Reasons given by workers for the take-over attempts included the "detention" of two Indonesian pilgrim ships at Hong Kong and the blocking of United States spare parts for Indonesian Air Force transports, also at Hong Kong.

The Government appointed on January 20 a co-ordinator to mediate between the unions and the Unilever Corporation's management.

Dr. Johannes Leimena, acting President of Indonesia in the absence of Dr. A. Sukarno (away in Tokyo) appealed to trade unionists not to take matters into their own hands. A broadcast statement said that he could understand the anti-British feeling, but asked people to obey Government regulations.

The Government mediators told the trade unionists who tried to take over British firms that their action was illegal and work should continue as usual.

Mr. B. W. Schwarz, director of the Unilever Corporation, announced on January 21 that a mediator had ruled that the British management should remain authority.

Mr. Schwarz discussed the take-over of Unilever with representatives of the unions and Government mediators led by Mr. Slamet Izzam. He said that they had had "a most successful meeting". Mr. Izzam, he said, had decided not to recognize any take-over action.

On January 24, President Sukarno ordered his Army and police to prevent labour unions seizing British commercial enterprises.

He said that the Army, police and civil administration must specifically "maintain the management" of the Shell Oil Company.

His order re-inforced a "no take-over" decree issued in September, 1963. Steel-helmeted police with rifles and sub-machine guns broke up a unionist demonstration at the British Chartered Bank in Djakarta on January 24.

The police commander told them that the Bank was to remain under British management. Two officials of the Indonesian State Bank were appointed by the Government to remain in the Bank, apparently to give a semblance of Government supervision.

(*The Times*, London)

[Prev. ref. 5504:MAL:A]

JAPAN

A. Terms For Signing Peace Treaty With USSR: The Prime Minister, Mr. Hayato Ikeda, said on December 12, 1963 that Japan would not sign a Peace Treaty with the Soviet Union unless Russia returned to Japan the islands of Kunashiri and Etorofu.

He made the remark in response to questions asked by Mr. Ismau Akamatsu (Socialist) at the Budget Committee of the Lower House of Diet.

He added, however, that Russia had no intention of returning these islands. This was indicated when he met the Russian First Deputy Premier, Mr. A. Mikoyan, after the funeral service for the late President J. F. Kennedy in Washington.

(*The New York Times*)

[Prev. ref. 5032:JAP:B]

B. Shipbuilding Boom: According to Lloyd's Register for shipping returns published in London on January 22, Japan was the world's leading shipbuilding country in 1963.

She was followed by West Germany, Britain and Sweden in that order.

The output, measured in gross tonnage launched, was: Japan 2,374 million, West Germany 979,000, Britain 938,000 and Sweden 867,000 tons.

Ships under construction throughout the world at the end of December, 1963 totalled 8,401,931 gross tons—a decrease of 771,103 tons since the previous quarter.

No returns were available for Russia, China and East Germany.

This was the lowest total under construction for three years. But the Register said despite evidence of a widespread fall in activity shown by reduced tonnage for nearly all countries, the truth was actually the reverse.

(*The Statesman*, Calcutta)

[Prev. ref. 5425:JAP:D]

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C. Progress Of Steel Industry: Japan's steel production has expanded fourfold within the short span of a decade and in 1963 the industry turned out 31 million tons of steel, ranking the country together with West Germany as the world's third largest steel producer, behind only USA and the Soviet Union, but eclipsing Britain and France.

This and other amazing records reflecting the vigorous growth of the Japanese iron and steel industry were contained in a report issued recently by the Japan Iron and Steel Federation.

Production during the first 11 months of 1963 (January to November) totalled 28,397,000 tons and, according to a survey by the Federation, including the production for December, the total output for 1963 was given as 31,400,000 tons, which is almost equal to West Germany's estimated production of 31,700,000 tons for the year. On the basis of current production, the industry expects that Japan will have outstripped West Germany for sole occupation of third place by the end of the current fiscal year ending in March, 1964.

A graphic idea of the extent to which the industry has grown can be seen from the production figure for 1953 which was only 7,622,161 tons. The 1963 production figures (31 million metric tons of crude steel, 20 million metric tons of pig-iron and 25 million metric tons of hot rolled steel including special steel) represent an increase of 13 to 18 per cent over those of 1962.

The report noted that in 1959 Japan bypassed France (steel production evaluated in terms of crude steel) and that in 1961 it surged ahead of the United Kingdom. Now, another two years later the Japanese industry is on a par with that of West Germany and on the point of moving ahead of West Germany to stand next only to the two leading giants.

The tremendous growth is credited largely to the insatiable domestic demand generated by the rapid expansion of the Japanese economy.

Exports also continued to show a steady increase, thanks to improved quality and lower cost brought about by streamlined production methods.

(*The Hindu*, Madras)

D. Floating Fair: The Japan Industry Floating Fair Association has announced that the fifth Floating Fair will visit 11 European countries next Summer.

This will be the first European visit for Japan's Floating Fair since the programme was initiated in 1956. It will also be the first time for the ship to bring its exhibits to the industrialized nations of the world.

The purpose of this mission is to introduce to Europe the nature of Japan's industrial development through exhibitions and displays of heavy and light machinery, durable consumer goods, textiles, and general merchandise—all examples of the high levels of Japan's technological achievements.

Representatives of the exhibitors will be on board to give information and answer visitors' questions.

A secondary purpose is to display various aspects of Japanese life today through the medium of diagrams, models, and photo exhibits.

Japan is the first country to design and build a ship for this purpose. The 12,200-ton **Sakura Maru**, commissioned in October, 1962, was constructed at a cost of £27 million, and all materials used, from engines and instruments to tableware and furnishings, were manufactured in Japan. In other words, the vessel represents the best of Japanese industrial techniques.

The Floating Fair's first trip was to South-East Asia in 1956; the second, to Latin America, in 1958-59; the third, to Oceania, in 1960-61; and the fourth, to the Near East and Africa, in 1962-63.

(*Far East Trade*, London)

E. Discovery Of Antidote To Nicotine: The discovery of an anti-nicotine medicine, which is claimed to be capable of curing nicotine poisoning and of helping the kidneys neutralise nicotine entering the body through smoking, has been reported by a medical research group.

The medicine, developed by a group of experts of the Nihon University hospital in Tokyo, was stated to have helped to complete recovery over 150 patients suffering from nicotine poisoning who were treated with it. All the patients were stated to have recovered in one to four weeks on daily doses of half-a-gram of the medicine in powder form with little or no side-effects.

Dr. Kichiro Imamoto, one of the experts responsible for the discovery, was quoted as saying that the medicine not only cures nicotine poisoning, but stimulates kidney functions and neutralises the ill-effects of nicotine.

No name was given for the medicine, nor was its composition revealed because of pending patent applications in Japan as well as in the United States and Britain. However, Dr. Imamoto said it was made of several ingredients extracted from barks and roots with pine resin as base.

Work on the anti-nicotine drug was started in 1949 and positive results obtained several years later. Subsequently, experiments were carried out successfully on animals for seven years before being used on humans. It was stated that the medicine can be administered in any form —orally or by injection. It can even be sprayed with good effect on tobacco before smoking.

(*The Hindu*, Madras)

LAOS

A. Accord On Temporary Shifting Of Capital: The neutralist Prime Minister, Prince Souvanna Phouma, and his half-brother and leader of the Left-wing Pathet Lao, Prince Souphanouvong, agreed on January 21 that Government organs and offices should be temporarily shifted to the Royal Laotian capital of Luang Prabang from the administrative capital of Vientiane.

It had been decided by representatives of the two Princes earlier that Luang Prabang should be neutralized and demilitarised and a mixed police force set up there to maintain law and order.

This decision was the first significant step taken by the neutralist and Left-wing leaders to implement the 1962 Geneva Agreement which calls for the formation of a national coalition Government of the neutralist, Left-wing and Rightist factions.

Prince Souvanna Phouma returned to Vientiane on January 20 from Sam Neua, headquarters of the Pathet Lao forces, after reaching the agreement with Prince Souphanouvong. News of the agreement was broadcast by **Pathet Lao Radio.**

The two Princes also agreed that all Laotian problems should be settled on the basis of the 1962 Geneva Agreement and other accords reached among the three factions.

Prince Souphanouvong and his Ministers and State Secretaries will go to Luang Prabang after its neutralization to participate in the coalition Government.

Before the Government organs are moved to Luang Prabang, a "summit" conference of the two Princes and the Right-wing leader, Gen. Phoumi Nosavan, will be held "to examine and discuss ways of implementing the Agreement."

The neutralist army leader, Gen. Kong Lae, and his Pathet Lao counterpart, Gen. Singkapo, will continue to hold discussions on the Plain of Jars to end the sporadic clashes that have been going on between the two sides.

A provisional Laotian Government of National Union was formed in the Plain of Jars on June 11, 1962, and was sworn-in by King Savang Vatthana in Vientiane on June 23. It consists of Prince Souvanna Phouma (Premier), Prince Souphanouvong and Gen. Phoumi Nosavan (Vice-Premiers). Besides Prince Souvanna Phouma, the neutralist group consists of eight Ministers and three Secretaries of State, while the Leftist and Rightist factions have two Ministers and two Secretaries of State each besides their leaders.

Prince Souphanouvong and his group, however, refused to participate in the coalition Government because of the security situation in Vientiane. They demanded the neutralization of the capital as a condition for their joining the Government.

Now that agreement has been reached on the neutralization of Luang Prabang, the effective functioning of the coalition Government and the implementation of the Geneva Agreement will become possible, although there are still many hurdles to be crossed.

(*The Times of India*, New Delhi)

[Prev. ref. 5648:LAO:A]

LEBANON

A. European And American Firms Blacklisted: It was announced in Beirut on January 12 that 20 European and American firms had been blacklisted for violating the Arab trade embargo against Israel.

French singing and film star Juliette Greco, Italy's singer Marino Marini and British composer Tony Charles were also declared persona non grata and barred from entering Lebanon. The showing of the films and the sale of the records of these stars were also banned.

The business firms were boycotted because they were said either to have trade dealings with Israel or represented Israeli films and the film stars were blacklisted because they reportedly contributed to Israeli or Zionist organizations.

(*The Times of India*, Bombay)

[Prev. ref. 5597:LEB:A]

MALAYSIA

A. Conditions For "Summit" Talks: Commenting on the Sukarno-Macapagal statement issued at the conclusion of their talks in Manila on January 11 (see page 5648), the Malaysian Deputy Prime Minister, Tun Abdul Razak said on January 12 that Malaysia would agree to

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a new South-East Asian "summit" meeting with Indonesia and the Philippines only if certain assurances were given before the meeting.

Tun Razak's statement took the form of five questions posed to the leaders of the Philippines and Indonesia. They were:

Does this mean that the two countries recognize Malaysia as an independent sovereign State?

Does it mean that Indonesia agrees to withdraw her policy of confrontation so that the meeting could be held in an atmosphere of goodwill?

Does it mean that Indonesia is prepared to withdraw her troops massed along the borders of Sabah (North Borneo) and Sarawak?

Does it mean that Indonesia agrees to withdraw her troops now engaged in operations deep in Malaysian territory in Sabah and Sarawak?

If so—would Indonesia agree to accept a neutral nation acceptable to Malaysia and Indonesia to act as a referee to ensure that all the terms of the truce are strictly and scrupulously carried out?

He said: "If we could be assured on all those points nothing would make us happier than to attend a new 'summit' conference anywhere and at any time."

Economic Progress:

Tun Abdul Razak told the House of Representatives on January 10 that in spite of Indonesia's confrontation, Malaysia was making good progress.

The fact that the Government could tackle an £80 million development programme this year showed Malaysia's ability to convert money into tangible projects.

Of this sum the British Government would give £7 million as a grant towards the capital cost of Malaysian defence, and £2 million as a grant for development of the Borneo states. Although development estimates for Malaysia totalled £80 million, from past experience there would be an overall carry-over of about 20 per cent into 1965, he said, so the actual expenditure would be about £65 million.

He said the first Malaysian Development Plan for this year was the product of Malaysian thinking, and would include not only existing projects but new projects.

With British and Singapore financial help the expenditure target in the Sarawak plan could be met without undue strain on resources. Singapore would provide £1,500,000 in re-imbursement of federal development expenditure in the state, and £3,300,000 as the first instalment of the loan for the Borneo states.

(*The Times*, London and *The Malayan Times*, Kuala Lumpur)

[Prev. ref. 5648:MAL:A]

PAKISTAN

SUMMARY: Constitution (First Amendment) Bill Comes Into Force; Barter Agreement With Poland; United Opposition Front Formed.

A. Constitution (First Amendment) Bill Comes Into Force: President Ayub Khan has given assent to the Constitution (First Amendment) Bill, making the fundamental rights justiciable and changing the name of the State as the Islamic Republic of Pakistan.

The Act, which became operative from January 15, enlarges the jurisdiction of the courts for the enforcement of the fundamental rights incorporated in the Constitution.

The First Amendment to the Constitution, which was adopted by the National Assembly during its last session in Dacca, makes it obligatory on the part of the Advisory Council of Islamic Ideology to examine all laws with a view to bringing them "in conformity with the Holy Quran and Sunnah". Furthermore, the Council has to submit its progress report for each year to the Parliament for scrutiny by January 15.

In the Principles of Policy of the Constitution a new principle has been added which lays down that no law shall be repugnant to the teachings and requirements of Islam as set out in the Holy Quran and Sunnah and that all existing laws shall be brought in conformity with the Holy Quran and Sunnah.

The new Act also abolishes the tribal areas in East Pakistan. Article 242 of the Constitution, which gave the extent of tribal areas, has been so amended as to do away with the tribal areas in the East Wing. Thus jurisdiction of the courts will be extended to the tribal areas of the East Wing, where in the past FCR was applicable.

Mr. Khursheed Ahmad, Central Minister for Law and Parliamentary Affairs, who made these announcements at a news conference in Karachi while explaining the significant changes made by the First Amendment to the Constitution, said that the supremacy of Legislature had now become an established fact. No more proof was required of the constitutional power of the National Assembly which had amended the Constitution in exercise of the authority vested in it under the Constitution. The country, he maintained, was being run on strictly democratic lines.

He alluded to another consequence of the First Amendment. He said the Amendment was in the nature of "an abdication" by the Legislature in favour of the courts.

He said that some critics, though hopelessly in a minority, had stated that the Amendment constituted a "condemnation" of the Constitution. This, he maintained, was a totally baseless insinuation. The first Amendment abundantly proved the successful working of the Constitution. It was a proof of the fact that the Constitution embodied the change of Constitution.

(*Dawn*, Karachi)

[Prev. ref. 5240:PAK:E]

B. Barter Agreement With Poland: Pakistan signed in Rawalpindi on January 11 a Barter Agreement with Poland for the export of raw jute and chrome ore against import of vehicles.

The two-way trade would amount to Rs. 5,000,000, while the value of exports from Pakistan would be Rs. 1,250,000.

The vehicles to be imported from Poland would include delivery vans, motorcycles, bicycles and autocycles.

(*Dawn*, Karachi)

[Prev. ref. 5541:PAK:G]

C. Mr. A. W. Khan Sworn-in As Minister Of Information And Broadcasting: Mr. Abdul Waheed Khan was sworn-in on January 9 as Minister for Information and Broadcasting in the Central Government.

The oath of office was administered by President Ayub Khan.

Mr. A.T.M. Mustafa, the outgoing Minister, will continue to be Minister for Education.

With the inclusion of Mr. Abdul Waheed Khan, there are six Ministers from West Pakistan and four from East Pakistan.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5275:PAK:B]

D. Third Plan Approved By National Economic Council: An extremely ambitious Third Five-Year Plan with an outlay of Rs. 4,950 crores has been approved by Pakistan's National Economic Council, which met in Karachi under the chairmanship of President Ayub Khan.

The Plan, scheduled to go into operation from July 1, 1965, aims at increasing the national income by 30 per cent and per capita income by 15 per cent and the planners expect that Pakistan, through a successful implementation of the Plan, would have taken a giant step towards creation of a truly welfare State.

The estimates of total outlay targets, sectoral allotments, etc., are only tentative at this stage, and are likely to undergo various degrees of modification during the next 18 months before the Plan is launched. But it is evident that the Ayub regime is intent on making a determined effort to extend the economic base of the country.

The grandiose character of the Plan is best illustrated by targets in the Second Plan now nearing completion of its fourth year. The total outlay of the Second Plan is only Rs. 2,300 crores, less than half of the proposed outlay for the Third Plan. Mr. Said Hassan, Deputy Chairman of the Planning Commission told newsmen on January 14 that even though the foreign exchange component of the Plan would be reduced to 30 per cent, as compared with 43 per cent during the current Plan period, the actual requirement of foreign aid was too big to admit of any complacency.

Or is it likely that the export earning more or less is static and would rise to a ready level so that Pakistan could finance its Plan from its own earnings?

The main feature of the Third Plan outline is the deliberate determination to accelerate the rate of development in the East Wing. Of the total outlay of Rs. 4,950 crores, Rs. 550 crores has been allotted in respect of projects in East Pakistan.

The long-term goal is to complete the removal of disparities between the two Wings by 1985. Industry gets a lion's share of 30 per cent of the total outlay, and it is expected that five million more jobs will be created.

In the proposed Plan, East Pakistan will have a total share of Rs. 2,550 crores and West Pakistan Rs. 2,400 crores. The main objective of the Plan will be to increase the national income by 30 per cent. The proposed increase is 34 per cent in East Pakistan and 27 per cent in West Pakistan.

The five million additional jobs is expected to absorb the current additions to the labour force during the Plan period.

Some of the other objectives are to strengthen the country's balance of payments position by increasing exports to an annual level of Rs. 400 crores by 1970, compared with the existing annual earnings of Rs. 280 crores; to develop basic industries for the manufacture of producer goods; to arrest the menacing growth of population by taking decisive steps towards population control; to make substantial progress towards the establishment of a welfare State; and to remove transport bottlenecks in all cases where they may be inhibiting economic growth.

(*Dawn*, Karachi)

[Prev. ref. 5309:PAK:E]

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E. United Opposition Front Formed: Three Opposition Parties in West Pakistan on January 22 formally organized themselves in a National Democratic Front for "re-establishing full and complete democracy in the country".

The Parties are the National Awami Party, the Awami League, and the Councillors' faction of the Muslim League.

There had been an informal National Democratic Front all these 18 months under the leadership of the late Mr. H. S. Suhrawardy without the formal organizational set-up to fight for the democratization of the Constitution. But now the Front will have regular organizational set-up governed by a 22-member Council which will be its principal and plenary body. The Front is headed by Nawabzada Nasrullah Khan, President of the Awami League in West Pakistan and member of the National Assembly.

The Front has agreed on a six-point minimum programme which aims at the achievement of democratic constitutions, repeal of repressive laws, direct election to national and provincial assemblies on the basis of adult franchise, release of all political prisoners, independent judiciary and restoration of the powers of the Supreme and High Courts in the country and finally unrestricted fundamental rights to be guaranteed the people of Pakistan.

Khwaja Nazimuddin Demands Right Of Self-Determination:

In his presidential address to the Council of the Opposition Muslim League (Councillors' faction) in Dacca on January 12, Khwaja Nazimuddin (a former Governor-General and Prime Minister) demanded for the people the legitimate right of self-determination and the right to criticise the Government.

He regretted that the present administration had denied the people "legitimate rights of self-determination and criticism of the Government." These demands had been termed "disruption".

He said that while his Party had the support of the masses and the intelligentsia, the League faction led by President Ayub Khan "represents only the privileged classes".

He accused the Ayub faction of advocating "controlled democracy", which was a negation of democracy.

He said that his Party was determined to do away with the Frontier Crimes Regulation in West Pakistan and also stood for universal adult franchise.

The speech, in which he criticized the Government and the ruling party led by President Ayub Khan, had been practically blacked out by most of the newspapers in West Pakistan.

Khwaja Nazimuddin's demand for self-determination for the people came in the wake of similar demands by the East Pakistan Committee of the National Democratic Front and Maulana Bhashani, leader of the National Awami Party.

Chaudhry Mohammed Ali, leader of the Nizam-e-Islam Party and a former Premier, told a news conference in Lahore on January 19 that during his recent tour of West Pakistan he found that "people in general were terribly terror-stricken".

His impression was that villagers were hard hit by "bribery, corruption and crime".

(*The Statesman*, Calcutta and *The Hindu*, Madras)

[Prev. ref. 5458:PAK:D]

F. Muslim League Council Resolutions: The following are some of the resolutions passed unanimously on the conclusion of the two-day session of the All-Pakistan Muslim League Council in Dacca on December 5, 1963:

"This meeting of the Pakistan Muslim League Council places on record its deep sorrow at the untimely death of President Kennedy at the hands of an assassin. The party strongly condemns violence and assassinations. The party has deep sympathy with the people of the United States in their great loss. This meeting also sends its heartfelt condolences to Mrs. Kennedy, her children and the rest of the bereaved family.

"While welcoming the partial nuclear test ban Treaty, we urge nations, great and small, to lend the full weight of their support for progress towards universal and total disarmament, the achievement of which remains a prerequisite of lasting peace and orderly progress of the world community.

"We extend our wholehearted support to the Government of Pakistan in their policy of seeking a just, honourable and peaceful settlement of outstanding disputes with India and deplore the tendency on the part of the Government of India to further aggravate and prolong conflicts and seek to intimidate other countries in the area through devious means.

"The people of Pakistan are prepared to lay down their lives to safeguard their independence and integrity.

"This meeting of the Pakistan Muslim League Council views with grave concern the developments in Assam, Tripura and West Bengal as a result of which thousands of Indian Muslims are being evicted from their hearths and homes in utter disregard of legal and normal principles universally accepted as the basis of civilized conduct.

"The inhuman atrocities perpetrated on these helpless Indian citizens merely because they are Muslims has caused deep anxiety among the people of Pakistan. The Indian Government's declared policy of effecting the eviction of more Muslims from India shows a wanton disregard of consequence of Indian policies. The people of Pakistan will not rest till justice has been secured for these unfortunate victims whose forcible eviction continues to affect the peace and tranquillity of this region.

"This meeting invites a UN commission to inquire into the genesis of the problem and the conditions under which the Government of India is carrying out its avowed object of uprooting countless thousands of its Muslim citizens and forcing them out of their native land to seek refuge in Pakistan.

"We invite the attention of the United Nations Refugee Rehabilitation Agency to the sad plight of these innocent Indian Muslims who have lost their homes and property in India and whose sustenance, accommodation and rehabilitation are placing an increasing burden on the economy of Pakistan.

"This meeting of the Pakistan Muslim League Council views with grave concern the situation arising from the recent supply of arms aid to India notwithstanding the unilateral cease-fire by China or the latter's repeated call for negotiated settlement of the Sino-Indian border question. Judged against this background and also in the context of her record of aggressions in the past, the augmentation of India's military strength represents a threat to the security of Pakistan and other smaller nations in the region. The continuance of arms aid to India is causing serious concern and resulting in heightened tension in this region.

"This meeting urges the people of India, our mutual friends in the Afro-Asian region and the major world Powers to realise the unwisdom of the Government of India's policy of national chauvinism which militates against peace and tranquillity not only in this region but in the world as a whole and commends to them the desirability of using their good offices to discourage the Government of India from pursuing this policy.

"This meeting of the Pakistan Muslim League Council views with grave concern the continued failure of the Government of India to honour its international commitments and to implement UNCIP resolutions on Kashmir.

"Any attempt on the part of the Indian Government to secure a partition of Kashmir along the cease-fire line or to merge the territory of occupied Kashmir with India in flagrant violation of UNCIP resolutions will be resolutely and steadfastly opposed with every means available to Pakistan.

"The right of self-determination of the people of Kashmir which is being denied by the Government of India, remains the only just and honourable means of resolving the Kashmir dispute. The people of Pakistan are determined to secure this right for their captive brethren in Indian-occupied Kashmir not only in the interest of justice and equity but also in the greater need for peace in this region for which a just and honourable solution of the Kashmir dispute is an essential imperative.

"This meeting of the Pakistan Muslim League Council records its wholehearted support for a second Afro-Asian Conference to secure the solidarity of African and Asian nations whose need for co-operation and mutual support at this crucial stage in their development is a matter of the greatest urgency."

(*Dawn*, Karachi)

[Prev. ref. 5465:PAK:A]

G. People's Credit Department Inaugurated: The Finance Minister, Mr. Mohammed Shoaib, inaugurated in Karachi on January 15 the People's Credit Department of the National Bank of Pakistan.

Speaking on the occasion, he said that the best way of checking concentration of wealth in the hands of a few was to help build up a stable middle class. The middle class could be developed effectively if the small investors were encouraged and given ready assistance in the form of bank loans or technical advice to set up their projects.

He commended the efforts of the National Bank for starting a new service with this principal aim to serve the small traders and industrialists and hoped that the service would help develop a strong middle class and also raise the living standards of the common people.

He emphasized the need to organize the people's credit service in such a way that the would-be investor could draw on useful information about his capability to undertake the particular project. The People's Credit Department, he said, should not serve as a mere lending agency.

Earlier, Mr. Mumtaz Hasan, Managing Director of the National Bank of Pakistan, in his welcome address, assured that the People's Credit Department would extend its services to a very large body of people, the small traders and industrialists. The Credit Department would function at every one of the Bank's branches which he put at 328 in the country.

He said that "while it was of utmost importance that private initiative and enterprise be preserved, it was essential that conditions be created in which every one of us has an opportunity to go forward if he has the ability and the will to do so, and to contribute his share to the overall development effort." That, he added, was the way to reduce social and economic inequalities and to build a happy and prosperous society.

(*Dawn*, Karachi)

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SAUDI ARABIA

A. Television Agreement With USA: It was made known on January 10 that two temporary television stations would be installed by the US Army Corps of Engineers—one in Riyadh and one in Jidda—following the pattern established in Sudan where a temporary TV system was installed pending the more elaborate permanent installations.

The difference is that in Saudi Arabia the temporary measures—which are being paid for by the Saudi Government—are to be followed by the building of permanent TV stations by the Radio Corporation of America and the US National Broadcasting Company, while in Sudan the British Thompson Organization's temporary installations were followed by permanent stations built by West German concerns through "technical aid".

More than 11 million riyals (just under £1 million) have been allocated in the current Budget for this purpose.

(*Middle East Economic Digest*, London)

SYRIA

A. New Economic Measures: In a broadcast over *Damascus Radio* on January 6, Dr. George Tomeh, Minister of Economy, announced new economic measures.

He said that the present crisis was due to the maladministration of previous regimes and the disastrous wheat crop, which had reduced the country's foreign exports by 250,000 tons.

His aim was to prevent the expansion of loans both in the private and public sectors "in order to avoid inflation". Duties of 40 to 70 per cent are to be imposed on imports of non-essential and luxury goods and the duty of 15 per cent will remain on all essential goods and raw materials for industry.

The present currency crisis is to be eased by encouraging imports without allocating foreign currency to local traders and industrialists by encouraging the return of Syrian funds in the form of capital and other goods. In recent months political crises have caused local capitalists to transfer funds abroad. Strict currency controls are to be operated in future.

Dr. Tomeh has left Syria for Bonn heading an official delegation which will continue the negotiations for a West German loan of about DM350 million for the Euphrates Dam. The necessary surveys have already been made by West German experts, but it was reported that West Germany would seek strong guarantees from the Syrian delegation before releasing the necessary funds. The Dam will be Syria's most important project in the next five years. It was reported that the Government was also to press forward with its scheme for a Lattakia-Aleppo-Kamichli railway line and would seek a loan from USSR for this project. The annual Budget would be delayed until Dr. Tomeh's return from Europe.

(*Middle East Economic Digest*, London)

[Prev. ref. 5286:SYR:C]

B. Range Of Territorial Waters Fixed At 12 Miles: Syria issued on December 29, 1963 a decree fixing the range of her territorial waters at 12 nautical miles.

The decree said Syria was entitled to take all necessary measures within her territorial sea to protect herself against any act jeopardizing her security and interests.

(*The Times*, London)

VIET-NAM (RVN)

A. Government's Programme: The Government's programme was outlined by the Prime Minister, Mr. Nguyen Ngoc Tho, and his Cabinet colleagues at a news conference in Saigon on January 6.

Mr. Tho explained that the policy pursued by the Government was one of moderate revolution. It required a revision and re-examination of the fundamental concepts of the former regime. This was necessary to avoid the mistakes committed and to initiate more appropriate policies.

He announced that Maj.-Gen. Do Mau would succeed Gen. Tran Tu Cai at the head of the Ministry of Information and that the Ministry of Security would become the Ministry of Interior under Gen. Ton That Dinh.

The Rural Affairs Minister, Mr. Tran Lo Quang, said that the rural economy had suffered from two major shortcomings: (1) unequal distribution of national income; and (2) low production due to outdated cultivation methods and poor organization of farm production.

He said that the two problems would be tackled by the Government to improve the peasants' living standards.

To solve the first problem, he said, the Government had ruled minimum prices for some farm products, including paddy. The dealers who attempt to pay lower prices would be punished. The Government was also planning to establish a rice trade board to guarantee minimum prices for paddy and rice at the very places of production. While town workers were protected by the system of minimum basic wages, countryside workers enjoyed no such privilege.

As for modernization of agriculture, he promised that "all the nation's technical and financial resources" would be made available for that purpose. He said that the supply of chemical fertilizer would be doubled or trebled to boost rice production.

After the improvement of farming techniques would come "a rational organization of farm production," he said, adding that to avoid dispersing the means of production, the Government would strengthen the system of co-operatives and farmers' associations.

Mr. Nguyen Van Vang, Special Commissioner for Administrative Affairs at the Prime Minister's Office, said there had been a thorough administrative re-organization in the provinces for the past two months, to raise what he called "a new wind" that would make the rural population happy.

The Education Minister, Mr. Pham Hoang Ho, said that his Ministry's major concern was to institute compulsory education, "at least up to the elementary level", for the children in the countryside. Only 65 per cent of these children were receiving education at present, some of them attending classes only two hours a day.

According to him this problem was hard to solve, because providing education for rural children, even for four hours a day, would cost the whole current budget of the Education Ministry. There were, in addition, more schools to be built for the 35 per cent of illiterate children.

The Public Works and Communications Minister, Mr. Tran Ngoc Oanh, said his Ministry had been concentrating on two kinds of work—to renovate existing public works and to build new ones.

He said: "At present, our main concern is to settle problems related to water, electricity and dredging. New projects need time to be completed."

Joint Study Team Calls For Reforms:

Meanwhile, a joint Viet-Namese-United States report has warned that the war in the delta "cannot ever be won" unless Viet-Nam's new Government carried out reforms at the village level.

The report was prepared by four Viet-Namese officials and one United States aide. They supervised a 21-man team that carried out a survey in Long An Province where the Communists had made deep inroads in the Government's positions since June, 1963.

Summarizing the 155-page joint study based on interviews with 1,500 peasant families in 15 villages south of Saigon, the supervisors said: "The team members agreed that even if all of the hamlets in the delta are like these 15 (but not much worse) there is still time to change the Government's policies and to win the war.

"However, if these changes are not immediately instituted and the people who have held out so long against the Viet-Cong do not have something to rally to, the war in the delta cannot ever be won."

Although US observers did not question the urgent need for village-level reforms, they voiced the opinion that the Government had more time than the report suggested.

They also asserted that the Government machinery was incapable of immediate reforms, however well intentioned the top officials might be.

The summary of the report was sprinkled with recommendations for correcting abuses of local officials and widespread mismanagement of the hamlet programme, which was founded as the bulwark of the campaign against the Communists.

"The majority of the people want, as their highest priority, security," the report asserted. But it recommended that the Government stop relocating families from outlying areas into the hamlets in its efforts to provide security because the relocation caused such bitter resentment among the peasants.

The survey, carried out during December and early January, noted that even the cheapest peasant homes cost 5,000 piasters to build and that the average one cost four times that much. It added that the Government allotted a relocation allowance of only 2,000 piasters for new homes and that many families told the survey team members that they received only 1,000 piasters. Some peasants said they had received no money at all.

The report also recommended that the Government stop forcing peasants to serve in the hamlet militia and start paying those few willing to serve because of their grievances against the Communists or because of their need for extra income.

One critical area pinpointed by the report was that it called attention to the Government's failure to hold the loyalty of the young people.

It added that the Government's educational system was "too mechanical to cope with the Viet-cong" propagandists. It was perhaps the greatest Government failure to date because it was the young who were the prime targets "for the Viet-cong."

The survey was also critical of the Government military forces for failing

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to re-inforce part-time militia when they were attacked by Communist guerrillas.

(*Consulate-General of the Republic of Viet-Nam*, New Delhi and *The New York Times*)

[Prev. ref. 5650:RVN:A]

B. Opposition To Neutralism: The Council of Notables decided by a unanimous vote on January 22 to request the Government to suspend diplomatic relations with France.

This was because of President de Gaulle's policy in Asia, particularly the proposal for the neutralization of Viet-Nam.

The vote was taken at a closed session.

Addressing a mass rally at Nha Trang on December 27, 1963 the Chairman of the Military Revolutionary Council and Chief of State, Gen. Duong Van Minh, rejected neutralism as a "demogogic scheme of Communists."

He said: "Considering the geographical and political situation of our country, to fall into the neutralist trap would mean to surrender unconditionally because neutralization would allow communism to subsist and to expand."

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5638:RVN:A]

C. Seizure Of Mr. Diem's Properties: The military Government has formally decreed seizure of all properties of the former ruling family of President Ngo Dinh Diem and its agents.

Seizure of the property began on November 2, but the formal decree was not made public until the last week of December, 1963.

The decree also ordered seizure of the financial holdings of the political parties controlled by the former ruling family.

There is no accurate estimate of the value of the family's estate. Just after the coup, a fleet of coastal ships and related cargos and factories were seized from Mr. Nguyen Van Buu, alleged financial agent of the family.

Seizure was also ordered of the assets of the Women's Solidarity Movement, headed by Mrs. Nhu, now in exile in France.

A decree also ordered confiscation of the property of Roman Catholic Archbishop Ngo Dinh Thuc, one of Mr. Diem's brothers, who is in Rome. Archbishop Thuc was understood to have had extensive properties in his own name, but much of the property he administered belongs to the Church.

The Church has been ordered to stop erecting buildings on the land which, according to the Government, was illegally donated by the Diem regime. The revolutionary junta has demanded payment for the land.

Investigation of concealed property is continuing, and stiff fines and prison terms have been ordered for persons concealing evidence concerning transfer of the Ngo property to other persons.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5589:RVN:A]

YEMEN

A. Decree On National Security Council: President Abdullah Sallal issued a Decree on January 7 on the formation and jurisdiction of the National Security Council.

The first Article of the Decree stipulates that the Council be under the President and that the other members will be the Vice-President, the Ministers, and the Commanders concerned.

The second Article stipulates that the Council is responsible for the country's security and the drawing-up of defence plans.

The third Article holds the Council responsible for the preparation and training of the armed forces and other fighting units. The Council will see that these forces are highly efficient in organization, training, armament, education and morale. The Council is also responsible for financial and administrative affairs related to the maintaining of these forces.

The Decree comprises 11 Articles and it authorises the Council to appoint, promote and demote officers. For the purpose of national security, the Council has been given certain powers:

(1) Imposing military censorship with limits and procedures clearly defined.

(2) Issuing special call-up orders to civilians needed for the military effort.

(3) Laying down the rules which will ensure co-operation between the armed forces and the different Ministries and Departments insofar as defence is concerned.

(4) Assuming the President's powers stipulated in Law 8 for 1963. When emergency is declared, the Council is authorised to arrest suspects.

The Council has the right to invite whomever it wishes to its meetings, but those invited have no right to vote. Finally, the Council is to draw up its internal regulations.

Decree On Powers Of State:

A Decree was issued on January 7 regulating the powers of the State pending the adoption of the permanent Constitution of the Republic.

The first Article of the Decree stipulates that the higher powers of the State shall be exercised as follows:

(a) The Head of State is the President of the Republic, who presides at the meetings of the Political Bureau and the National Security Council.

(b) The Political Bureau is the supreme organ enforcing the authority of the State in political and legislative affairs.

(c) The National Security Council exercises the supreme authority of the State in military and national security affairs.

(d) The Executive Council is the supreme executive and administrative organ, assuming its functions in conformity with the law and with the directives issued by the Political Bureau.

According to the second Article in Chapter 1, the President of the Republic is the Head of State, the supreme commander of the Armed Forces, representing the State at home and abroad.

Article 3 says that the President of the Republic ratifies all treaties following their approval and publication in conformity with established rules.

Articles 4, 5, 6, 7 and 8 stipulate that the President of the Republic may proclaim a State of Emergency, issue all decrees regulating the functions of the various departments, issue all treaties, laws and decrees approved by the Political Bureau, appoint one or more deputy presidents and may delegate and assign to his deputy or deputies the whole or part of his authority.

Article 9 authorises the President of the Republic to appoint the Head of the Executive Council, the Ministers and the Deputy Ministers and relieve them of their duties with the approval of the Political Bureau.

Article 10 says that the President of the Executive Council, the Ministers and the Deputy Ministers shall be sworn-in before the President of the Republic prior to assuming the functions of their posts.

According to Article 11, the President of the Republic may summon the Political Bureau, the Executive Council and the National Security Council to a joint meeting to consider important affairs.

Articles 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23 and 24 comprise the functions of the Political Bureau.

They stipulates that it approves all questions which lie within the jurisdiction of the President of the Republic and may entrust the Executive Council with the task of dealing with some of them.

It establishes the general State policy, submits draft laws and approves all financial commitments and projects entailing expenditure by the Public Treasury, while the draft State Budget should be submitted to it at least two months prior to the commencement of the financial year for consideration and approval.

The Political Bureau shall approve the transfer of any item from one chapter of the State Budget to another.

The Political Bureau shall be headed, during the absence of the President of the Republic, by the Vice-President or, in the event of more than one vice-president being in office, one of them to be chosen in accordance with the order of seniority or any one chosen by the Bureau from among its members.

The decisions of the Bureau shall be taken by absolute majority, but in case of important matters a two-thirds majority shall be necessary.

It has the right to appoint special fact-finding committees to conduct enquiries and establish checks and may invite Ministers or others to take part in its deliberations to benefit from their experience.

The members of the Political Bureau are entitled to annual allowances to be fixed by law and it shall set up special standing regulations for its activities.

Articles 25, 26, 27 and 28 deal with the duties of the National Security Council, stipulating that it is responsible for the safety of the country's territory, drawing up the defence policy and maintaining national security.

Articles 29, 30, 31 and 32 deal with the duties of the Executive Council which consists of its President and all Ministers.

The chairmanship of the Executive Council is entrusted to one of its members but in the event of a non-member being chosen, he shall ex-officio become a member of the Political Bureau.

The Executive Council shall carry into effect the general policy of the State in conformity with the provisions of the laws in force and the directives of the Political Bureau, assuming all the powers enabling it to achieve these objectives.

The President and members of the National Security Council and Political Bureau, Ministers and Deputy Ministers are forbidden to engage in commerce, finance or industry while in office, or buy or hire Government property.

(*The Egyptian Gazette*, Cairo)

[Prev. ref. 5288:YEM:B]

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ASIAN RECORDER

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AFGHANISTAN

A. Air Agreement With Pakistan: An Agreement was signed between Afghanistan and Pakistan in Karachi on January 24 revising the air routes under the existing Air Agreement and authorizing the Pakistan International Airlines (PIA) to fly *via* Kabul to Moscow and points beyond and also to Tehran and points beyond.

The following is the joint communique issued by the Governments of Afghanistan and Pakistan:

"Discussions were held between the representatives of the Government of Pakistan and the Government of Afghanistan for the revision of the route pattern under the existing Air Services Agreement between the two countries.

"As a result of the discussions which were held in a very friendly and cordial atmosphere, new routes were agreed for operation by the airlines of the two countries.

"The Agreement on the revised routes were signed today (January 24) by Mr. Hameeduddin Ahmed, Joint Secretary, Ministry of Defence, on behalf of the Government of Pakistan and by Sardar Sultan Mahmood Ghazi, President of the Afghan Air Authority, on behalf of the Government of Afghanistan.

"On this basis the Afghan airlines will be operating services on Kabul-Peshawar and Kandhar-Quetta routes. They will also operate via Lahore to New Delhi and via Karachi to Bombay and beyond.

"Under this same arrangement PIA will now be able to fly via Kabul to Moscow and beyond and via Kabul to Tehran and beyond. PIA will also be establishing two new air services, namely, Peshawar-Kabul and Quetta-Kandhar.

"With the establishment of the air services between Pakistan and Afghanistan on the basis of the revised Agreement between the two countries, the existing friendly relations will be further strengthened.

"They will also contribute in the promotion of trade and commerce between the two countries and help the transit trade to and from Afghanistan. It is expected that the services on the new routes may be established as soon as possible."

A Pakistan Defence Ministry spokesman later told newsmen that he expected PIA services, under the new Agreement to start in about four months' time. He said that arrangements would have to be made for conversion of the domestic airports into international airports, providing customs, immigration, posts and health facilities.

The route via Kabul, in his view, was the "obvious route" to go to Moscow from Karachi and West Pakistan. This was the only route from Islamabad, the new capital, also to Tehran and Moscow.

(*Dawn*, Karachi and *Kabul Radio*)

[Prev. ref. 5308:PAK:A, 5358:PAK:A, 5384:PAK:D]

CAMBODIA

A. Convening Of Geneva Type Of Conference—British Aide-Memoire: The British Government delivered on January 28 to the Soviet Government an *aide-memoire* on Cambodia. It was published in London on January 31.

The aide-memoire proposed that Britain and the Soviet Union, as co-Chairmen of the Geneva Conference, should defer sending a formal message to other Governments on convening a conference on Cambodia until agreement had been reached on the tasks to be achieved

The aide-memoire noted the Soviet proposal earlier in January (see page 5652) that the co-Chairmen should send a message to the Governments which took part in the 1961-62 Laos Conference calling for the convening of a Cambodian conference in Geneva in April, 1964.

It said that the British Government would itself "have no objection to the place and composition of the proposed conference". It was glad that the Soviet Government "shares the view that advance preparation is important" and envisage a suitable interval for this purpose. And, in these circumstances, the British Government "considers it unnecessary for the two co-Chairmen to attempt to decide on an actual date or to issue a formal invitation so far in advance".

The aide-memoire pointed out that all the Governments concerned "are well aware that a conference may be required on this subject", and noted that "consultations are actively proceeding with many of them".

It said: "Her Majesty's Government, accordingly, proposes that the co-Chairmen should defer their decision on sending a formal message to other Governments.

"Meanwhile, the co-Chairmen should actively pursue their informal discussions with a view to reaching agreement on the tasks to be achieved by the conference. Her Majesty's Government considers that without such agreement beforehand among the parties principally concerned, the co-Chairmen would be unable to convene a representative and effective conference which would be in the best interests of Indo-China and of the peace of South-East Asia."

(*BIS*)

[Prev. ref. 5640:CAM:A, 5651:CAM:A]

CEYLON

A. Mrs. S. Bandaranaike On Problem Of Residents Of Indian Origin: The Prime Minister, Mrs. Sirimavo Bandaranaike, made a reference to the problem of persons of Indian origin while replying to a four-day debate on foreign policy in the Senate on January 23.

She said she wanted to make it clear that her Government had not departed from the policy pursued by the late Prime Minister, Mr. S. W. R. D. Bandaranaike.

She agreed that the Indo-Ceylon problem like many other problems was a legacy of the British rule. But there was no denying the fact that the leaders of India and Ceylon had been vitally interested in settling the problem of the "stateless" amicably.

"Fortunately for me," she said, "I have been able to lay my hands on some papers of my late husband which contain a record of the discussions that took place between representatives of Ceylon and Mr. Nehru himself when he visited Ceylon in 1939. In a letter dated June 27, 1939, Mr. Nehru wrote to Sir D. B. Jayateleke that the Indian Congress Committee had directed him to proceed to Ceylon and to help find a solution to the problems affecting the Indians there. Fortunately, the great Indian Prime Minister is still with us. That is why we pin our hope on his sense of fairplay to arrive at a speedy and just settlement of this problem."

She maintained that at no stage had Ceylon agreed to view that persons of Indian origin who failed to secure registration under the provisions of the Indian and Pakistani Citizenship Act were stateless. She said the registration of citizens was now complete and over 134,000 people had been registered as Ceylon citizens. The Indian High Commission had registered only 50,983 persons as Indian citizens in the meantime.

She said that the course that her Government had adopted was to implement the line of policy adopted by all Governments since Independence, namely, to ensure employment to Ceylon nationals in preference to others. She hoped members in the House would realise that a solution to the problem was one that transcended party politics and she appealed for their co-operation to arrive at a negotiated settlement.

In her speech, Mrs. Bandaranaike dealt with every aspect of Ceylon's foreign relations.

Referring to the criticism that President Ayub Khan's visit to Ceylon marked a departure from Ceylon's principle of non-alignment and was actuated by anti-Indian sentiment, she pointed out that the visit proved that Ceylon was, in fact, non-aligned. "I fail to see that the visit of President Ayub Khan assumes any special significance merely because Pakistan is a member of the S-EATO alliance."

She stated that Ceylon would not permit entry into its territorial waters, ports and airports of any naval vessel or aircraft carrying nuclear weapons or those equipped for nuclear warfare. This decision was in pursuance of the Government's policy to oppose further spread of nuclear weapons and support the creation of atom-free zones.

She said that Ceylon had expressed its concern to USA at its reported move to send a nuclear task force into the Indian Ocean.

USA had replied that it was "at a loss to understand the concern of the Ceylon Government at the matter" and that "no port calls at Colombo would be scheduled if there are any objections on Ceylon's part."

The reply also referred, Mrs. Bandaranaike said, to the calls periodically made by US Navy vessels at ports in the Indian Ocean area, including Colombo. The purpose of such visits had been stated to be to familiarise the US Navy with that part

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of the world and to show USA's continuing interest in the peace and stability of the area.

(*The Hindu*, Madras and *The Times of Ceylon*, Colombo)

[Prev. ref. 5435:CEY:A]

B. New Speaker Elected: Mr. Hugh Fernando was unanimously elected Speaker of the House of Representatives (Lower House) on January 24 in place of Mr. R. S. Pelpola.

Mr. Fernando was formerly the Deputy Speaker. His name was proposed by the leader of the House, Mr. C. P. De Silva and seconded by the leader of the Opposition, Mr. Dudley Senanayake.

(*The Times of Ceylon*, Colombo)

[Prev. ref. 5652:CEY:B]

C. Communist Splinter Group: The pro-Peking group in the Ceylon Communist Party has formed itself into a rival party.

The rival party also calls itself "Ceylon Communist Party."

It is led by Mr. N. Shanmugathasan and Mr. Premlal Kumarasi who were expelled from the Communist Party of Ceylon.

It held a meeting in the third week of January and elected a 35-member central committee.

The organizers of the rival party claimed they held the "seventh Congress of the Ceylon Communist Party." It was attended by 399 delegates from 109 branches throughout the Island.

The Congress repudiated the resolution adopted by what it described as "the past central committee of the Ceylon Communist Party" on questions of the international Communist movement.

It also repudiated "the past Central Committee's endorsement of the action of the Soviet Government in signing the partial nuclear test ban Treaty."

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5520:CEY:C]

D. Federal Party Agitation Plan: The Central Working Committee of the Federal Party, the political organization of Tamils, decided on January 26 to launch a non-violent direct action not later than February 17 "to achieve the political, linguistic, civic and human rights of the Tamil-speaking people of Ceylon."

It took this decision as it was of opinion that "the situation has become most intolerable and unless arrested in time the enslavery of the Tamil-speaking people will be complete and their ultimate destruction will be inevitable."

The Party had observed January 1 when the Government switched over to Sinhala as the language of administration throughout the Island (see page 5217) as a day of mourning.

(*The Hindu*, Madras)

[Prev. ref. 5217:CEY:B]

CHINA

A. Workers Asked To Increase Political Activity: A National Conference held recently, at which the Chairman of the State Economic Commission and Vice-Premier, Mr. Po I-po presided, has asked all industrial and communications workers to follow the example of the Army and increase their political and ideological activity.

The Chinese Army held a conference on political work in the third week of January, and decided to "hold even higher the great red banner of Mao Tse-tung's thinking" and to stick to the "four firsts", that is, "putting man first, political work first, ideological work first and living examples first". Furthermore, it studied "important instructions" from Mr. Mao Tse-tung and Marshal Lin Piao.

The latest report on the national conference of industry and communications listed a number of steps which should be taken as part of the ideological work: these included further study of Marxism-Leninism and Mr. Mao Tse-tung's thinking, learning from the People's Liberation Army to place current ideological questions before all other political matters, and further revolutionizing of "the mass of workers, the managerial organizations in industry and all modern enterprises". More than half the report on the conference was devoted to political and ideological matters.

This fresh political drive came after a socialist re-education movement in 1963 which was presumably designed to counteract bourgeois influences which sprang up in China with the slackening of political control at the end of the "great leap forward".

(*The Times*, London)

[Prev. ref. 5331:CHI:C]

FORMOSA

A. Mr. D. Rusk On US Commitment: Speaking at a dinner given by the America-Japan Society in Tokyo on January 28, the US Secretary of State, Mr. Dean Rusk, reaffirmed his Government's commitment to the KMT Administration in Formosa.

He declared that USA "will never abandon the 12 million people on Taiwan (Formosa) to communists."

In what was presumably meant as criticism of the French action in recognizing the Peking Government (see page 5652) he said that the free nations must not reward Peking's militancy, or give the communists any ground for hope of profit from force. The peace of the world could hinge on this issue.

He added a rider to the effect that USA would be fully responsive when China had a Government "prepared to renounce force, to make peace, and to honour international responsibilities".

Later in the evening, he was asked at a news conference whether a communist Government of China, or possibly a Nationalist Government, could satisfy these conditions. He replied that such a question lay "in the fog of the future", and he expected it would have to be answered by some later Secretary of State, if he (Mr. Rusk) gave it as his opinion that China would not be seated in UN this Autumn. Asked to justify this view, he said the question of what other Governments might do still lay in the future. There remained complicated questions to be resolved, such as the requirement of unanimity in the Security Council.

Asked to state his Government's policy towards the Government in Taiwan, he said: "We support it and we recognize it as the legitimate spokesman for the Chinese people."

(*The New York Times* and *The Japan Times*, Tokyo)

[Prev. ref. 4693:FOR:A]

HONG KONG

A. Supply Of Water From China: The Chinese authorities in Kwangtung have invited the Hong Kong Government to send representatives to Canton to hold technical discussions on a Chinese project for increasing the amount of water to be supplied to the Colony.

They have announced that an extra 200 million gallons of water will be made available to Hong Kong from the Shumchun reservoir, just across the border with China, which normally contributes water to the Hong Kong supply. The amount agreed earlier was lower than usual because of drought. Since then, heavy and unseasonal rains have probably improved the Shumchun supply.

The new Chinese proposal came after discussion between Britain and China over a possible pipeline which would bring water to Hong Kong from a major river in Kwangtung province.

(*The Times*, London)

[Prev. ref. 5292:HGK:A]

INDIA

SUMMARY: Congress Of Orientalists; Pugwash Conference; Allocation Of Central Cabinet Portfolios; Exports During 1963; Company Law Board Constituted; Communal Riots.

A. Congress Of Orientalists: The 26th International Congress of Orientalists met in New Delhi from January 4 to 10, with about 1,300 delegates participating.

The previous Congress was held in 1960 in Moscow and the New Delhi meeting decided to accept an American invitation to hold the next triennial Congress in USA.

Delegates from all parts of the world had come for the conference which was opened by the President, Dr. S. Radhakrishnan. The conference had as its chairman Prof. Humayun Kabir of India.

It generally avoided controversial questions. The only issue over which differences arose related to the demand for screening of delegates and their papers for future sessions. Some felt that without some screening of the papers offered, too much time would be wasted on third-rate contributions. This problem, together with the equally obvious question of orientalism as a definable field of study, was referred to a committee which would reconsider the statutes of the Congress and report to the meeting in USA in 1966.

About 900 papers were submitted to the Congress. But, of them, hardly a dozen had any reference to political developments in recent years.

Only papers read at the East Asian and South Asian sections had a political slant; but much less than at the previous Congress in Moscow, according to delegates who had participated in it. Decolonization in this region was a favourite subject of discussion.

The Egyptology section devoted itself more or less exclusively to unearthing the past and the links between various ancient civilizations, particularly Indian and Egyptian.

In the sections on Semitic studies, Hittite and Caucasian studies and Altaic studies including Turcology, the papers read were not many and dealt with mainly topics of regional interest. These

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sections concluded their deliberations much earlier than others.

In the Iranian section, however, a number of papers dealing with the Pehlavi tradition and contacts between ancient Iran and India were read by Indian and other delegates.

At one of the sectional meetings it was announced that a Royal Council of Iranian Studies had been set up in Tehran and all Iranian research workers and scholars were advised to refer their problems to it. It was also announced that the 2,500th anniversary of the founding of the Persian Empire would be celebrated in October, 1965.

The Indology section, which consisted of five sub-sections, had the largest number of papers read. Of the five sub-sections—Vedic studies and Indus civilization, classical Sanskrit, philosophy and religion, history and culture and modern Indian languages and linguistics—the last two attracted much attention. Interesting papers of a topical nature came up for discussion at these two sections.

Another section discussed Islamic studies.

African studies evoked a lot of interest among all delegates. This section, before concluding its deliberations, appealed once again to Governments in Africa to ensure "full preservation and refinement of the native African heritage in religion, wherever it is in full consonance with individual and social ethics and is conducive to good life and is further in consonance with a progressive and civilized life."

It also felt that "in the interest of some particular religious denomination or denominations, the perpetuation of the African religious traditions, rituals, customs and usages, wherever they agree with the spirit of the times, should not be hampered, for the benefit of both science and humanity."

(*The Times of India* and *The Statesman*, New Delhi)

[Prev. ref. 3537:AOA:B]

B. Pugwash Conference: Security of small nations against aggression, China's admission to United Nations, disarmament and steps to prevent the use of force to settle territorial disputes dominated discussions at the 12th Pugwash Conference on Science and World Affairs which ended in Udaipur on February 1.

The Conference, which began on January 27, split itself into four working groups to discuss these subjects.

The plenary session continued for six hours to adopt reports of these working groups.

Prof. J. Rotblat, Secretary-General of the Continuing Committee of Pugwash Movement, said that the plenary session had adopted reports of all the working groups, but only three reports could be released to the Press.

Seventy delegates from 30 countries participated in the Conference, held for the first time in India.

The Conference appealed to leaders of advanced countries "to divert to the under-developed countries as high a proportion as possible of the resources released by disarmament".

It said: "No economic aid should be linked to military and political conditions."

It felt that the conclusion of an Agreement on general and complete disarmament would make it possible for advanced nations to divert large resources to the development of developing nations.

It recommended an Agreement which would re-affirm the obligations of the UN Charter and prohibit the use of force in settling any territorial disputes. Such an Agreement could be made on the lines of the proposal made by the Soviet Premier, Mr. N. Khruschev.

It urged that China should be seated in UN.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 4831:AOA:C]

C. All-India Women's Conference: The 32nd annual session of the All-India Women's Conference was held in New Delhi from December 31, 1963 to January 4, 1964.

Besides fraternal delegates from Britain, Indonesia, Ceylon, Nepal and the Philippines, Princess Ashraf Pahlevi of Iran and Miss Margaret Kenyatta of Kenya attended and conveyed their greetings and good wishes to the Conference.

In her presidential address, Mrs. Masuma Begum called for greater voluntary effort than at present, to face the multiplicity of tasks facing the country.

She said that in the economic and social spheres "the task confronting our generation in India is all the more challenging and can only be performed in a spirit of service and sacrifice."

"No other generation of women in India has had the same opportunity to work and serve in the conditions of freedom which our Constitution provides."

Mr. J. Nehru's Address:

Speaking as the chief guest, the Prime Minister, Mr. J. Nehru, said on January 1 that the progress of women in India had been "considerable, if not remarkable" in the last few years.

But they must remember that the change was "very largely an urban change and has not so much affected, although it is beginning to affect, the rural masses also."

He said that it was an "extraordinarily difficult" thing, not merely to pass laws, but to change ancient customs which had been adhered to for long ages.

He added: "We have set ourselves to do that (bring about change) and I think our Government has succeeded in making laws and changing old customs. Though they might not be fully acted upon by all people in the rural areas, still they are beginning to be acted upon."

Resolutions:

The Conference adopted on January 4 a resolution demanding a uniform civil code for all communities.

It said such uniformity was needed to safeguard the women of the various communities against the disabilities from which they now suffered.

The Conference, by another resolution, urged the Government to amend the Criminal Procedure Code and the Hindu Marriage Act so as to enable a deserted wife to sue her husband for maintenance in a court in the area where she resided. At present, such a petition could be filed only in a court in the area where the husband resided or where the wife last resided with the husband before the desertion.

(*The Hindustan Times*, New Delhi and *The Hindu*, Madras)

[Prev. ref. 610:INI:T]

D. Dr. Zakir Hussain Appointed Acting President: According to a Rashtrapati Bhavan *communique* issued on February 4, the President, Dr. S. Radhakrishnan, has asked the Vice-President, Dr. Zakir Hussain to discharge the functions of the Head of State for an unspecified period.

Dr. Radhakrishnan underwent an eye operation on February 4, his second in a few days.

The powers have been delegated under Article 65 (2) of the Constitution which says: "When the President is unable to discharge his functions owing to absence, illness or any other cause, the Vice-President shall discharge his functions until the date on which the President resumes his duties."

As Vice-President, Dr. Radhakrishnan acted for the late Dr. Rajendra Prasad on two occasions—once when the latter was away to Russia on an official visit and secondly when he was ill.

Dr. Zakir Hussain took the oath of office on February 5.

(*The Statesman*, New Delhi)

[Prev. ref. 4624:INI:A]

E. Allocation Of Central Cabinet Portfolios: A Presidential order defining Mr. Lal Bahadur Shastri's duties as Minister without Portfolio was issued in New Delhi on February 2.

The announcement said that Mr. Shastri would perform "such functions as may be assigned to him by the Prime Minister from time to time" in relation to the Ministry of External Affairs, Department of Atomic Energy and the Cabinet Secretariat.

A separate Presidential order was issued appointing Mr. A. K. Sen, Minister of Law, to hold additional charge of the Posts and Telegraphs Department and Mr. Satyanarayan Sinha, Minister of Parliamentary Affairs, to be in charge of the Ministry of Information and Broadcasting also. They had been holding charge of these departments as a temporary arrangement.

A Presidential order issued on February 4 said that Mr. Raj Bahadur, who was temporarily in charge of the Ministry of transport, would remain in charge of that Ministry.

It added that Mr. Jai Sukh Lal Hathi who was temporarily in charge of the Department of Supply and the Department of Technical Development, would remain in charge of the two Departments.

(*The Statesman*, New Delhi)

[Prev. ref. 5655:INI:C]

F. Indo-Nepal Trade Talks: The talks on the Indo-Nepal Treaty of Trade and Transit between delegations of the two countries concluded in New Delhi on February 3.

The two delegations, it was officially stated, decided to make a recommendation to their respective Governments for the adoption of an agreed procedure to regulate the movement of goods of Nepalese origin from one part of Nepal to another through Indian territory.

It was hoped that the procedure, when approved by the two Governments, would facilitate this movement and remove the difficulties stated to be experienced at present.

The two sides also discussed the extent to which the existing railway and other facilities at Radhikapur can be availed of for the transit of Nepal's trade with Pakistan, and the cost of services and supervision to be provided by the Indian authorities at Radhikapur.

Further discussion on this subject will take place at the next meeting of the two delegations to be held in Khatmandu.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5539:NEP:A]

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G. New Irish Envoy: Mr. William Warnock has been appointed the first Ambassador of Ireland to India, according to an official announcement in New Delhi on January 30.

Mr. Warnock had been Ambassador of Ireland in Switzerland since 1952. Before that he was his country's Ambassador to West Germany.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 4588:INI:C]

H. Ban On Publication Of Reports On Government Projects: Publication of detailed reports about the working of a number of public undertakings by the Government and others has been prohibited as a measure of security.

An order issued under the Defence of India Rules empowers the Central Government to declare any information regarding any undertaking or class of undertakings "restricted information." Thereafter, no person or authority including the Government will publish any "restricted information" or any document containing such information.

Restricted information has been defined to include drawings and plans showing the location relative to other features of the countryside such as towns, rivers, railway lines and hills; photographs giving a panoramic view and showing the profile of any project; any information likely to help in the location of vital parts of an installation and scale of map relating to any project or installation in case of undertakings for the supply of electricity and water.

Regarding public and private oil companies, restricted information will mean production of crude oil and natural gas in oil fields, the amount of reserves contained in each field structure but not including total all-India figures or State-wise figures; product-wise consumption, production and import of petroleum products but not including the total of all products; product pattern of individual refineries, but not including refinery capacity of an individual refinery; design of refineries; storage capacity of and physical stocks in main port installations, refinery storage installations and major depots having a storage capacity of over 1,000 tons; drilling activities in individual oil fields or structures; capacity of pipe-lines; design and system of tele-communications; any particulars relating to pump stations and repeater stations and length and route of pipe-lines.

In public undertakings like Hindustan Aircraft, Bharat Electronics, Garden Reach Workshops, Mazagon Docks and Aeronautics India, restricted information will mean any particulars regarding production, capacity and future programme.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 4922:INI:A]

I. Government Company Registered For Bokaro Steel Plant: A major step towards setting up the fourth public sector steel plant at Bokaro was taken in New Delhi on January 29 with the registration of Bokaro Steel Limited as a Government company.

The company has a share capital of Rs. 100 crores and will be responsible for erecting and running the plant. It will acquire the land, arrange for the supply of raw materials, water and power, undertake recruitment of personnel, call tenders for equipment and sign contracts.

Mr. N. N. Wanchoo, Secretary in the Department of Steel of the Ministry of Steel and Heavy Engineering, is likely to be the chairman of the new company, and Mr. K. M. George, Chief Engineer, Central Design and Engineering Bureau of Hindustan Steel Limited, the managing director.

The detailed project report for the plant prepared by Messrs. Dastoor and Company is under examination by a technical committee.

The new company will invite global tenders for supply of equipment for the plant within the next few months. Credit arrangements to meet the foreign exchange component of the expenditure are expected to be worked out soon.

Some foreign firms have shown considerable interest in supplying equipment for Bokaro. The Ministry of Steel and Heavy Engineering believes it will be possible to utilize the maximum indigenous material and technical talent in constructing the plant.

The present calculations are based on the plant having an annual capacity of 1.5 million tonnes in the first stage and 4 million tonnes later. It will produce mainly flat products.

At the next meeting of the Aid-India Consortium, no request is likely to be made for aid for Bokaro. The Finance Ministry's view is that bilateral negotiations between Governments must take place before the matter is put before the Consortium.

Steering Group's Recommendations:

The Steering Group on Iron and Steel decided on February 5 to recommend to the Government that it should give the "topmost priority" to the Bokaro project so that it might reach a production level of 2.5 million tonnes of steel ingots or 2 million tonnes of finished steel by the end of the Fourth Five-Year Plan.

The Group, which comprised representatives of the Planning Commission, the Steel Ministry and the private sector steel industry, also suggested that the previously contemplated first stage of a production of 1.5 million tonnes of ingots and the second stage of a production of 4 million tonnes be telescoped into one which, among other things, would make the project more economical.

It modified its earlier decision that, besides Bokaro, two steel plants, one on the west coast and the other on the east coast, should be completed during the Fourth Plan and suggested that it should be considered sufficient if one of these came up with a capacity of 1.5 million tonnes of ingots and the other was completed only up to the blast furnace stage.

A production target of 17.5 million tonnes of ingots or 13 million tonnes of finished steel for the Fourth Plan was recommended. This included exports amounting to 1.5 million tonnes of ingots. To reach this a target of about 19 million tonnes should be aimed at.

The demand for alloy and special steel in 1970-71 was estimated at 750,000 tonnes against the current production of 350,000 tonnes, and that for pig iron at 4 million tonnes compared with the existing and already projected capacity of a total of 1.75 million tonnes. Suggestions were made to establish new plants to meet the gaps.

The Group had before it three estimates of the country's requirements at the end of the Fourth Plan—one by Dastoor & Co., another by US Steel and the third by the National Council of Applied Economic Research. The American estimate was 14 million tonnes of ingots and Dastoor's 19 million tonnes. The Group's estimate was nearer that of the NCAER.

(*The Statesman* and *The Hindustan Times*, New Delhi)

[Prev. ref. 5451:INI:D]

J. Exports During 1963: India's exports during 1963 will be a record. Based on the actuals of the first 11 months, exports in 1963 were estimated to be in the neighbourhood of Rs. 785 crores—an increase of Rs. 98 crores over those of 1962.

This represents a 15 per cent increase over the exports of 1952—the highest increase achieved so far.

Some of the encouraging features of the rise in exports are that the increase has been well-spread over a number of commodities and about Rs. 85 crores of the increase have been earned in the form of dollars or sterling and only Rs. 15 crores increase was from the rupee area countries (Communist countries).

Most of the increase in exports has also been achieved in items whose exports are made without any incentives or assistance.

An analysis of the exports in 1933 shows that the increase has been notably in jute manufactures; tea; sugar; vegetable oils; HPS groundnut; oil cakes; pulses; cashew kernels; fruits and vegetables; tobacco; hides, skins and leather; steel scraps; iron-ore; engineering goods; textiles (including handlooms); handicrafts; carpets; chemicals and marine products.

For the first time in recent years, not only have exports of cotton textiles not declined, despite the keen competition from China and Japan, but, on the contrary, have increased.

Black pepper and raw wool are the only items worth mentioning among those few whose exports have declined. The internal consumption of raw wool has increased because of defence requirements. The world prices of black pepper have declined considerably.

With the setting up of the Export Inspection Council, the Export Credit and Guarantee Corporation and the opening shortly of the Institute of Foreign Trade, official circles in New Delhi feel that the climate for increasing exports is satisfactory.

However, they feel that all-round efforts will have to be made in 1964 to increase and diversify production for enlarging exportable surpluses at competitive prices.

To conserve foreign exchange, imports have also been kept under strict watch and scrutiny. As a result there has been a reduction of about Rs. 40 crores in total imports in the first 11 months of 1963, the imports being Rs. 977 crores as compared to Rs. 1,017 crores in the corresponding period in the previous year.

The increase in exports and reduction in imports has improved the overall trade balance, the trade deficit having been reduced from Rs. 401 crores during January-November, 1962 to Rs. 274 crores during the corresponding period of 1963. India's sterling balances in the last week of January, 1964 stood at Rs. 111.7 crores.

(*The Times of India*, New Delhi)

[Prev. ref. 5237:INI:X]

K. New FICCI President: Mr. K. P. Goenka, a prominent industrialist of Calcutta, has been unanimously elected President of the Federation of Indian Chambers of Commerce and Industry (FICCI) for 1964-65.

Mr. Goenka has been on the committee of the Federation since 1948 and became its Vice-President in 1963. His main interests are jute and tea.

He has also been closely associated with a number of Governmental committees and public bodies such as the Reserve Bank of India, the Central Tea Board, the Corporation of Calcutta, the Indian Statistical Institute and the Export Promotion Advisory Council.

(*The Times of India*, New Delhi)

[Prev. ref. 5161:INI:C]

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L. Company Law Board Constituted: The composition of the Company Law Board and its functions were officially announced in New Delhi on January 31.

The Board, which came into being on February 1, consists of Mr. R. C. Dutt, Chairman, who is Additional Secretary, Ministry of Finance, Department of Revenue, and Mr. B. S. Manchanda, member, who is Joint Secretary, Ministry of Finance, Department of Revenue.

All the powers and functions under the Companies Act will henceforth be exercised or discharged either by the Board or by the four Regional Directors of the Company Law Administration, except the power to make rules, the power to appoint a person as public trustee under Section 153A and the powers and functions relating to the following matters:

(1) Launching of cases against managerial personnel and issue of notification conferring on the tribunal certain powers and functions at present conferred on the court;

(2) Conversion of debentures issued to or loans obtained from the Government by a company into shares of the company;

(3) Appointment of the advisory commission;

(4) Laying of annual reports on Government companies before both Houses of Parliament;

(5) Modification of the provisions of the Act in its application to Government companies and to nidhis and mutual benefit societies;

(6) Delegation of the powers of functions of the Government to such authority or such officer other than the Company Law Board; and

(7) Submission of annual report on the working and administration of the Act to Parliament.

The powers and functions previously delegated to the four Regional Directors of the Company Law Administration at Bombay, Calcutta, Kanpur and Madras will continue to be exercised by them. They will function under the Board.

The powers delegated to the Regional Directors relate to the following matters:

(1) Approval of the change of name of a company. Calling of annual general meeting of a company where the management has failed to hold the meeting in time;

(2) Appointment of auditors for a company where no auditor has been appointed;

(3) Empowering the Registrar to present a petition to the court for winding up of a company in certain cases;

(4) Grant of extension of time to the liquidator for calling a general meeting of a company or of creditors where the period of extension does not exceed six months;

(5) Sanctioning payment to the contributories out of the company's liquidation account where the claim does not exceed Rs. 1,000;

(6) Allow inspection of documents filed with the Registrar along with a prospectus; and

(7) Making application to a High Court for production and inspection of books and papers of the company where offences are suspected.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5595:INI:N]

M. LIC Business During 1962-63: According to a Press Note from the central office of the Life Insurance Corporation (LIC) in releasing the report and accounts of the Corporation for the 15-month period from January 1, 1962 to March 31, 1963, 1962-63 was a good year for the life insurance industry.

The report, which highlighted many plus points such as growth of new business, growing interest in non-medical schemes, increasing number of first insurances, also brought out a happy accounting position registering an increase in life fund to Rs. 720.70 crores, showing a rise of Rs. 91.94 crores over the adjusted life insurance fund at the beginning of the accounting period. The premium income amounted to Rs. 150.38 crores for the period of 15 months as against Rs. 112.30 crores for 1961.

Referring to the rise in lapse ratio, the report said that the Corporation had already taken a number of steps to reduce it, the major one being that a fresh proposal from any person whose existing policy had lapsed within the preceding 3 years would be entertained only if such lapsed policy was first revived by him, for which purpose special facilities are now given.

The report dealt with the Corporation's progress in areas such as training of its administration and development, personnel, underwriting and publicity seminars.

Financing of housing schemes and loan on mortgage of property were two areas to which the Corporation was paying particular attention. As an extension of this, the Corporation recently launched a "own your home" scheme which has received popular acclaim.

The Corporation hoped that the drive for rural business would take a new shape as the Corporation had made arrangements to collect life insurance premiums at block development headquarters. As a result of recent amendment of insurance rules, it would now be possible to appoint co-operative societies and panchayats as agents of the Corporation.

In the salary savings field, which is of great importance to the salaried class, the Corporation issued in India 1,93,199 policies assuring a sum of Rs. 61.03 crores. A major break-through has now been achieved with the acceptance by the Punjab Government of this scheme for State Government employees.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 4477:INI:G]

N. Board Of Trade On Measures To Cut Costs: The Board of Trade, which met in Calcutta on February 1, considered "the continuously increasing" cost of production in India as a basic problem and pleaded for "drastic" remedies. Among its suggestions were the creation of a cost reduction cell in the Planning Commission, a substantial reduction in import duties and cheaper power.

The meeting, presided over by Mr. Manubhai Shah, Central Minister for International Trade, felt that a cost reduction cell was necessary both from the point of view of internal economy and the export trade. The cost reduction studies should be instituted commodity-wise and industry-wise.

The Board noted that over 80 per cent of the aggregate exports of Rs. 600 crores in 1963 had moved without any assistance. It also noted that recently there was greater emphasis on the development of healthier practices like quality control, sample adherence, contractual fulfilment, price stabilization and an increased export promotion effort in relation to marketing and export publicity. Exports covered by export promotion schemes comprised only a total amount of Rs. 1,160 crores and the incentives relating to these exports were of a small order of only about Rs. 28 crores.

While expressing satisfaction over the 1963 export performance, the Board made a special mention of African countries where India made relatively little headway with her exportable commodities. It emphasized the need for greater attention to the development and expansion of trade and economic relations between India and the countries of Africa.

A reduction of Rs. 40 crores had been achieved in the import bill of 1963 through strict scrutiny, impact rationalization and substitution.

Another healthy feature of the increase in exports during 1963 was that the increase was reflected both in value as well as in volume and that it was spread over a wide range of commodities.

The Board noted with regret "a few cases of malpractices and abuse in the operation of a few export promotion schemes. The tendency to under-cut prices and unhealthy competition has to be corrected by the adoption of suitable means."

A permanent sub-committee with Dr. P. S. Lokanathan was appointed by the Board to review and evaluate continuously the performance of individual export promotion schemes and to suggest and devise suitable measures for curbing abuses and malpractices where they might arise.

Emphasizing the need for modernizing the export machinery and its development on healthy lines, the Board referred to the code of ethics evolved by the export trade in other countries. The code which had been circulated to various organizations and associations, including the export promotion councils, should be adopted in all essentials.

The Board referred to the Mudaliar Committee's recommendation for introducing an element of selectivity in the export trade and among exporters. The Board felt if this was followed it would help to overcome weaknesses relating to malpractices in the export trade.

(*The Statesman*, Calcutta)

[Prev. ref. 4326:INI:K]

O. Communal Riots: The anti-Indian campaign by the Pakistani Government, Radio and Press over the temporary disappearance of the sacred relic (holy hair) of the Prophet Mohammed from the Hazratbal shrine in Srinagar (see page 5630) resulted in communal frenzy in East Pakistan, causing considerable loss of life and property to the minority community in Khulna and Jessore in the first week of January, 1964.

The news of the tragedy reached Bhuvaneswar at the time of the Congress session (see page 5642) and Indian leaders warned Pakistan of the dangerous consequences of communal incitement.

Following the East Pakistan riots, there was a communal flare-up in some areas of Calcutta.

The authorities took swift action to deal with the miscreants who indulged in looting and arson. For some time the responsibility for restoring law and order in the disturbed areas had to be entrusted to the armed forces.

The Central Home Minister, Mr. G. L. Nanda, made it clear that no mercy would be shown to anybody indulging in mischief.

Mr. Nanda, the Central Finance Minister, Mr. T. T. Krishnamachari, and the Central Law Minister, Mr. A. K. Sen, flew into Calcutta to be personally available for consultations with the leaders of West Bengal on matters concerning law and order and organization of relief to the riot victims.

Meanwhile, the Government of India exchanged Notes with the Pakistan authorities on the urgency for steps to stop

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the chain communal riots. India's proposals that the Presidents of the two countries should issue a joint appeal for communal peace and that the Home Ministers of India and Pakistan should meet did not find favour with Pakistan.

The Pakistani contention was that everything possible was being done in Pakistan to restore communal peace and that the trouble was mainly in India and there was no need for pursuing the proposals.

While the situation in Calcutta was brought quickly under control, reports from Dacca suggested a violent flare-up in the East Pakistan Capital. A Reuter report mentioned that over 1,000 persons belonging to the minority community had died in the East Pakistan riots, but the Pakistan authorities described the figure as "highly exaggerated."

In view of the apprehension of the minority community in East Pakistan, Mr. Nanda told a news conference in Calcutta on January 29 that the conditions for the grant of migration certificates would have to be eased in the case of members of the minority community in East Pakistan who wanted to come to India. He said this would be done on compassionate grounds because "they were living in conditions of extreme peril and insecurity and in the existing conditions it has become impossible for them to stay on in Pakistan."

He added: "We have to remain alert in future. We are dealing with human beings and there might be provocations. The killings might be continued or repeated in Pakistan, although I hope this will be the last. But whatever happens in Pakistan, at the slightest indications of any trouble here, we will immediately mobilize our strength, as we have done recently, to bring under control any disturbances. It is in the larger interest of our country that we do not allow peace to be disturbed here."

[See also under PAKISTAN in this issue].

(*The Statesman*, Calcutta and *The Times of India*, New Delhi)

[Prev. ref. 5630:INI:C]

P. Swatantra Party Convention: At its third national Convention in Bangalore on February 1, the Swatantra Party criticized the Prime Minister, Mr. J. Nehru's non-alignment policy and said that as a result of that policy, India had lost considerable prestige.

The Party adopted a resolution on international relations which said that the military reverses sustained by India and the national humiliation involved in the acceptance of the Chinese unilateral cease-fire and the Colombo proposals were the results of many years of wrong policies in the realm of international relations and defence.

The most tragic and disastrous of these mistaken policies, it said, was the concept of non-alignment and double standards of judgment to which it led—persistent appeasement of China, and cold-shouldering of India's neighbours in South-East Asia.

Illustrations of these double standards mentioned in the resolution were betrayal of Tibet to Chinese Communist imperialism in 1950, vote in support of Russia in suppression of the Hungarian revolution in 1956 and continued refusal to have diplomatic relations with Israel.

It noted that as a result of the policies of non-alignment and appeasement, India had lost considerable prestige among its neighbours and in the world, and that instead of China being isolated it was India that was in danger of finding herself in that situation.

Over 600 delegates from all parts of the country attended the Convention, including Mr. V. P. Menon, Mr. H. P. Mody, Mr. Jinnaraj Hedge, the Raja of Ramgarh, Mr. M. Ratnaswami and Maharani Gayatri Devi of Jaipur.

The General Secretary, Mr. M. R. Masani, read messages wishing the Convention success from Mr. K. M. Munshi, senior party vice-president who did not attend owing to ill health, the president of the Liberal International and the Italian Liberal Party, the chairman of the Liberal Party of Israel and others.

The General Council meeting was attended by 66 members out of 120. The Party President, Mr. N. G. Ranga presided. Mr. C. Rajagopalachari was present.

Electoral Alliances:

On February 2, the Swatantra Party Convention passed a resolution seeking an electoral understanding with all opposition parties excluding the Communists for the next General Elections.

It asserted that the Swatantra alone provided a clear-cut and effective alternative to the present Government.

Mr. M. R. Masani, General Secretary, reported to the Convention earlier efforts to forge a united opposition.

Some time ago, Acharya J. B. Kripalani had tried to get together like-minded opposition parties, even though it was for a limited purpose, but unfortunately the response was poor and the plan had to be abandoned.

In recent months, the Swatantra Party itself, under the guidance of Mr. Rajagopalachari, made further efforts in that direction, even proposing the merger of parties for creating a united front strong enough to provide an effective opposition. A limited and modest objective of achieving an electoral understanding was proposed by the simple arrangement of "not coming into each other's way," so that multilateral contests, which gave undue advantage to the ruling party, could be eliminated.

Mr. Masani said that electoral understandings should not come in the way of strengthening the Swatantra Party which would be prepared to go it alone, if necessary.

The Convention did not accept Mr. M. R. Janardhan's suggestion that the resolution should be deferred as alliances should be sought only on the Swatantra ideology.

Planning:

The Convention presented to the country an eight-point alternative plan in place of the "discredited" methods of planning adopted by the Congress Government.

A resolution in this connexion said the Swatantra Party was opposed to Soviet, centralized-type of planning, but favoured democratic planning within the frame-work of fundamental freedoms guaranteed by the Constitution.

It urged proper order of priorities, starting with increase in production and provision for elementary necessities, such as pure drinking water, clothing, shelter and employment.

The Convention passed without much discussion a resolution on nationalization of banking.

The resolution warned the Government that any attempt to trifle with the functioning of the banking industry in India would be fraught with grave consequences for the country's delicate credit mechanism and economic development and would impair confidence in the country's financial institutions and credit on which the economic assistance and capital investment which India had received from abroad was based.

Board For Licences And Permits:

Mr. Rajagopalachari moved a resolution on the formation of an independent, non-political board for licences and permits.

He said the resolution was self-explanatory. It said that apart from many other grave issues, the confidence of the people in the administration could not be secured and maintained, unless the supreme control of the distribution of licences, permits and quotas was vested in an independent, non-political statutory board, free from all influences and political pressures and enjoying the same independent status as the judiciary.

The Convention appealed to all democratic parties to unite on this demand and compel the ruling party to accept this reform.

The resolution, which was seconded by Raja Anand Chand of Bilaspur, was passed unanimously.

(*The Hindu*, Madras)

[Prev. ref. 5100:INI:F]

Q. Governor's Address To UP Legislature: Members of the Socialist Party walked out of the Vidhan Sabha on February 3 in protest against the Governor, Mr. Biswanath Das, delivering his inaugural Address in English to a joint session of both Houses of the UP State Legislature.

As the Governor rose to speak, Mr. Ugra Sen, leader of the Socialist Party, requested him to deliver his Address in Hindi or Oriya—his mother tongue.

The Governor made a graceful gesture by reading out haltingly the first paragraph of the Hindi version of his speech. He then said that as he could not speak well in Hindi, he would address the House in English. At this stage, Mr. Ugra Sen got up and said that if the Governor spoke in English the Socialist Party would walk out of the House.

As the Governor began reading the English version, members of the Socialist Party trooped out of the hall in protest. The Governor then read out the English version of his speech.

He made another concession to protagonists of Hindi. He ended his speech by reading the last paragraph of the Hindi version of his Address.

In his Address, the Governor hinted at the possibility of placing additional tax burden on the people. The resources of the Government for developing the State were limited. It might, therefore, be necessary to augment them.

Surveying the situation in the State, he said that the need to strengthen the defences continued. The Government had employed a large force of the Provincial Armed Constabulary along the border. The Home Guards organization was being put on a sound footing. A second Sainik school would be opened at Ghora Khal in Naini Tal district. In the border area comprising Uttarakhand division development activity was in full swing.

The law and order situation was satisfactory. A large number of dacoits had been liquidated in the Chambal valley.

Referring to the need for increased agricultural production, he said that special emphasis was being laid on minor irrigation, soil conservation and power production. Measures to co-ordinate the activities of departments associated with agricultural production, extension and supplies were being finalised. A plan for intensifying cane development around all sugar factories in the State had been drawn up.

Efforts to industrialize the State were being made. A new State-owned cement factory would be set up in Mirzapur district. A co-operative sugar factory was being established in Pilibhit district.

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Referring to the need for a rapid increase in power production, he said that with the completion of various power projects and the construction of new power stations, generating capacity would be substantially increased by the end of the current Plan period.

He said that the Co-operative Societies Act needed to be changed. Legislation to facilitate the formation of co-operative land mortgage banks and the establishment of a housing and development board might be introduced.

Concluding, he appealed to the legislators to uphold the ideals of democracy. He reminded them that free discussion, toleration and patience were the essence of democracy to which all of them were wedded.

(*National Herald*, Lucknow)

[Prev. ref. 5079:INI:O]

INDONESIA

A. Government Take-over Of British Estates: It was officially announced in Djakarta on February 1 that British-managed rubber, copra and tea estates, mostly in Java and north Sumatra, had been placed under the "direct control" of the Government.

An official statement said the measure was temporary and would be enforced by "supervisory committees" of the Department of Agriculture and Agrarian Affairs.

No mention was made of imposing Government control—temporary or otherwise—on other British-managed enterprises in Indonesia, which range from import-export firms to a textile factory, the Chartered Bank and Unilever.

Reliable sources said that the appointment of supervisory teams would not immediately affect the British managements' running of the plantations. Most British or partly British estate holdings in Indonesia are now in fact under a degree of Government supervision as a result of the take-over attempts in January by communist-dominated workers' associations.

The Indonesian news agency said that the existing sources of revenue and marketing channels of the estates placed under Government control would remain intact. The cost of maintaining the supervisory committees would be charged against the budgets of the enterprises concerned.

(*The Times*, London)

[Prev. ref. 5657:IND:C]

ISRAEL

A. Political Asylum Sought By UAR Pilot: A UAR Air Force pilot landed his aircraft in Israel on January 19 and sought asylum after a chase by other UAR planes.

An Israeli spokesman said in Tel Aviv: "This morning the Egyptian Air Force pilot, Captain Mahmoud Hilmi Abbas Hilmi, flying a piston-engined training aircraft of the Yak 11 model, gave himself up to Israel.

"The aircraft landed without mishap at one of the Israeli Air Force bases after Israeli planes took off to intercept Egyptian Air Force planes which attempted to give chase to the Egyptian fugitive aircraft."

Israeli security officers were questioning the pilot, who was said to be the first Egyptian officer to seek asylum in Israel since the Sinai campaign of 1956-57.

Observers in Tel Aviv said that it was not yet clear whether Israeli and Egyptian aircraft were engaged in aerial combat as no details beyond the spokesman's announcement were immediately available.

Military sources said that the pilot, a 26-year-old bachelor, had been a flight instructor at the Egyptian Air Force school at Bilbeis in the Nile Delta.

(*The Times*, London)

[Prev. ref. 5380:ISR:B]

JAPAN

A. Appeal To USA To Facilitate Liberalization Of Trade: At the third session of the third US-Japan Committee on Trade and Economic Affairs in Tokyo on January 27 and 28, Japan appealed to USA to remove restrictions which might impede Japanese liberalization of trade and aid to the under-developed nations of Asia.

The specific restrictions mentioned by Japan during an exchange with President L. B. Johnson's top economic adviser, Mr. Walter Heller, Mr. W. W. Wirtz and the Interior Under-Secretary, Mr. James K. Carr, centered on the US interest equalisation tax, quotas on Japanese exports and withholding of customs clearances because of suspected Japanese dumping.

The Japanese conceded that their economy was growing, but pointed out that the per capita income was only a fifth of that in USA and that expanding imports were eating into the foreign exchange holdings, expected to drop to $1,700 million by the end of 1964.

The conference brought the US Secretary of State, Mr. Dean Rusk, the Commerce Secretary, Mr. Luther Hodges, the Labour Secretary, Mr. W. Willard Wirtz, and three other top US officials to Japan.

The Americans at the conference promised to keep the tax equalisation under review after it becomes law, perhaps in March, and to take appropriate steps should Japan find itself in serious difficulties.

They said that Japan would continue to find an excellent market in USA, but warned that American competition would be stepped up.

Earlier the Prime Minister, Mr. Hayato Ikeda, at a luncheon for Mr. Rusk and the other American leaders, said he was prepared to press forward against strong domestic opposition towards liberalization of trade. But, he said, this would require a "forward-looking attitude" by USA.

He did not refer to recognition of China by France, but pointed out that Japan was caught—he used the word "encircled"—between three major world forces—USA, China and the Soviet Union.

"While East-West relations seem now to be moving in the direction of a detente," he said, "Asia continues to be in the throes of unrest and instability. What does this pose but the potential threat of Communist expansion in the entire region, the intensification of national conflicts and the accentuation of the complex political, economic and social difficulties which lie deep in these lands?"

Perhaps the most significant passage in his speech was that in which he said: "We have also been making vigorous efforts to strengthen our relations with our neighbours in Asia, in the belief that our ties with them should be as close as those between us and America." He mentioned Japan's efforts to promote closer ties with South Korea, South-East Asia, and countries of the Western Pacific. These efforts were "slowly but steadily bringing results."

He also referred to the benevolent lecture on Western failure to understand the Asian way of thinking. Asian ways were a product of a civilization much older than that of the West, he said, and one which had developed under different climatic conditions.

(*The Japan Times*, Tokyo and *The Times*, London)

[Prev. ref. 5004:JAP:A]

MALAYSIA

A. US Mediation Efforts—Cease-fire On Sabah Border: Mediation efforts by the US President's representative, Mr. Robert Kennedy, and the Cambodian Head of State, Prince Norodom Sihanouk, resulted in a tripartite meeting of the representatives of Malaysia, Indonesia and Thailand in Bangkok in the first week of February.

Earlier, following talks which Mr. Kennedy had with President Sukarno of Indonesia and the Malaysian Prime Minister, Tengku Abdul Rehman, a cease-fire was ordered by Indonesia and Malaysia on the Sabah border on January 23.

The first round of the Sukarno-Kennedy talks was held in the third week of January in Tokyo where the Indonesian President had gone on an unofficial visit after he had talks with Prince Norodom Sihanouk in Pnom Penh.

The second round of their talks was held in Djakarta on January 22 after Mr. Kennedy had prolonged discussions with Tengku Abdul Rehman and other Malaysian leaders in Kuala Lumpur. Mr. Kennedy had earlier had talks with Philippine leaders in Manila.

The Tengku, speaking at Kuala Lumpur airport where he had gone to see off Mr. Kennedy on January 22, re-affirmed that Indonesia must end its armed challenge to Malaysia and must recognize Malaysian sovereignty before there could be any renewed talks with President Sukarno.

It was at the end of the discussions between Mr. Kennedy and Dr. Sukarno that the cease-fire on the Sabah border, where there had been sporadic fighting between Indonesian guerrillas and British and Malaysian troops for the last several weeks, was announced.

Meanwhile, Prince Norodom Sihanouk had been having discussions with the leaders of the three countries. The Prince's objective, though unrelated to Mr. Kennedy's discussions with South-East Asian leaders, was primarily to arrange a meeting between Tengku Abdul Rehman and President D. Macapagal of the Philippines.

In agreeing to the cease-fire, both President Sukarno and his Foreign Minister, Dr. R. Subandrio, made it clear that they were not prepared to accept recognition of the Federation of Malaysia as a condition for peace negotiations.

On the other hand, President Sukarno declared that Indonesia would continue its drive to crush Malaysia until a lasting agreement was reached. The Supreme Advisory Council, presided over by him, on January 28 called for continuance of the campaign. The Council decided that the Manila Agreements (see pages 5472 and 5476) should be firmly held to in the

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light of the planned talks between leaders of Malaysia, Indonesia and the Philippines.

In Kuala Lumpur, Tengku Abdul Rehman said that his Government would co-operate fully in the cease-fire arrangements and expressed satisfaction that Mr. Kennedy had persuaded President Sukarno to stop the fighting. He said that he prayed God that it might be a more lasting peace than previous ones and that other leaders would see things in the same way. Malaysian Government sources were reported as saying that the cease-fire would include safe conduct home for guerrilla fighters who surrendered.

Earlier, a joint communique issued on January 21 at the conclusion of the Norodom-Tengku talks in Kuala Lumpur announced that the Malaysian Premier would meet the Philippine President, Dr. D. Macapagal.

In London on January 23, replying to a question in the House of Commons, the British Minister for Commonwealth Relations, Mr. Duncan Sandys, said that President Sukarno had explained that it would take about a week for his cease-fire order to reach his troops, and had emphasized that Malaysian and British forces had been engaged in a purely defensive role. In these circumstances the question of the withdrawal of British troops did not arise.

The developments are thus not being allowed so far to affect plans now in train to strengthen the British military position in South-East Asia. A battalion of Gurkhas is on its way to the area, and it is to be followed soon by a brigade headquarters of the United Kingdom strategic reserve, together with a number of specialist troops, and a Gurkha battalion from Hong Kong.

A brigade headquarters from the British Army of the Rhine, made available by the re-organization now in progress there, will become part of the strategic reserve in Britain.

Mr. Sandys declined to anticipate the talks that the Government was to have with Mr. Kennedy, and welcomed an observation by Mr. Harold Wilson, Leader of the Opposition, who said that he was glad it had been made clear that the cease-fire was a move by Indonesia and that Malaysia, whose territory had been attacked, was not being, and should not be, put in the position of having to say that it had agreed to a cease-fire.

British Stand:

The British Foreign Secretary, Mr. R. A. Butler, told the House of Commons on February 3 that there was no question of British forces withdrawing from their positions in Borneo (Sabah) until a real agreement for stability had been reached.

He had been asked by an Opposition member to make a statement on the cease-fire following the talks between President Sukarno and Mr. Kennedy, in view of British commitments under the South-East Asia Treaty Organization.

Mr. Butler said: "There was no written agreement arranged by Mr. Kennedy."

The essential point at issue, he said, was whether Indonesian guerrillas already in Malaysia are, as claimed by Indonesia, "allowed to remain in Malaysian territory provided they stop shooting, or whether, as the Malaysian Government quite justifiably contends, those guerrillas must withdraw to Indonesia or surrender to security forces if they wish to avoid being rounded up.

"Our position was explained by the Commonwealth Secretary, Mr. Duncan Sandys, on January 23, when he confirmed the interpretation of Mr. Harold Wilson that this is a cease-fire by Indonesia and that Malaysia—whose territory was attacked—is not being asked to agree to a cease-fire and should not be put in the position of saying so."

Mr. Butler was then asked whether representatives of the Thai Government were "actually engaged in supervising a cease-fire on the Indonesian side of the border."

He was also asked if there was any evidence that the Indonesian guerrilla forces had withdrawn across their border. If not, was it within the terms of the cease-fire to round them up when they fired?

Mr. Butler replied: "On the latter point I have not had a final opinion where they are because of the confused nature of the terrain and the difficulty of establishing the exact whereabouts of any particular person.

"In relation to Thailand, they offered their mediation. I would not say they are actually supervising the cease-fire, because that would be a more technical description. But they are at present engaged in offering their mediation in the dispute."

A Conservative member asked Mr. Butler to assure the House that British forces giving assistance to Malaysia would remain on the border until a real agreement for stability had been brought in the area.

Mr. Butler replied: "As the Commonwealth Secretary made clear, there is no question of withdrawing British forces from where they are."

Western Press reports suggested that Britain had reservations on Mr. Robert Kennedy's mission. These sprang from a deep distrust of Dr. Sukarno reflected in doubts as to whether the cease-fire would in fact be kept by the Indonesians as well as doubts about the prospects for success of the proposed tripartite conference.

Mr. Robert Kennedy's View:

Mr. Robert Kennedy ended his mission with talks with the leaders of the British Government.

On arrival in London he said he believed Malaysia, the Philippines and Indonesia would now make an effort to settle their differences.

He said: "I never assumed, nor did I say in my reports to the Malaysian Prime Minister or any other leaders, that President Sukarno had given up his opposition to Malaysia, but I hope that position will be modified through conference and discussion.

"What he has given up is military confrontation and military activities against Malaysia while this conference goes on. He has not given up his opposition to Malaysia but, perhaps after discussion, he may."

Asked if he thought, after President Sukarno had again said Indonesia must smash Malaysia, that agreement could be reached at the conference, he said: "Yes. I think that President Sukarno and the Indonesians would like to settle this problem and reach an understanding with Malaysia and the Philippines. I think that if this is approached with goodwill on both sides and a real effort the matter can be resolved." If it were not possible it would mean that the war would continue, more British and other troops would be involved, the war would escalate and more men would be killed. He said: "If you cannot get round a conference table you go back to the jungle and more people will get shot."

He said that his role had been to try to bring the parties together, and on that they had agreed.

Asked about the American attitude, he said there was a possibility as the war went on that it could spread and involve other countries. "We have certain treaty obligations which are a matter of concern to us."

He did not think that the introduction of further British troops would necessarily jeopardize the arrangements for a conference, but any activity by troops to take advantage of the cease-fire would jeopardize the truce arrangements.

[An account of the tripartite conference that opened in Bangkok on February 6 and other developments will appear in the following issues of Asian Recorder.—Editor].

(*The Times*, London, *The Malayan Times*, Kuala Lumpur and *The Hindu*, Madras)

[Prev. ref. 5648:MAL:A]

PAKISTAN

A. Communal Riots In East Pakistan: A message from Dacca on January 22 said that at least 1,000 people had been killed in communal riots in Dacca during the previous week.

An American Peace Corps nurse, breaking the official curtain of silence on the casualties said on December 21, 1963 that there were 600 dead in the Dacca Medical College Hospital alone.

A Pakistan Army officer on the scene was reported to have put the deaths in "the order of 1,000". The majority of those killed were women and children.

These facts emerged as the army brought Dacca and neighbouring Narayanganj fully under control.

The Peace Corps nurse who reported the 600 fatalities was one of several, who with missionaries, bore much of the chaotic strain on medical resources. Hospitals were choked with wounded arriving in truckloads during the mass killings and burnings of homes, business premises and whole villages.

Commenting on the riot casualties, diplomatic sources said: "The total death figure is probably double the 600 at the Medical College Hospital and is at least 1,000."

The sources confirmed reports that even moving trains were attacked by "hooligans". A train at Tejgaon, near Dacca, was stopped and 400 persons were stabbed."

An estimated 500 persons were killed in the Rayer Bazaar area on January 15 and 250 houses were destroyed. Another 150 houses were destroyed in another market area.

Foreigners and many Muslims sheltered Hindus and several Muslims were killed for doing so.

Pakistan High Commission's Statement:

The Pakistan High Commission in New Delhi on December 22, 1963 issued a Press Note saying that "the figure of casualties in disturbances in Narayanganj and Dacca published in some newspapers based on an agency report are highly exaggerated and incorrect. So are other facts in the report".

The Note said that "other false reports were also being circulated. For instance, it was stated that the Indian Deputy High Commissioner in Dacca had been attacked by a mob and that Mr. Prabhat Chandra Dey, president of the Dacca Bar Association, had been killed."

It added: "Inquiries have revealed that Mr. Dey is quite safe and the Deputy High Commissioner has stated that neither he nor any member of his staff have been threatened or assaulted.

"The figure of 1,000 killed mentioned in the agency report is a pure fabrication."

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President Ayub Khan Rejects Dr. S. Radhakrishnan's Call For Joint Appeal: On January 21, President Ayub Khan rejected the suggestion for a joint appeal made by the Indian President, Dr. S. Radhakrishnan.

The Pakistan High Commissioner in New Delhi called on the Commonwealth Secretary, Mr. C. S. Jha, and handed over to him President Ayub Khan's reply.

Rejecting the suggestion President Ayub Khan said: "As you know I have already issued an appeal to my people. I do not see how a second appeal by me would have any greater effect. What is required is that stern measures are taken against those miscreants who are responsible for the recent incidents in Dacca and Narayanganj and prevent the trouble from spreading. This is what the Government of East Pakistan is doing with the full backing and support of my Government.

"What is really needed is that whatever steps are necessary should be most urgently taken to restore law and order and mete out deterrent punishment to the criminals who have been responsible for killing innocent men, women and children.

"We are, Mr. President, faced with a grave human problem. It will not be solved by shutting our eyes to it, as for example, Mr. Gulzarilal Nanda's statement of January 14, which said 'absolute communal harmony prevailed in Calcutta'. Nor can we solve it by blaming others. Let leaders in each country look into their own hearts and resolve to put their own house in order. The rest will follow".

He said he did not presume to advise Dr. Radhakrishnan on whether or not he should issue an appeal to those people on the lines of the one the Pakistan President had issued on January 13.

"I may, however, re-iterate my hope that your Government will ensure that law and order is quickly restored in all the riot-affected areas and that those who have been driven out will be enabled to return to their homes and live there with full sense of security. I re-iterate this would be in the best interests of both India and Pakistan.

"You have questioned a number of statements contained in my message of January 13. I regret I am unable to accept the information supplied to you or the contentions based on those premises.

"However, I do not wish to enter the controversy at this unfortunate stage of our relationship. It would, I think, be most unfortunate if you and I get involved in an exchange of recriminations. This would deflect attention from our real purpose".

This purpose, he added, "is that the life and property of the minority community must be fully protected, and that communal peace must be maintained and that the minority community must not be looked upon as a hostage."

[See also under INDIA in this issue].

(*The Statesman*, Calcutta and *Dawn*, Karachi)

[Prev. ref. 5630:INI:C]

B. Coal Deposits Found In East Pakistan: The Central Industries Minister, Mr. Abdullah Al-Mahmood, disclosed in Karachi on January 23 that extensive deposits of best quality coal had been discovered in the Rajshahi and Bogra districts of East Pakistan.

He said that the coal had been found after preliminary drilling and five sites in the two districts were explored. During the drilling at one place six seams were discovered at various depths, the thickest seam being at a depth of 3,274 feet. Experts were surveying the length and breadth of the seams.

The drilling was carried out under the United Nations-Pakistan Mineral Survey Project by the Geological Survey of Pakistan and the UN Special Fund. The Government's Project Representative was Dr. N. M. Khan, Director-General of the Geological Survey of Pakistan, and the UN Project Manager was Mr. A. L. Savoranin. A number of other Pakistani geologists have been assisting the project, and a part-time UN Geo-physical Consultant has been Dr. Oskar Kappelmeyer.

According to the geologists the coal so far discovered has an aggregate thickness of 121 feet and the deposits, on a conservative estimate, amount to more than 4 million tons.

The first seam of one-foot thickness was hit at 2,990 feet, the second seam hit at 3,034 feet was of 6-foot thickness, while the third seam was 65 feet thick at 3,274-foot depth, the fourth seam 41 feet thick at 3,404-foot depth, the fifth seam 8 feet thick at 3,511-foot depth.

The two Wings of Pakistan, it was estimated, import coal of the total value of between Rs. 9 and Rs. 10 crores annually. When the rich coal deposits of Rajshahi and Bogra begin to be mined, not only will the coal requirements of the two Wings of the country be fully met but also sufficient quantities left over for export.

(*Dawn*, Karachi)

[Prev. ref. 4569:PAK:L]

TURKEY

A. Progress Of CENTO Economic Projects: In Ankara, economic experts of five countries ended on January 21 an intensive six-day survey embracing the progress of CENTO's current economic development programme together with new projects.

Participating in the meeting were economists and Government officials from Iran, Pakistan, Turkey, Britain and the United States. The delegates reviewed the progress of CENTO projects with a call for increased momentum.

Under study was the progress of projects ranging from development of telecommunications, highway, railroad, seaport and air navigational systems linking the CENTO region as well as joint activities in the fields of agriculture, public health, trade expansion, scientific cooperation and technical assistance.

The experts reported that several of CENTO's major projects are nearing completion, most notably in the tele-communications field.

CENTO's high frequency project, which will link London with the key regional cities, will be completed this year. A giant microwave system—the world's longest—will be in operation by late 1964, establishing a direct communications connexion between Iran, Pakistan and Turkey.

CENTO highway and railroad projects, designed to join Iran, Pakistan and Turkey, were reported in various stages of construction or survey.

Recent progress was reported in Turkey, where 100 kilometres of rail was constructed between Mus and Tatvan since the beginning of 1963, and in Iran where 70 kilometres west of Sharafkhaneh have been completed for laying rails. The remaining portion to the Turkish border is under construction. The construction of the coastal road in Pakistan continued to make steady progress through difficult terrain.

Increased activity was recorded in CENTO's plans for increasing agricultural productivity in the regional area. A series of specialized meetings sponsored by CENTO and organized and financed by the United States, resulted in the formulation of guidelines for an overall regional agricultural policy.

(*Dawn*, Karachi)

[Prev. ref. 5106:PAK:C, 5203:AOA:A]

YEMEN

A. Budget For 1964: The Executive Council met in the first week of January under the chairmanship of the Vice-President, Mr. Hassan El Emary, to discuss details of the 1964 Budget.

A number of new projects were envisaged, including a tannery, electricity generating stations, roads, workshops, a postal and telegraph service, hospitals and social services. The Budget proposals were then passed for discussion to the Higher Ministerial Committee for Economic and Financial Affairs.

(*Middle East Economic Digest*, London)

[Prev. ref. 5482:YEM:H]

ASIA OUTSIDE ASIA

A. UN General Assembly Resolutions: Before it ended on December 17, 1963, the United Nations General Assembly passed several resolutions on important issues.

On October 17, it adopted by acclamation a resolution calling for the prohibition of nuclear weapons in outer space.

It welcomed the expression of intention by USSR and USA not to station in outer space any objects carrying nuclear weapons or other weapons of mass destruction. It solemnly called on all States not to orbit such weapons, install them on celestial bodies, or station them in any manner in outer space. Further, it called on all States not to encourage or take part in such actions.

Before the vote, Mr. N. T. Fedorenko of USSR said that prohibition of nuclear weapons in outer space would be a further step towards the relaxation of international tensions.

He noted that on September 19, the Minister of Foreign Affairs of USSR, Mr. A. Gromyko, had told the Assembly that USSR was prepared to prohibit nuclear weapons in space and that on the following day, the late President Kennedy of USA had said that his country would undertake negotiations to that end.

Southern Rhodesia:

A resolution on Southern Rhodesia, recommended by the Fourth (Trusteeship) Committee, was also adopted by the Assembly on October 14.

The resolution invited the United Kingdom:

(1) Not to transfer to Southern Rhodesia, as at present governed, any of the powers or attributes of sovereignty, but to await the establishment of a Government fully representative of all the inhabitants of the Colony;

(2) Not to transfer armed forces and aircraft to Southern Rhodesia, as envisaged by the Central African Conference held in 1963; and

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(3) To put into effect the General Assembly's resolutions on Southern Rhodesia, in particular those of June 28 and October 31, 1962.

The Assembly unanimously adopted a 57-Power resolution on October 14 appealing to member-States to assist Yugoslavia in its five-year plan to reconstruct Skoplje, which was devastated in an earthquake in July, 1963.

Resolution On Ending Nuclear Tests:

The General Assembly adopted on November 11, 1963 a resolution emphasizing the importance of halting all nuclear tests because of the danger to mankind of atomic radiation.

The resolution was earlier adopted by the Special Political Committee.

A 15-nation Scientific Committee was also authorized by the General Assembly to continue its study of the range and effect of atomic radiation and nuclear fallout.

The resolution would have the General Assembly call on the 18-nation Disarmament Committee to resume its negotiations "in a spirit of goodwill and accommodation" and recommend that the areas of basic agreement be widened.

While calling for negotiations "with energy and determination" for an agreement on general and complete disarmament, the draft would ask for "urgent and sustained" attention to collateral measures. It would urge the continuation of efforts to seek agreement on measures aimed at reducing the risk of war by accident or by surprise attack, as well as on measures intended to prevent the proliferation of nuclear weapons.

South-West Africa:

On November 13, 1963, the General Assembly adopted three resolutions on South-West Africa, which were earlier approved by the Fourth Committee.

Under the first resolution, the Assembly would:

(1) Ask all States which had not yet done so, to refrain from supplying arms, military equipment, petroleum or petroleum products to South Africa;

(2) Ask the Special Committee of 24 on the ending of colonialism to consider, in co-operation with the Secretary-General and the agencies of United Nations, the implications of the mining industry and other international companies having interests in South-West Africa;

(3) Re-affirm the right of the people of South-West Africa to self-determination and independence;

(4) Condemn the Government of South Africa for its "persistent refusal" to co-operate with United Nations in applying the principles of the Charter and the resolutions of the General Assembly;

(5) Consider that any attempt to annex a part or the whole of the Territory "constitutes an act of aggression" and draw the attention of the Security Council "to the present critical situation in South-West Africa, the continuation of which constitutes a serious threat to international peace and security";

(6) Ask the Secretary-General to invite the Government of South Africa to inform him, not later than November 30, 1963, of its decision regarding the appointment of a United Nations Technical Assistance Resident Representative for South-West Africa, and to report to the Assembly immediately after he receives a reply to the invitation; and

(7) Decide to maintain the question of South-West Africa on the agenda of the current session and to resume consideration of it immediately after receipt of South Africa's reply.

The roll-call vote on this resolution was 84 in favour to 6 against, with 17 abstentions. Four delegations were absent.

The second resolution, which was adopted unanimously by the Assembly, would draw the attention of the petitioners concerned to relevant reports and resolutions adopted by the Assembly on the question of South-West Africa.

The third resolution, also adopted unanimously, would "once again" request all member-States, and in particular South Africa, to facilitate in all possible ways the travel of South-West Africans seeking to avail themselves of educational opportunities provided under the United Nations special educational and training programme.

Views on these resolutions were expressed in the plenary, during explanations of vote, by the representatives of Denmark, Iran and Mauretania, and by several speakers in the earlier discussion in the Fourth Committee.

Also in the Fourth Committee, five amendments proposed by the United States to the first resolution on South-West Africa were rejected by majority votes.

Atomic Radiation:

On November 11, 1963 the Assembly unanimously adopted a resolution which took note of the report of the UN Scientific Committee on the Effects of Atomic Radiation, and asked that Committee to continue its work.

The resolution, which was recommended to the Assembly by its Special Political Committee, emphasized the importance, from the point of view of harmful atomic radiation, of the cessation of nuclear tests in the atmosphere, outer space and underwater.

It urged the World Meteorological Organization to proceed with the implementation of its plan for monitoring and reporting levels of atmospheric radio activity.

Improvement Of Methods Of Work:

Also on November 11, the Assembly approved the report of the *Ad Hoc* Committee on the improvement of the methods of work of the General Assembly.

This report recommended a series of measures for carrying out the work of the Assembly as speedily and efficiently as possible, such as a greater use of subcommittees and working groups to deal with agenda items in detail after the main points of view had been expressed.

Embargo On Oil Supplies And Arms To South Africa:

The General Assembly urged all States on November 13, 1963 to cut off supplies of petrol and oil to South Africa in order to hasten the granting of independence to the mandated territory of South-West Africa.

At the same time the Assembly condemned the South African Government's "persistent refusal to co-operate with the UN."

The Assembly also drew the attention of the Security Council to "the present situation in South-West Africa, the continuation of which constitutes a serious threat to international peace and security".

South-West Africa is a former German Colony which South Africa administers under a mandate from the League of Nations. The UN has long sought in vain to exercise jurisdiction over South Africa's administration of the Territory. The matter is now before the World Court.

In addition to the oil embargo, all States were urged to stop the supply of arms and military equipment to South Africa.

Britain and USA were among those voting against it.

The resolution solemnly re-affirmed the "inalienable right of the people of South-West Africa to self-determination and independence" and the Assembly's consideration that "any attempt to annex a part of the whole of the territory... constitutes an act of aggression".

Declaration On Racial Discrimination:

The General Assembly adopted on November 20, 1963, with South Africa dissenting, a draft declaration on elimination of all forms of racial discrimination, accepting a minor amendment to make it acceptable to Western democracies.

The amendment was to Article 9, which originally called upon member-countries to take immediate measures, including legislation, "to prosecute and/or outlaw organizations which promote racial discrimination or incite to or use violence for purposes of discrimination based on race, colour or ethnic origin."

The USA and other Western democracies opposed the Article in the Third Committee and abstained on the resolution as a whole, then on the ground that it hit free speech.

The declaration called for national and international measures, including education and information, to secure universal recognition and observance of its principles.

The Assembly decided to publish the declaration in about 30 languages.

Mr. Gerhard P. Jooste, leader of the South African delegation, said that his country could not be a party to the declaration, which, he also said, "does not have the legal status of a covenant or an international agreement".

By another resolution the Assembly asked the ECOSOC and Human Rights Commission to prepare a draft convention on the subject.

1965 As International Co-operation Year:

On November 21, 1963, the General Assembly unanimously decided to designate 1965—the 20th year of the founding of United Nations—as International Co-operation Year.

In doing so, it adopted a six-Power resolution which called upon member-States, the Specialized Agencies, the International Atomic Energy Agency and non-governmental organizations concerned, to recognize 1965 as International Co-operation Year; to publicize as widely as possible the activities planned for its observance; and to formulate and make available to special committees their plans for the International Co-operation Year.

The resolution recommended that a 12-member committee, appointed by the President of the General Assembly, should be set up to prepare for the 1965 activities.

The idea of an International Co-operation Year came from the Indian Prime Minister, Mr. J. Nehru and aims to draw attention to peaceful international co-operation, as opposed to the emphasis placed in the world on international conflict.

Among the suggested activities contained in a report submitted to the Assembly by the Preparatory Committee on the International Co-operation Year were: an assessment in 1965 of the progress and effectiveness of Development Decade programmes and of the application of General Assembly resolutions dealing with

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aspects of economic co-operation and development where substantial progress has been achieved; and encouragement of member-States to co-ordinate long-term development programmes.

Call To Sign Partial Test Ban Treaty:

The General Assembly on November 27, 1963 called upon all States to sign the partial nuclear test ban Treaty and urged the Geneva Disarmament Committee to use energy and determination to bring about general and complete disarmament.

Only Albania, reflecting the political attitudes of China, dissented from the Assembly's appeal to the Geneva Conference. France, which had not been participating in the Conference, expressed no reservation. But the French delegate, along with the entire Soviet bloc, except Rumania, cast an abstention on a separate resolution endorsing Latin America's plans to keep nuclear weapons out of the region.

France also joined the United States and Britain in voting against an African-initiated resolution requesting the Geneva Committee to study "urgently" the question of convening a conference to sign a convention on the prohibition of all nuclear and thermo-nuclear weapons.

When this matter was debated in the Main Political Committee, the British and Americans criticised the move as "wholly unrealistic" and "impractical."

The Soviet Union voted for the resolution, which was adopted by 64 votes to 13 with 25 abstentions, and four absentees.

Political and military alignments were reflected in the vote. Among the developing countries, Burma, Jamaica, Malaysia and Trinidad-Tobago cast abstentions. Most of the NATO countries joined Britain and USA in the negative column.

The Assembly also endorsed a move by a number of Latin American nations to declare Latin America a "denuclearized" zone.

Other Resolutions:

The General Assembly adopted resolutions on territories under Portuguese administration, Palestine refugees and economic and social questions.

The resolution on territories under Portuguese administration, recommended by the Fourth Committee (Trusteeship and Non-Self-Governing Territories), requested the Security Council to adopt necessary measures to effect its own decisions, particularly those contained in its resolution of July 31, 1963 calling upon Portugal to recognize the right of the peoples in its territories to self-determination and independence. The resolution also provided that the item would be kept on the General Assembly's agenda for the 18th session.

It was adopted on December 3 by 91 in favour to 2 against, with 11 abstentions.

In the preamble, the resolution stated that the General Assembly noted "with deep regret and great concern the continued refusal of the Government of Portugal to take any steps to implement resolutions of the General Assembly and the Security Council" on the question.

Mr. Vasco Vieira Garin of Portugal said that the resolution was contrary to the Charter and was thus unjustified. He said that a climate of "artificial concern has been created around the non-existent problem of the Portuguese territories."

On the recommendation of its Special Political Committee, the Assembly adopted on December 3 a resolution calling on the Conciliation Commission for Palestine to continue efforts on the repatriation or compensation of Palestine refugees, noting with regret that repatriation or compensation had not been effected and that the situation of the refugees "continues to be a matter of serious concern."

The vote on the resolution was 82 in favour to one against (Israel), with 14 abstentions. This was by a show of hands.

The Assembly on December 5 adopted nine resolutions presented by the Third Committee (Social, Humanitarian and Cultural) pertaining to the report of the Economic and Social Council; and one resolution presented by the Second Committee (Economic and Financial) recommending that the membership of the United Nations Food and Agriculture Organization Inter-Governmental Committee on the World Food Programme be increased from 20 to 24.

Seven of the resolutions proposed by the Third Committee were adopted unanimously by the Assembly.

Resolution VIII requested the Economic and Social Council to "reconsider its decision to cancel the 1964 meeting of the Commission on Human Rights," and requested the Secretary-General to make special provisions to hold the meeting at United Nations Headquarters prior to March 15, 1964. It was adopted by a vote of 78 in favour to 12 against, with 7 abstentions.

Resolution I called for the development of practical programmes of action at the national and international levels to promote rural and community development in the developing countries, and provision by United Nations and Specialized Agencies of technical and financial assistance to countries which request aid. It was adopted by 89 votes in favour to none against, with one abstention.

Resolution II expressed concern at the inadequate progress in social development made in the last decade, and requested the Secretary-General to prepare a programme of social development, with specific major targets to be achieved in the second half of the Development Decade (1965-70).

Resolution III requested the Committee on Housing, Building and Planning to take emergency measures to expedite building, especially low-income-housing, in the developing countries.

Resolution IV requested the Commission on Human Rights to prepare a report on the laws and practices pertaining to the death penalty, for submission to the Assembly at its 22nd session (1967).

Resolution V commended the work of the United Nations Children's Fund and requested member-States to continue to contribute maximum financial support to its programme.

Resolution VI requested the Secretary-General, United Nations and Specialized Agencies to aid developing countries in providing training facilities and centres for women, in order to ensure greater participation of women in national economic and social development.

Resolution VII requested the Commission on Human Rights to prepare a draft declaration on the elimination of all forms of discrimination against women, for consideration by the Assembly at its 20th session (1965).

Resolution IX requested the Economic and Social Council to provide for equitable geographical distribution of membership, in the election of members of the Commission on Human Rights.

The debate on ending colonialism was based on a report of the Special Committee (Committee of 24) on the situation with regard to the implementation of the 1960 Declaration on the granting of independence to colonial countries and peoples.

The report covered the work of the Committee of 24 during 1963, in which it took decisions with regard to the future of Southern Rhodesia, South-West Africa, territories under Portuguese administration, Gambia, Northern Rhodesia, Nyasaland, Bechuanaland, Swaziland, Aden, Fiji and Malta. In its consensus regarding Kenya and Zanzibar the Committee expressed the hope that no new obstacles would stand in the way of the Territories' independence.

In the report, the Special Committee of 24 stated that it was unable to consider "all other territories which have not yet attained independence" to be added to the preliminary list, and thus to complete the list of territories coming within the scope of its work. It decided to do this at its meetings in 1964, subject to any further directives which the General Assembly might wish to provide at its 18th session.

In the course of the year, the Committee heard petitioners from territories under Portuguese administration, British Guiana, Southern Rhodesia, South-West Africa and Aden; and examined the implementation of the Declaration in 26 territories. However, it was unable to complete its consideration of five of them —Gibraltar, Fernando Po, Ifni, Rio Muni and Spanish Sahara—for lack of time.

Acting on the report of the Special Committee of 24 on the ending of colonialism, the Assembly on December 11 adopted seven resolutions concerning Aden, British Guiana, Malta, Fiji, Northern Rhodesia, Nyasaland, and Basutoland, Bechuanaland and Swaziland, and one resolution on the work of the Committee of 24 itself.

The resolution on Aden, adopted by a vote of 77 in favour to 10 against, with 11 abstentions, called on the administering Power (United Kingdom) to repeal "restrictive laws" and cease "repressive action" against the people of the Territory. In part, it also requested the Secretary-General, in consultation with the Committee of 24 and the administering Power, to arrange for a UN presence before and during General Elections, which would precede the establishment of the national Government recommended in the resolution, and recommended that conversations be opened between the Government resulting from the elections and the administering Power to fix a date for independence and the transfer of power.

The resolution on Malta, adopted unanimously, congratulated Malta and the United Kingdom and noted that the Territory would attain independence "not later than May 31, 1964."

On the question of Fiji, the resolution invited the administering Power to work out with the people of the Territory a new Constitution providing for free elections and to take immediate steps for the transfer of power. It was adopted by a vote of 78 in favour to none against, with 21 abstentions.

The resolution on Northern Rhodesia and the one on Nyasaland were both adopted unanimously. The first noted that elections will be held in Northern Rhodesia in January, 1964 and requested the administering Power to fix a date for independence and the transfer of power to the newly elected Government. The second congratulated Nyasaland and the United Kingdom and noted that the Territory would attain independence "not later than July 6, 1964," and the hope that nothing would hinder the Territory from becoming an independent State by that date.

On the Territories of Basutoland, Bechuanaland and Swaziland the single resolution requested a constitutional conference for each of the three Territories, leading to General Elections and independence. It also requested the administering Power (United Kingdom) to take steps to return to the indigenous inhabitants "all lands taken from them" and, in another operative paragraph, "solemnly warns" the Government of South Africa that attempts to "annex or encroach upon the territorial integrity of these Territories shall be considered an act of aggression." The resolution was adopted by a vote of 78 in favour to 3 against, with 16 abstentions.

The resolution on British Guiana, ad-

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opted by a vote of 78 in favour to none against, with 21 abstentions, called upon the United Kingdom to fix an independence date "without delay."

The resolution on the work of the Special Committee of 24 requested the Committee to continue to seek the best ways and means for the immediate and total implementation of the Declaration on the granting of independence to colonial countries and peoples.

Approving the Special Committee's report, the Assembly, according to the resolution, called on the administering Powers to implement the report's conclusion and recommendations and deeply regretted the refusal of certain administering Powers to co-operate with the Special Committee. The resolution further invited the Special Committee to apprise the Security Council of any developments which might threaten international peace and security.

The resolution was adopted by a roll-call vote of 95 in favour to none against, with 6 abstentions.

The General Assembly, on December 11 adopted 17 resolutions on economic and financial questions.

These resolutions were recommended in three reports of the Second Committee (Economic and Financial), one of which concerned the conversion to peaceful needs of the resources released by disarmament.

Another Second Committee report contained 13 resolutions. These recommended that:

(1) To promote agrarian reform, the Assembly invite member-States and international bodies to strengthen technical assistance to developing countries carrying out land reform programmes and to give financial aid for agricultural development (adopted unanimously);

(2) On literacy campaigns and the supply of food, the Assembly request studies of free distribution of food to the school-age population (89 in favour to none against, with one abstention);

(3) On a United Nations training and research institute, the Assembly request the Secretary-General to take steps to establish such an institute, if possible, in the first half of 1964 (78 in favour to one against, with 11 abstentions);

(4) On the role of patents in the transfer of technology to developing countries, the Assembly request the Secretary-General to prepare a study and submit it to the UN Conference on Trade and Development (unanimously);

(5) On transforming the UN Special Fund into a Capital Development Fund, the Assembly extend the mandate of the Committee on a United Nations Capital Development Fund and request the Secretary-General to study the practical steps of such a transfer (81 in favour to none against, with nine abstentions);

(6) On a world campaign for universal literacy, the Assembly invite States to contribute technical and financial assistance to national efforts for the eradication of illiteracy (unanimously);

(7) On capital resources and the flow of capital to developing countries, the Assembly request the Economic and Social Council to consider means of keeping this question under constant and systematic review (unanimously);

(8) On planning for economic development, the Assembly request the Secretary-General to grant further assistance to regional planning institutes and intensify current activities (unanimously);

(9) On activities in the field of industrial development, the Assembly declare a need to intensify UN efforts in this field and request the Secretary-General to consider holding an international symposium by 1966 related to the problems of industrialization of developing countries (unanimously);

(10) On decentralization of the economic and social activities of United Nations and strengthening the regional economic commissions, the Assembly request the Secretary-General to accelerate such efforts (91 in favour to none against, with one abstention);

(11) On a declaration of international co-operation, the Assembly invite the Economic and Social Council to expedite work on the question (94 in favour to none against, with no abstentions);

(12) On a world campaign against hunger, disease and ignorance, the Assembly urge all non-governmental organizations to put their resources into this campaign in 1965 and continue for the remainder of the United Nations Development Decade (unanimously); and

(13) On international co-operation in the application of science and technology to economic and social development, the Assembly request the Economic and Social Council to consider establishing a programme in which scientists of the highly developed countries would study problems of the developing countries and explore suitable solutions (unanimously).

The Assembly adopted three further resolutions submitted in the third report of the Second Committee. It voted unanimously to enlarge the Governing Council of the Special Fund from 18 to 24 members; by a vote of 79 in favour to none against with 15 abstentions, it authorized the use of funds from the Special Account of the Expanded Programme for the provision of operational personnel by all participating organizations; and it voted unanimously to confirm the allocation of $46,347,638 to the organizations participating in the Programme.

Membership Of Security Council And ECOSOC:

The General Assembly recommended on December 17, 1963 an increase, for the first time in UN history, in the membership of the Security Council from the present 11 to 15.

The Assembly, which adjourned its 18th annual session after the vote, disregarded a last-minute Soviet appeal for a postponement of the vote so that private consultations might continue on the question. Russia is opposed to any change in the Council membership until UN recognizes China.

The vote was 97 to 11 with four abstentions, one member being absent.

The Assembly's decision does not in itself guarantee expansion of the Security Council because this requires amendment of the UN Charter, for which the ratification of two-thirds of the member-Governments, including the five Permanent Members of the Security Council, is necessary.

France joined the Soviet Union in voting against the resolution, which was called up from the Political Committee where it was adopted at the instance of a group of African, Asian and Latin American nations.

In a separate vote, the Assembly also recommended an increase in the membership of the Economic and Social Council from 18 to 27 seats.

Of the nine seats to be added to the Economic and Social Council, seven would go to the Afro-Asian States, one to Latin America and one to Western Europe and "other States."

The vote was 96 to 11 with five abstentions.

The United States and Britain abstained on both votes. They reserved their positions to give further study to the proposed enlargements.

Kenya And Zanzibar Admitted To UN:

On December 16, 1963, Kenya and Zanzibar were admitted as members of United Nations.

At a brief flag-raising ceremony, the UN Secretary-General, U Thant, congratulated the peoples and Governments of Zanzibar and Kenya and said: "Henceforth the peoples of Zanzibar and Kenya are masters of their own destiny."

The formalities of admission to membership were gone through earlier in the day. In the morning, the Security Council heard Britain—co-sponsor with Ghana and Morocco—introduce the applications for membership. Later in the General Assembly, the draft resolutions for membership were adopted by acclamation.

Session Ends:

The 18th session of the General Assembly ended on December 17, 1963.

Closing the session, the Assembly President, Mr. Carlos Sosa Rodriguez of Venezuela, stated that the work of the Assembly had "centred around the three great political imperatives of our times: the maintenance of peace, the elimination of colonialism and of racial segregation, and the improvement of economic and social conditions in the developing countries".

Listing the positive achievements of the session, he mentioned the resolution banning nuclear weapons from outer space and the one setting down the principles for the peaceful use of outer space.

Referring to the debates on colonial issues, he said it had become quite apparent that world opinion, with a few "obvious" exceptions, was on the road "to ending, once and for all, all colonialism all over the world," and also that the whole world was now committed to end segregation.

In the economic field, he declared that the debate was dominated by the forthcoming Conference on Trade and Development. This Conference, he added, must find a way to solve old problems of economic relations between developed and developing countries.

He also acknowledged that the smooth and speedy conclusion of the work was due both to the applications of some measures recommended for shortening General Assembly sessions and embodied in a resolution, and to the co-operation of delegations.

Replying to a question concerning the resolutions on enlarging the Security Council and the Economic and Social Council, he noted that these resolutions had been adopted by a very large majority. The Great Powers could now see, he added, the great majority of member-States now felt "that it is about time for the Councils to be reshaped". He explained, however, that the next step was ratification, and if the Great Powers did not ratify, the decisions could not be put into effect.

He was also asked his opinion on the procedure under Article 19 of the Charter which provides for suspension of membership rights for those countries which are in arrears in their contributions. He said that the application of this Article was "not only a legal question but also a political one that requires a great deal of reflection before one gives an opinion on it".

(*United Nations, The Hindu*, Madras, *The Statesman*, Calcutta and *The Times of India*, Bombay)

[Prev. ref. 5571:AOA:A]

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ASIAN RECORDER

February 19—25, 1964

Regd. No. D-727

Vol. X No. 8

BURMA

A. Amnesty Offer To Rebels Ends: The Government amnesty offer to rebels expired at midnight of January 31-February 1, opening the way for an all-out Government military campaign against insurgents.

Under the 10-month-old amnesty declaration, rebels—including underground Communists and secession-minded minority tribesmen—were eligible for free pardon if they surrendered with their weapons.

With the amnesty over, the rebels are once again liable, when captured, to be charged under the Treason Act which carries a death sentence.

(*The Nation*, Rangoon and *The Statesman*, Calcutta)

[Prev. ref. 5579:BUR:A, 5627:BUR:C]

B. Restrictions On Private Purchase And Sale Of Crops: The Chairman of the Revolutionary Council, Gen. Ne Win on December 26, 1963 promulgated an Order authorizing the Government to declare by notification any agricultural crop an essential commodity.

The Order declared the following crops "essential commodities".

(1) Paddy, (2) matpe, (3) tapioca grown in Pa-an District by registered growers, (4) Virginia tobacco, (5) jute, (6) kapok, (7) cotton—mahlang 5/6, (8) cotton—long staple, (9) wagyi, (10) wagale, (11) jute and (12) groundnut.

Under the Order, the Government may by notification issue directives prohibiting the purchase of these crops from farmers by any one other than itself or its agencies, and the sale, storage, transport disposal etc. of these crops. Such directives may contain provisos and exceptions.

In addition to the crops which it directly buys from farmers, the Government has power to purchase, if public interest demands, any stocks of crop held by any person for purpose of trade, by offering a reasonable price. If the person refuses to sell, the Government, or the official specially empowered in this behalf, may issue a directive to him ordering him to sell the crop to the Government organization concerned.

The Government is also authorized to fix the prices of these commodities.

Import Regulation:

An earlier Order, promulgated by the Chairman of the Revolutionary Council on December 18, 1963 authorized the Secretary of the Executive Committee of the People's Stores Corporation to regulate the storage, transport, movement, pricing, distribution or sale of imported goods.

The Order was made by the Chairman exercising the powers conferred upon him by Section 3 of the Essential Supplies and Services Act, 1947. It came into force with immediate effect.

Under this Order, all importers are to submit to the Secretary prescribed returns about their imported goods within prescribed periods.

No importer is to store, transport, move, fix prices or sell imported goods enumerated in these returns except in accordance with the directives of the Secretary.

The Order will not apply to goods imported by the Government Departments, Boards and Corporations, or to goods imported for purposes other than trade, or to goods imported as samples. Directives relating to these imports will be issued by the Secretary from time to time with the concurrence of the Executive Committee of the Corporation.

Any one who fails to comply with or who violates any of the provisions of the Order, or the directives issued under it, will be punished under Section 8 of the Essential Supplies and Services Act. It is also provided that such punishment will entail confiscation of the imported goods concerned.

(*The Nation*, Rangoon)

[Prev. ref. 5627:BUR:A]

CEYLON

A. Independence Day Celebrations: The 16th anniversary of Independence was celebrated throughout the Island on February 5.

The venue of the year's main celebrations was the southern port town of Galle, where surging crowds witnessed an armed services parade followed by a march-past by students.

Galle was chosen because of the Government's decision to stage the celebrations in different parts of the country every year. In 1963 the celebrations were held at Anuradhapura, the ancient Capital of Ceylon.

In her broadcast the Prime Minister, Mrs. Sirimavo Bandaranaike, announced the Government's decision to treat the coming year as "A National Service and Freedom-From-Hunger Year" as a mark of the Government's firm resolve to increase production and to fight the common enemies of poverty and want.

She said that Ceylon's foreign policy, based on the principle of non-alignment, was honoured all over the world as one which was conducive to peace and friendly co-operation between all nations. She said Ceylon had played a full and responsible part in international affairs and helped in easing tensions and promoting peace.

She re-iterated the Government's assurance to the minorities that while the Government strove to give back to the majority those rights which, during a long period of foreign rule, they were deprived of, "we do not propose to act in a manner that will violate in any way the basic rights enjoyed by any citizen of this country."

She added: "Naturally, in a period of rapid change and transition such as the present, it was inevitable that some sections of the community, be they linguistic or religious, may have felt that their rights were in danger.

"Of these groups I ask for patience and understanding. From the majority I ask for magnanimity and moderation."

(*The Hindu*, Madras and *The Times of Ceylon*, Colombo)

[Prev. ref. 5111:CEY:C]

CHINA

A. Resumption Of Ideological Attack On USSR: Peking's *People's Daily* on February 3 compared the Soviet Premier, Mr. N. Khruschev and President Lyndon Johnson of USA to Siamese twins.

An article by the newspaper's commentator answering criticism by **Pravda** on January 30 of a **People's Daily** report on the Geneva disarmament talks was issued by the **New China News Agency** in a resumption of polemical attack on Soviet leaders.

There had till then been a comparative lull in direct Chinese attacks on Soviet leaders.

The article said **Pravda's** reaction to criticism by the **People's Daily** of President Johnson showed it was the Soviet Communist Party's organ which felt the pain of an attack on the American President, as one Siamese twin was said to feel the other's pain.

It asked: "Does this mean that the Soviet leaders intend to reach an agreement with Johnson, under which they would join hands in forbidding the people to oppose imperialism and start revolution?

"If so, **Pravda** has indeed good reasons for its nervousness, which appears at first glance unwarranted."

The Chinese Communist Party organ also devoted the entire back page to publishing anti-Chinese material put out in the Soviet Union during the past fortnight along with sharply worded Chinese comment on it.

An introductory editorial note said the Soviet leaders were in a "mental condition in which they are extremely anti-China but lack any grounds or reason."

It promised further attacks on Soviet leaders and their allegedly "revisionist" policies.

Yugoslav Protest Rejected:

Earlier, on January 30, a Yugoslav Government spokesman said in Belgrade that China had rejected a Yugoslav protest made on January 14 against "most rude attacks and slanders" by the Premier, Mr. Chou En-lai, against Yugoslavia during his visit to Albania (see page 5641).

China in a reply on January 29 claimed that the Yugoslav protest was an unfounded slander and attack against Mr. Chou.

The Chinese reply also accused Yugoslavia of having always maintained a hostile attitude towards the "peace-loving policy of China" and of sowing dissension among China and countries of Asia, Africa and Latin America.

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The spokesman added that the Yugoslav Foreign Ministry had rejected the Chinese reply because "in addition to distorting facts it contained slanders against Yugoslavia."

The Yugoslav protest Note said that by using a visit to Albania to attack Yugoslavia, undermine its friendly relations with socialist countries, and to intensify Albanian hostility to Yugoslavia, China was violating the elementary norms in international relations.

(*The Statesman*, Calcutta and *The Times of India*, Bombay)

[Prev. ref. 5641:CHI:A]

B. Plans For Economic Advance: According to the Chairman of the State Economic Commission and Vice-Premier, Mr. Po I-po, China plans an all-out economic advance after 1965, when it will have paid off its debts to the Soviet Union.

Quoted in a Hong Kong communist newspaper, Mr. Po made a number of revealing comments on the present economic developments in China and on the withdrawal of Soviet experts in 1960.

One of his most significant statements was that China's urban population "must be reduced from 130 million persons to 110 million". This means that the Chinese plan to continue emphasizing agricultural production at the expense of industry for some time to come.

China recruited a large number of peasants for factory work at the height of the industrial drive in 1958, and began sending them back to the countryside when the agricultural situation became desperate in 1959 and 1960.

Mr. Po said: "We have drawn too much man-power from rural areas to the cities. Natural calamities show that our urban population is greater than our countryside can supply." He indicated that more people would be required in the countryside until agriculture was mechanized.

He made his comments in an interview published in the Hong Kong **Ta Kung Pao** under the byline of Anna Louise Strong, an American writer who has been living in China for a number of years.

He gave no details of Peking's future plans, but said they would have "an entirely independent economic foundation that completely meets our needs". In the meantime, China was undergoing a period of "economic re-adjustment" necessitated principally by the "sudden blow" struck by Mr. N. Khruschev in 1960 when 1,300 Soviet experts were ordered back to Russia and supplies of vital equipment from the Soviet Union ceased.

It was like someone "taking away all the dishes when you have eaten only half a meal", Mr. Po said. "Mr. Khruschev wanted to strangle us to death, but instead he made us work harder and harder these three years." He claimed that China had "overcome the difficulties which he (Mr. Khruschev) caused".

(*The New York Times*)

[Prev. ref. 5591:CHI:B]

INDIA

SUMMARY: Dr. Zakir Hussain's Address To Parliament; Railway Budget; Gen. Ne Win's Visit; Investment Agreements With USA; Expansion In Ship-building Industry.

A. Dr. Zakir Hussain's Address To Parliament: The Vice-President, Dr. Zakir Hussain on February 10 opened the Budget session of Parliament with an Address to a joint meeting of the two Houses briefly surveying the previous year's problems and achievements and also the burdens and tasks that lay ahead of the country.

Dr. Zakir Hussain, who had been discharging the functions of the ailing President since February 5, spoke first in Hindi and then in English. Five DMK members refrained from attending as a protest against the Vice-President giving precedence to Hindi. The Prime Minister, Mr. Nehru attended.

Dr. Hussain said: "In spite of difficulties and distractions, we have continued to move forward towards our objective of a democratic and socialist order at home and for peace and co-operation in international affairs".

He made a pointed reference to India's relations with Pakistan, which country, he said, had, instead of showing a desire to reach a settlement, mounted a "hate India" campaign.

The Pakistani authorities, he said, had exploited the theft of the holy relic in Kashmir to fan communal feelings and this had resulted in serious disturbances in East Pakistan and loss of property and several hundred lives of the minority community in that province.

He also referred to the repercussions in West Bengal, where the Government took firm action.

He regretted that Pakistan's response to India's suggestion of a joint appeal by the Presidents of the two countries to restore peace and harmony had been negative, and India was facing a large influx of the minority community from East Pakistan.

He said that though there was no actual fighting on the borders, the Chinese threat continued throughout 1963. Despite India's dedication to peace, she had to take many steps to improve the defence forces. He spoke of the help received in this regard from USA, Britain and several other Commonwealth countries and Russia.

Referring to the economic situation, he said that the shortfalls in the production of food had had a disturbing effect on the price level, but the Government had taken steps to prevent prices from "shooting up".

A steady increase in agricultural production was described as the most important task facing the country. There had been, he said, a steady expansion in the overall agricultural effort during the first two years of the current Plan, but there had also been successively bad agricultural seasons.

In industrial production the upward trend had been maintained and the general level of output in 1963-64 was expected to be 7 per cent to 8 per cent more than in the previous year. He mentioned a number of projects, now at various stages of implementation, which would strengthen the economy in the years to come.

The Central Vigilance Commission, which had been set up to deal with corruption and lack of integrity in the administration, would have in its own sphere a status broadly corresponding to that of the Union Public Service Commission.

He described India's relations with Nepal as most cordial and friendly and said India looked forward to developing closer relations with the newly independent countries in Africa. He also supported the African people struggling for freedom from Portugal.

A reference was made to the assassination of President J. F. Kennedy, in whose death, he said, India had lost a genuine friend and the world a great champion of peace and amity.

He spoke of India's broad agreement with Mr. N. Khruschev's proposal for an international agreement renouncing the use of force in settling territorial or border disputes. He hoped that the principal Powers would be able to work out an acceptable agreement on this suggestion.

The Lok Sabha discussed the Address for four days from February 12. The discussion in the Rajya Sabha also began the same day.

(*The Statesman*, New Delhi)

[Prev. ref. 5111:INI:A]

B. The Railway Budget: The Railway Budget for 1964-65, presented to Parliament by the Central Railway Minister, Mr. H. C. Dasappa, on February 11, contemplates no increase in passenger fares or parcel rates.

A small increase of two per cent in the supplementary charge on goods freight rates including coal rates has, however, been proposed. This is to meet at least part of the cost of the recently sanctioned concessions to Central Government employees by way of increase in dearness, city compensatory and house rent allowances as well as improvement in the family pension scheme and in lower rated pensions.

There will also be some additional commitment arising from the Government's proposal that Railways should pay interest (dividend) at 5.75 per cent to the General Exchequer on fresh capital made available to the Railways during the Budget year and thereafter until the position is reviewed by the Railway Convention Committee in 1965. For capital provided for the Railways up to the end of the current year, the 4.5 per cent rate as approved by the Parliament in 1962-63 will apply. The increased interest rate is to reflect the increased cost of raising capital.

Simultaneously, a downward adjustment in the classification of some high rated commodities has been proposed, by way of rationalization, which will reduce the freight rates on several items of finished products in consumer goods.

In respect of coal, a graduated increase in basic coal freight rates within a maximum increase of Rs. 3 per tonne, for distances from 501 kilometres and up to 2,100 kilometres has been proposed. This measure, while raising some additional revenue, will also be a step towards rationalization. The existing taper in coal freight rates for long distances requires review, so as to make freight rates on coal for such distances conform more nearly to the cost of its haulage as computed by recent cost studies. The proposed adjustments keep this objective in view.

Mr. H. C. Dasappa's Speech:

Introducing the Budget, Mr. Dasappa stated that many railway employees, who had hitherto preferred to continue under the Railway Contributory Provident Fund Scheme for retirement benefits, would now elect pension in view of the enhanced benefits in lower rated pensions sanctioned from October 1, 1963 and the improvement in the Family Pension Scheme from January 1, 1964.

With large numbers of railway staff in varying age groups coming over to pension, it was necessary for the Railways as a commercial department to even out the resultant fluctuating burden from year to year on account of pension payments. A Pension Fund was accordingly proposed to be set up, by making, an annual contribution from Revenue to the Fund on the lines of the provision made from Revenue for the Railway Depreciation Reserve Fund. An initial contribution from revenue of Rs. 19 crores will be made in 1964-65, part of which will be found by reducing the provision for Government

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contribution to Provident Fund, since the number of non-pensionable staff, hitherto under the Railway Provident Fund Scheme of retirement benefits, will correspondingly decrease. The net additional cost on account of the Pension Fund in 1964-65 will be Rs. 15 crores.

The proposal of the Government to raise the present 4.50 per cent interest (dividend) rate to 5.75 per cent on capital made available to the Railways after March 31, 1964, would mean additional resources to General Exchequer of a little over Rs. 1.5 crores in 1964-65 and nearly Rs. 5 crores in 1965-66 assuming the same capital outlay in 1965-66 as in 1964-65.

The aggregate of these additional commitments in 1964-65 would be of the order of Rs. 22 crores, made up of a sum of Rs. 20.5 crores under staff including the net requirements of the Pension Fund and the effect of the increased dearness allowance and city compensatory and house rent allowances and a sum of Rs. 1.5 crores as additional dividend to General Revenues. The expenditure chargeable to the Development Fund, which is a fund fed solely from the annual surpluses, was also mounting steadily with the persistent demand for more facilities for the steadily increasing passenger traffic, welfare measures, including housing, for the increasing number of railway employees, etc. An annual average surplus of about Rs. 19 crores in the Second Plan had been found insufficient, and the Railways had been obliged to borrow from the General Revenues in the Second Plan period for financing works chargeable to Development Fund. It was essential not only to have enough surplus for the purposes of the Railway Development Fund but also to earn increased surplus proportionately with the increasing investments so that a reasonable return on the capital is maintained. "It follows, therefore, that means should be found to raise sufficient additional commitments." The marginal adjustments in freight rates have been proposed keeping the requirements in view. The increase in freight rates recommended by the Railway Freight Structure Enquiry Committee in 1957 had been effected only in stages, reaching the average increase of about 13 per cent recommended by the Committee only on July 1, 1962. The five per cent supplementary charge imposed thereafter, on April 1, 1963, together with the proposed further two per cent, he pointed out, had to be viewed in relation to 33.5 per cent increase in the per capita cost of staff and in the price of coal since 1957.

Export ore will be exempt from the proposed additional surcharge. The surcharge will also not apply to the Defence and the Posts and Telegraphs traffic, which is governed by separate tariffs, nor to the Railways' own departmental traffic. Since the increase will be only two in 110, it would amount effectively to 1.8 per cent only.

The adjustments in coal freight rates will not affect about 45 per cent of the total coal traffic which moves for distances up to 500 km, though the two per cent supplementary charge will apply. Even for movement beyond 500 km and up to 2,100 km, the increase in no case will exceed Rs. 3 per tonne in the basic rate.

On the other hand, the proposed downward adjustment in the classification of certain commodities, which now bear the highest rates, will mean an appreciable reduction ranging between 3.9 and 23.5 per cent. For instance, at 500 km, the present rate of Rs. 103.10 nP for traffic in wagon loads, of acid nitric, will be reduced by Rs. 18.10 nP per tonne, the rate of Rs. 88 for safety matches by Rs. 15 per tonne and the rate of Rs. 73 for rectified spirit, furniture and confectionery by Rs. 2.90 nP per tonne. There will be corresponding reductions for traffic in smalls. The adjustment will serve, as in the case of coal, to bring the rates closer to the cost of haulage and reduce the present wide spread of rates.

The proposed two per cent increase in supplementary charge was too insignificant, he added, to affect retail prices. For instance, for a distance of 600 km, which is the approximate average lead of general merchandise, the levy will amount to about one-twentieth of a naya paisa per kg of salt, about one-twelfth of a naya paisa per kg of sugar, and about one-twenty-fifth of a naya paisa per kg of foodgrains. For commodities charged at lower classification, the increase will be even less.

Additional revenue from the two per cent general increase in the supplementary charge is estimated at Rs. 7.5 crores and from the other adjustments at Rs. 3.5 crores, making a total increase of Rs. 11 crores, which will still be only about half the estimated value of new commitments (Rs. 22 crores) in 1964-65.

Financial Results For 1962-63:

The financial results for 1962-63 reveal a net surplus of Rs. 42.56 crores as compared to the revised estimates of Rs. 23.20 crores.

The increase was almost entirely from larger traffic receipts, which came to Rs. 566.79 crores, as against the revised estimates of Rs. 549.62 crores, due particularly to a spurt in goods earnings towards the closing months of the year. Ordinary working expenses amounted to Rs. 362.63 crores, approximating closely to the revised estimate of Rs. 363.14 crores.

Revised Estimates For 1963-64:

The present forecast of gross traffic receipts for 1963-64 is Rs. 622.23 crores, as against the Budget estimate of Rs. 599.69 crores.

The bulk of the increase is expected to accrue under passenger and goods earnings—Rs. 7.53 crores under passenger and Rs. 12.06 crores under goods. The increase in goods earnings is attributable largely to the increase in the higher rated general goods traffic, over budget anticipations of this traffic, which is expected to more than make up for demands for rail traffic in coal, export ore and raw materials for the steel plants not coming up to expectations.

The contribution to the Depreciation Fund charged to Revenue Working Expenses, will be Rs. 80 crores, the same as provided in the Budget Estimates for 1963-64. The surplus creditable to the Development Fund is now expected to be Rs. 37.75 crores, against a budgeted surplus of Rs. 31 crores, or Rs. 6.75 crores more.

Third Plan Progress:

In a review of the Railways' "fully satisfactory" performance in relation to the Third Five-Year Plan targets, Mr. Dasappa recalled that, in terms of tonne kilometres, freight traffic had nearly doubled itself in the 10-year period covered by the first two Plans, the originating tonnage increasing beyond what had been carried by the undivided Indian Railway system during the heaviest year of the Second World War.

The number of passengers increased by 310 million or by 25 per cent in the same period. The rate of growth of traffic has been further accelerating. Whereas the total increase in originating goods traffic during the Second Plan period as a whole was 40.3 million tonnes, the increase in just three years of the current Plan is estimated to be nearly 38 million tonnes. Railways expect to lift about 194 million tonnes in 1964-65. The aggregate goods traffic expected to materialise in the last year of the current Plan is now placed at about 245 million tonnes in the Mid-Plan Appraisal.

The rate of increase in suburban passenger traffic in the first two years of the Third Plan was of the order of 17 per cent. The aggregate increase in non-suburban passenger traffic during those years has been less than four per cent; it is, however, expected that in the remaining years of the Plan, the overall increase will mount up to 15 per cent provided in the Plan.

Construction Of New Lines:

In regard to the construction of new railway lines, priority has been accorded to the lines in Assam and North Bengal and the lines required for the export of iron-ore.

In the former category are the metre-gauge extension of Rangapara North-Lakhimpur line to Kurkong Selek and the extension of broad-gauge line eastwards to Jogighopa in Assam in continuation of the already opened broad-gauge line to Siliguri with a ferry across the river Ganga between Farakka and Khejuriaghat. These projects are in full swing.

Of the lines required for the export of iron-ore, the major construction from Bailadilla to Kottavalasa is progressing according to schedule. Laying of an additional BG line, alongside the existing Hospet-Guntakal metre-gauge line, is also in progress.

Out of the Third Plan lines under construction the previous year, the Virudhunagar-Manmadurai line has been opened to traffic this year up to Aruppukottai as also the Hatia-Nawagaon line. The Kalkalighat-Dharamnagar line is also expected to be opened shortly. Three major lines—the Sambalpur-Titilagarh, Bimlagarh-Kiriburu and the Robertsganj-Garhwa Road—have been opened to traffic, the first two undertaken in connexion with the movement of export ore and the third for movement of coal to the North and West. The construction of Salem-Bangalore line has made appreciable progress. To facilitate the export of iron-ore from certain areas of the Mysore State, the construction of the Hassan-Mangalore line had been included in the Third Plan. As a first step, a mixed broad-metre-gauge link to the projected port site at Panambur has been sanctioned from the present Mangalore railway station.

The handling of traffic in imported foodgrains requiring to be moved northward via Poona is likely to be facilitated by a broad-gauge rail link from the Marmagao port, connecting with the Miraj-Poona section which is currently under conversion from metre-gauge to broad-gauge. A second proposal envisages the provision of a broad-gauge, in place of the existing Hospet-Londa metre-gauge line en route Marmagao port, this proposal being dependent on the prospects of iron-ore exports in substantial quantities from the Hospet-Bellary region over and above the ore exports now going from the Goa area. Two engineering-cum-traffic surveys are in progress to examine the justification for broad-gauge lines to serve these two objectives connected with the development of Marmagao port.

Electrification And Dieselization:

In their efforts towards modernization of traction and rolling stock to handle effectively and economically their fast increasing freight and passenger traffic, the Railways have switched over from steam to diesel or electric traction on selected sections with heavy density of traffic.

The total route length electrified since commencement of the Second Plan has now risen from 388 to 1,463 route kilometres. Electrification of all the Third Plan lines is expected to be substantially completed by the end of the Plan. As a result of rephasing, adopted mainly to conserve foreign exchange, only two sections, namely, the Howrah-Kharagpur

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section of the South-Eastern Railway and Nandgaon-Bhusaval section of the Central Railway would be carried over to, and completed early in, the Fourth Plan.

The Indian Railways' fleet of diesel locomotives of all gauges has grown from 171 units on March 31, 1959 to 454 units at present, and of electric locomotives from 92 to 240. Over 21 per cent of the total net tonne miles of the rail traffic carried in 1962-63 was hauled by diesel and electric locomotives. The percentage has further increased in the current year and the pace of increase will be accelerated with the indigenous manufacture of diesel and electric locomotives which has been taken in hand.

Transport Performance:

In 1962-63, Railways carried 178.8 million tonnes of goods traffic, exceeding the target set for the year by nearly three million tonnes and surpassing the Railways' performance of any earlier year.

According to the present trends, the Railways expect to lift in the current year a further 15 million tonnes in the aggregate, against an estimated increase of 17 million tonnes. Due to reduced demands on rail transport, the increase under coal is now expected to be about 4.00 million tonnes against about 9.5 million tonnes anticipated earlier—a shortfall of about 5.5 million tonnes, notwithstanding the availability of both production potential and transport capacity up to the earlier forecasts. The smaller increase than earlier anticipated is now likely to be of about 0.5 million tonnes in the export ore and one million tonnes in regard to raw materials for steel plants other than coal. The slower increase in traffic in the above categories of goods is expected to be made up, to some extent, by traffic in general goods in which the increase is likely to be about 9.3 million tonnes—nearly double of what was anticipated earlier.

Budget Estimates For 1964-65:

Gross traffic receipts for 1964-65 have been estimated at Rs. 668 crores, of which Rs. 184 crores are expected to accrue from passenger traffic; Rs. 432 crores from goods earnings, including Rs. 11 crores from the proposed additional surcharge and other freight adjustments; Rs. 35 crores from "other coaching" earnings and Rs. 18 crores from "sundry" earnings.

Railways are preparing themselves to lift goods traffic aggregating 17 million tonnes more in 1964-65 than in 1963-64. This is expected to comprise seven million tonnes of more coal from Bengal and Bihar, two million tonnes more coal from the outlying coalfields, one million tonnes of other raw materials for, and finished products from, steel plants, one million tonnes of export ore and six million tonnes of general goods. It was, however, too soon to forecast confidently whether the extra traffic would, in fact, materialise to that extent, especially in coal and general goods.

The Budget estimate of ordinary working expenses for 1964-65 is Rs. 414.68 crores, which is Rs. 21.34 crores more than the revised estimate for 1963-64. The contribution to the Depreciation Reserve Fund is provided at Rs. 83 crores including the additional contribution of Rs. 10 crores approved by Parliament the previous year. Allowing for dividend payable to General Revenues at the higher rate of 5.75 per cent on the fresh capital for 1964-65 and a further payment of Rs. 12.5 crores, the usual annual payment in lieu of passenger fares for transfer to the States, the Budget surplus in 1964-65 is estimated at Rs. 30.87 crores which will be credited to the Development Fund. The estimated expenditure chargeable to this Fund in 1964-65 being Rs. 33 crores, there will be a small reduction in the closing balance of this Fund. Mr. Dasappa added that, despite significant economies through sustained measures of improved operation and by maximizing the Railways' principal assets—of which, in fact, the Railway Freight Structure Enquiry Committee had taken note in their Report of 1957 and in which there have been further substantial improvements—it was not possible to achieve the minimum surplus of the order necessary without recourse to the proposed marginal adjustments in goods freight rates.

The Budget estimate for works, machinery, plant and rolling stock, including "Open line works—revenue" for 1964-65, has been placed at Rs. 370 crores. This includes nearly Rs. 4 crores for railway user amenities.

Administrative Reforms:

Mr. Dasappa referred to the various measures which were being progressively improved over a period of years for eradication of corruption, disposal of complaints and grievances and by way of administrative reform.

He also referred to continuing measures of fuel economy and the useful work done by the Railway Protection Force.

Progress In Self-sufficiency:

There has been considerable increase in the indigenous manufacture of all kinds of railway equipment, including track materials and bridge girders.

This increase resulted in a steady decrease in the purchase of imported materials from 30.03 per cent of total railway purchases in 1961-62 to 14.27 per cent in 1962-63 and consequent saving in foreign exchange with reference to the increased value of total purchases.

The Chittaranjan Locomotive Works are now turning out W.P. locomotives for mail and express passenger trains, in addition to maintaining and even surpassing the target annual output of 168 W.G. freight locomotives. The first AC broad-gauge electric locomotive turned out from these Works was commissioned recently by the Prime Minister, Mr. Nehru. Twenty-one DC broad-gauge locomotives had been turned out earlier. Capacity is now being developed for the manufacture of 72 electric locomotives per year. The steel foundry, with a capacity of 10,000 tons of castings a year, has just commenced production.

The first diesel locomotive assembled from imported components was recently commissioned by Mr. Lal Bahadur Shastri at the Diesel Locomotive Works, Varanasi. The factory is expected to turn out two more broad-gauge main line diesel locomotives in the current year and 26 more such locomotives and a few diesel shunters in 1964-65.

The production in the Integral Coach Factory has been diversified to include electric multiple unit coaches and metre-gauge coaches. Over 150 broad-gauge electric multiple unit trailer coaches have been completed; another 162 are expected by March, 1965. With the intensification of second shift working, the target of production (700 shells) is expected to be reached in 1964-65; all these shells are expected to be equipped with the necessary fittings in the attached 'furnishing unit', thus releasing capacity in other shops, hitherto doing the 'furnishing', for their increased repair and other load.

Railways' Report:

The originating passenger traffic on the Railways during 1962-63 numbered 1,770 million and the passenger kilometres totalled 8,449 million, registering increases of 3.38 per cent and 2.68 per cent, respectively, over the previous year.

The suburban passenger traffic in terms of passengers originating showed an increase of 5.73 per cent as against an increase of 1.41 per cent under non-suburban traffic.

The originating freight traffic during the period touched a new peak of 178.8 million tonnes and surpassed all previous records of increase.

The gross traffic receipts of the Railways was Rs. 566.79 crores—Rs. 169.19 crores from passenger traffic, Rs. 349.52 crores from goods traffic and Rs. 48.08 crores from parcel luggage and other sources of revenue. The financial results indicated an operating ratio of 75.78 per cent and a surplus of Rs. 42.06 crores.

The Railways opened 478 kilometres of new lines including 79 kilometres of conversion from metre to broad-gauge during 1962-63. Another 2,256 kilometres of new lines were under construction.

The bridge across the Brahmaputra, near Pandu, was opened to goods traffic in October, 1963. The construction of the second Jumna bridge near Delhi is in progress.

The expenditure on amenities for passengers amounted to Rs. 2.45 crores during the period. Sleeping accommodation in third class coaches was extended to 41 pairs of trains.

Besides, 29 out-agencies, city booking offices|agencies and street collection|delivery services were opened. About 300 broad-gauge, 360 metre-gauge and 60 narrow gauge coaches were put into service.

The Railways are the largest employer in the country and the wage bill of the Railways forms the biggest single item of their ordinary working expenses. The total number of staff on Government Railways was 1,212,045 in 1962-63 against 1,174,453 in 1961-62.

The goods traffic in terms of transport originating increased by 11.4 per cent and net ton kilometres by 10.4 per cent. The passenger traffic in terms of number of passengers originating showed an increase of 3.36 per cent and passenger kilometres 2.68 per cent.

The transport output in terms of train kilometres increased by 3.11 per cent. The cost of staff including allowances, provident fund, gratuities, pension benefits and grainshop concessions rose to Rs. 233.09 crores.

With the full co-operation of organized labour, the incentive system of payment by results has been extended to the Integral Coach Factory, Madras, and progressively to railway workshops.

So far, 44,000 workers have been brought under the incentive system and another 44,000 workers, including supervisors, are expected to be brought within the scope of the system by the end of the current year.

(*PIB* and *The Times of India*, New Delhi)

[Prev. ref. 5113:INI:B, 5170:INI:D]

C. Gen. Ne Win's Visit: The Chairman of the Burmese Revolutionary Council, Gen. Ne Win, arrived in New Delhi on February 8 by special plane on a day's visit.

Gen. Ne Win, who was accompanied by Madame Ne Win, was received at the airport by the Vice-President, Dr. Zakir Hussain, Mrs. Indira Gandhi, Mr. Lal Bahadur Shastri, Minister without Portfolio, Mr. T. T. Krishnamachari, the Finance Minister, Service chiefs and senior officials of the External Affairs Ministry.

Gen. Ne Win's party of 10 included four officers of the Burmese Government. They were Lt-Col. Ko Ko, Cabinet Secretary, U Soe Tin, Permanent Secretary, Foreign

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Office, Lt.-Col. Chit Khin, General Staff Officer, and U Ba Chit, Chief of Division, Foreign Office.

Their presence lent support to the expectation that Gen. Ne Win would take the opportunity to exchange views on the Sino-Indian border dispute during his talks with Indian leaders.

Gen. Ne Win called on the Prime Minister, Mr. Nehru and was with him for an hour. No one else was present at the talks between the two leaders.

According to official circles, Gen. Ne Win came to India on "a brief informal and personal visit to see Mr. Nehru and inquire about his health."

Declining to meet correspondents on his arrival at Palam, he said: "I am on a purely personal visit to pay my respects to the Prime Minister. I have nothing to say to the Press."

Before meeting Mr. Nehru, he called on the Vice-President, Dr. Zakir Hussain and was with him for 25 minutes. Three Burmese and two Indian officials were present at the talks.

Burma, which has a long border with China, has made no secret of her anxiety to maintain good relations with both her big neighbours—India and China. It is not unlikely, therefore, that the border question figured during the Burmese leader's talks with Mr. Nehru and Dr. Zakir Hussain.

While the precise nature of talks on China "as a matter of mutual interest" was not known, it was officially stated that General Ne Win did not bring any specific suggestion of his own or from China on the Sino-Indian border dispute. Nor was he requested to convey anything on the issue to China.

On the non-aligned countries' conference the talks presumably were a follow-up of what the Deputy Minister for External Affairs, Mr. Dinesh Singh had discussed in Cairo and Belgrade during his recent tour. Official sources declined to say anything about Burma's reaction to the proposal as it is emerging.

General Ne Win was given a warm send-off on February 9 by the Vice-President, Dr. Zakir Hussain, Mrs. Indira Gandhi, Mr. Lal Bahadur Shastri, Mr. T. T. Krishnamachari, Mrs. Lakshmi Menon, the Service Chiefs and senior officials of the Government.

On his way to the airport, Gen. Ne Win, accompanied by Madame Ne Win, paid a brief visit to Mr. Nehru to say good-bye. Mr. Nehru was then attending a meeting of the Congress Parliamentary Party.

The Foreign Secretary, Mr. Y. D. Gundevia expressed to correspondents the Government's appreciation of Gen. Ne Win's "great gesture" in coming to see Mr. Nehru. "We are grateful," he said.

The General, he disclosed, would pay a State visit to India some time.

(*The Statesman* and *The Hindustan Times*, New Delhi)

[Prev. ref. 5122:BUR:C]

D. Mr. R. McNamara Advocates Speedy Arms Aid To India: Testifying on the US Defence Department's budget estimates before the House Armed Services Committee on January 27, the US Defence Secretary, Mr. Robert McNamara, said it was in the US interest to improve the quality of India's defence against the Chinese communist threat.

He expressed the hope that Britain and other Commonwealth countries would continue to help in the build-up of Indian military forces.

He said that although there was continued danger that the Chinese might repeat their performance of 1962 and attack India, "we do not anticipate a new out-break of fighting in the immediate future." "We should, however, anticipate increased Chinese political activity throughout the sub-continent.

"Indeed, examples of this are already in evidence as the Chinese increase the tempo of their political relations with all countries neighbouring India, particularly Pakistan, where they are trying to drive a wedge between that country and the US."

It was also quite possible that the Chinese would attempt to exploit "anti-national feelings among India's dissident northern tribesmen," he said, presumably referring to Naga hostiles.

He said that while the fighting had stopped, the Indian military forces remained in need of considerable help in almost all areas, notwithstanding the aid already furnished by USA and Commonwealth countries.

"We see a very real need for India to improve the quality of its defences against the Chinese communist threat, and we believe it is in our own nation's interest to assist them," he said. "We hope the UK and other Commonwealth countries will continue to do like-wise.

"Over the next few years, we plan to continue to assist India in improving its communications net-work, continue support of the air transport capability, and, if requested, provide both army and air force training. We are also considering modest defence production assistance, although we have not completed our studies in this field as yet.

"Our military assistance to India has deeply troubled Pakistan, as you are well aware. Nevertheless, it is important to the entire free world, including Pakistan, that India should be able to defend itself against Chinese communist aggression.

"The US has taken great pains to assure the Government of Pakistan that our aid to India will not be at the expense of Pakistan's security, to which we are committed under our mutual defence agreements. Gen. Taylor (Chairman of the US Joint Chiefs of Staff), during his recent visit, again endeavoured to re-assure Pakistan of our continued interest in, and support of, its national integrity.

"The Chinese Communists also pose a grave threat to Nepal and could easily overrun that country with their forces now in Tibet. More probably, in our opinion, the Chinese Communists' aim is to infiltrate and subvert Nepal. They have provided the Nepalese both economic and military assistance, including arms and ammunition.

"We recognize the desirability of Nepal having an internal security capability, which we estimate can be achieved with their existing army, provided it receives at least a small amount of external assistance."

(*The Statesman*, Calcutta)

[Prev. ref. 5525:INI:C]

E. Trade Agreement With South Korea: India and South Korea entered into their first Trade Agreement in New Delhi on January 22.

The Agreement provides for the exchange of commodities consisting mainly of non-ferrous metals like zinc, lead, tungsten ores and concentrates from South Korea and engineering goods and machinery, ferromanganese,, chemicals and pharmaceuticals from India.

The volume of trade both ways between India and South Korea was under Rs. 30,00,000 in 1963. The present Agreement visualizes a considerable expansion in the present level of trade.

(*The Financial Express*, Bombay)

F. Cultural Agreement With Hungary: An Agreement to promote cultural and scientific exchanges between India and Hungary during 1964-65 was signed in New Delhi on February 8.

Mr. Bhakt Darshan, Deputy Education Minister, signed on behalf of India and Mr. Joseph Bogner, Chairman of the Hungarian Institute of Cultural Relations, signed for Hungary.

Mr. Bogner told newsmen that India and Hungary would exchange university professors, research workers, historians and musicians for one to six months. Contacts between the Hungarian Academy of Sciences and the Indian Science Congress would be encouraged.

(*The Times of India*, New Delhi)

[Prev. ref. 4538:INI:F]

G. Investment Agreements With USA: Funds available for private industry investment will be increased by Rs. 20 crores as a result of two Agreements concluded between the Governments of India and USA.

The Industrial Finance Corporation and the Industrial Credit and Investment Corporation have each received a credit of Rs. 10 crores from the sales proceeds of agricultural commodities supplied to India under US Public Law 480.

The Corporations have extended assistance to several hundred concerns operating in a large variety of industries including aluminium, automobiles, cement, chemicals, textiles, engineering, glass, mining, paper, plywood, rayon, sugar and shipping. Recipients of their credits are spread out all over India.

Special attention is paid in granting loans to the industrialization of the less-developed parts of the country.

Both the Industrial Finance Corporation and the Industrial Credit and Investment Corporation received earlier loans of Rs. 10 crores each from PL 480 funds.

The Industrial Finance Corporation also received two loans totalling $30 million (Rs. 14.3 crores) in foreign exchange from the US Agency for International Development and its predecessor, the Development Loan Fund.

The Industrial Credit and Investment Corporation was granted a loan of $5 million (Rs. 2.4 crores) in foreign exchange by the Development Loan Fund. It also utilized a credit of Rs. 7.5 crores from the sale proceeds of steel supplied to India under the US aid programme.

(*The Times of India*, Bombay)

[Prev. ref. 5129:INI:M]

H. New Envoy To Mauritius: According to an official announcement in New Delhi on February 7, Mr. P. R. S. Mani, Deputy High Commissioner for India in Ceylon, has been appointed Commissioner for India to Mauritius.

He is expected to assume charge of his new assignment in July.

(*The Hindustan Times*, New Delhi)

I. Air-India Opens Terminal Facility At New York Airport: Air-India's new terminal facility at the John F. Kennedy International Airport, New York, was formally opened on February 5 by Mr. Adlai Stevenson, US Ambassador to UN.

Mr. J.R.D. Tata, Chairman of Air-India, attended the opening ceremony.

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Located in the west wing of the International Arrivals Building, Air-India's new terminal will provide the most advanced passenger service facility in elegant Indian surroundings.

Purchase Of Supersonic Airliners:

Air-India announced on February 5 that it was buying three American supersonic airliners.

Mr. J.R.D. Tata, Chairman of the company, made the disclosure during the dedication of Air-India's new terminal in New York.

He said his company had taken the decision because the American-built faster-than-sound airliner was expected to have features "which make it the logical choice for our Atlantic run".

He said that deposits for the three airliners had been placed with the Federal Aviation Agency in Washington which was evaluating designs by several American aircraft manufacturers.

(*The New York Times* and *The Times of India*, Bombay)

[Prev. ref. 5462:INI:M]

J. Increase In Dearness Allowance Of Central Government Employees: The Central Government announced in New Delhi on February 7 an increase of Rs. 2 to Rs. 10 in the dearness allowance of its employees drawing a monthly salary up to Rs. 399.

The measure will give "extra relief" to two million civilian employees and cost the Government about Rs. 8.75 crores annually, according to an official Press Note.

The increased allowance will be given to employees with retrospective effect from *July 1, 1963*.

The number of pay slabs over which the dearness allowance is regulated has also been increased from three to five. The smaller pay slabs would ensure roughly the same proportionate benefit to a larger number of employees.

The new rates of dearness allowance will be Rs. 17 for pay up to Rs. 109 (an increase of Rs. 2); Rs. 20 for pay in the slab Rs. 110—149 (an increase of Rs. 5); Rs. 35 for the slab Rs. 150—209 (an increase of Rs. 5); Rs. 40 for Rs. 210—299 (an increase of Rs. 10) and Rs. 20 for Rs. 321—380 (an increase of Rs. 10).

Marginal adjustments will be made for the slabs Rs. 300—320 and Rs. 381—399.

In terms of the Pay Commission's recommendations accepted by the Government, the rates of dearness allowance were to be reviewed if, during a period of 12 months, the consumer price index remained, on an average, 10 points above 125. Such a position had not been reached yet, but the Government had decided to allow these ad hoc increases as "a measure of extra relief".

(*The Statesman*, New Delhi)

[Prev. ref. 5595:INI:L]

K. Opposition Parties' Agreement On Electoral Adjustments In States: The Jan Sangh, Socialist and Swatantra Parties have agreed in principle to electoral adjustments in the States to avoid multiple contests, according to Mr. A. B. Vajpayee, leader of the Jan Sangh Party in Parliament.

Mr. Vajpayee told newsmen in New Delhi on February 7 that he had recently discussed the issue with Mr. Badri Vishal Pitti, chairman of the Central Parliamentary Board of the Socialist Party in Hyderabad, and that "complete agreement" had been reached. Though the Swatantra Party had also agreed to an electoral adjustment in principle, details had still to be worked out. The three parties had agreed to work jointly on specific issues both in and outside legislatures.

The Jan Sangh was also exploring the possibility of a merger with the Swatantra though the two parties were not agreed on such vital issues as foreign policy, economic matters and language.

The party, he said, would now press the Swatantra to join in a united non-Communist opposition in Parliament. The proposal had been made some time earlier, but the Swatantra Party had then rejected the idea saying that the Sangh should consider merging with the Swatantra.

Socialist Party's Merger Offer To P-SP:

The leader of the Socialist Party, Dr. Ram Manohar Lohia, said in Lucknow on February 7 that his Party had made an offer to the P-SP for a merger without conditions.

It would be for the new party to decide its future policy and programme, he said, implying that no further clarification were needed.

He made his statement when his attention was drawn to a report from P-SP circles in New Delhi indicating some apprehension in the minds of the leaders of that party.

Dr. Lohia also indicated that he himself might not join the new party immediately after the merger, if it came about. Every one on either side would be free to either join the new party or stay out. He would rather wait till the new party had evolved a policy of its own and outlined its programme.

(*The Statesman*, New Delhi and *National Herald*, Lucknow)

[Prev. ref. 5401:INI:A]

L. Expansion In Ship-building Industry: The Central Minister for Shipping and Transport, Mr. Raj Bahadur, said in Calcutta on February 10 that the rate of expansion in ship-building in the Third Five-Year Plan had been three times that of the previous two Plans.

He was inaugurating the fifth annual conference on shipping and ship-building.

Referring to the position individually in respect of principal types of ships, he said that a good beginning had been made so far as tankers, bulk carriers, liner vessels and coastal ships were concerned.

He pointed out that in the field of ship-building, indigenous capacity was still very limited. He asserted, however, that the question of establishing a second ship-yard at Cochin was being actively pursued and when that yard went into operation it would add substantially to the ship-building capacity of the country.

He complimented the enterprise of the shipowners for the spectacular expansion in tonnage. He said that quite a large volume had been added by shipowners without asking for any rupee loan from the Government. In some cases, the foreign exchange was found from the foreign assets of Indian shipowners.

He said in the coastal sector the acquisition of ships had been presenting special difficulties since these ships did not earn foreign exchange. Even so, by adopting various financing devices, the industry had been able to add 45 second-hand ships of about 212,000 GRT. to the coastal fleet which now consisted of 119 ships of 433,000 GRT.

Referring to the principal types of ships in India, he said that at the beginning of the Third Plan, India had no overseas tankers even though she imported about 7.5 million tons of crude oil per year. However, a beginning was made with a good second-hand tanker in 1961 and since then three new tankers had been ordered in Japan and two of these would be delivered in the next two to three months. In addition, one more tanker had been approved for construction in Japan and it was hoped that the transaction would be finalised soon. Similarly, in the case of bulk carriers, of which India had none till 1962, six built in Japan had been delivered and now another bulk carrier, under construction in West Germany, was expected to be ready by the end of this year or early in 1965. "Our overseas fleet now consists of 101 vessels of about 8,71,000 GRT. nearly 81 per cent of which comprises ships less than 10 years in age. This means that it is a reasonably modern fleet."

He said that in the coastal sector, acquisition of ships had been presenting special difficulties since these ships did not earn foreign exchange. Even so, by adopting various financial devices, India had been able to add 45 second-hand ships to her coastal fleet which now consisted of 119 ships of 4,33,000 GRT. Although this tonnage was quite impressive, a major portion of it was more than 15 years old and would require replacement soon. However, the Government had just sanctioned the construction of four new coastal ships in Yugoslavia for the carriage of coal which was the mainstay of the coastal trade. Further efforts were also being made to order some more ships for the coal trade.

Sir Ramaswami Mudaliar, who presided over the conference, said that Indian shipping had developed in different directions and more rapidly than had been contemplated. It was a welcome sign that the Indian Navy and the shipping interests had been participating in this conference which was attended by technical experts from India and abroad.

He said it was very necessary to have a research association in the country like that of the UK for the development of shipping and ship-building. The Indian Council of Scientific Research should offer a grant for this purpose.

He suggested that more Indian delegates should attend international shipping and ship-building conferences so that India might know the latest techniques of building modern ships. More delegates from abroad should also participate in such conferences held in India.

(*The Statesman*, Calcutta and *The Times of India*, New Delhi)

[Prev. ref. 5257:INI:O]

M. "INS Jarawa" Commissioned In Andamans: The Chief of the Naval Staff, Vice-Admiral B. S. Soman, commissioned *INS Jarawa*, the Navy's new establishment at Port Blair in the Andamans on February 15.

The establishment, which has been named after an ancient tribe of the Andamans, will provide communication and base facilities to naval ships operating in the area, especially during training exercises.

INS Mysore and other ships, then carrying out exercises in the Bay of Bengal, were present in Port Blair for the commissioning.

(*The Hindu*, Madras)

[Prev. ref. 5632:INI:L]

N. Governor's Address To Madhya Pradesh Legislature: The Governor of Madhya Pradesh, Mr. H. V. Pataskar, in his opening address to the Budget session of the Vidhan Sabha in Bhopal on February 5, an-

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nounced that an industrial development corporation, with an authorised capital of Rs. 1 crore, would be set up to promote industries in the public and the private sectors.

He also stressed the need for stepping up agricultural production.

Though the prices of foodgrains still remained on the high side, the rice crop yield in 1963 was better than in the previous year.

He pointed out that while making every effort to bring down prices the interests of producers would have to be safeguarded.

He announced that the package programme for rice cultivation would be extended further in the Chhatisgarh area.

About the dacoit menace, he said that the problem was essentially confined to the northern districts. Outlaws were being dealt with firmly. The incidence of crime had decreased.

Of the total outlay of Rs. 300 crores for the State's Third Plan, Rs. 143 crores had already been spent.

The State had already achieved Third Plan targets in respect of middle and higher secondary education. Progress in the sphere of technical education had been phenomenal. There had been a setback in the sphere of free and compulsory education owing to paucity of funds.

(*The Times of India*, Bombay)

[Prev. ref. 5166:INI:V]

O. **Governor's Address To West Bengal Legislature:** In a brief speech to a joint session of the West Bengal Legislature on February 10, the Governor, Miss Padmaja Naidu, deplored "the unfortunate attacks on members of the minority community in the State as a reaction to the grim happenings across our borders."

She emphasized that it was only by remaining "steadfast to the ideals of a secular State that we can uphold the noble traditions of India".

Referring to the achievements of the State Government, she expressed the hope that food supplies would be adequate during the year.

Referring to the Government's policy on rice and paddy prices, she invited the co-operation of all sections of the people. Prices had been fixed under the State Anti-profiteering Act and the Central Government had been asked to fix prices under the Essential Commodities Act.

She claimed that the Government had given the highest priority to agriculture because "our goal is to increase production of food to the maximum extent."

Referring to the State's Third Plan achievements, she said she was "confident that not only will the target of Rs. 293 crores be fulfilled but our actual outlay may reach Rs. 320 crores".

The State Government was trying continuously to solve the problem of rehabilitation of refugees. The Central Government had adopted a policy of settling new migrants from East Pakistan in Dandakaranya.

Immediately after Miss Naidu's address, all members belonging to the FB and P-SP stood up to express their regret that the Governor's address did not contain any mention of specific measures for the effective rehabilitation of new migrants from East Pakistan.

Mr. Hemanta Basu, the FB leader, said he was sorry that the Governor did not mention anything on such vital issues as the need for planned evacuation of the minorities from East Pakistan, payment of compensation to new migrants and the expulsion of Pakistani nationals from India.

All Opposition members stood in silence when Dr. Kamal Bhattacharya (FB) referred to the death of a student, Mr. Bhudev Sen, in a police firing in Calcutta. They demanded an immediate inquiry into the circumstances of his death.

(*The Statesman*, Calcutta)

[Prev. ref. 5117:INI:I]

INDONESIA

A. **Control Of British Enterprises:** It was officially announced after a Cabinet meeting in Djakarta on February 2 that the Government had decided to take immediate steps to control all British commercial enterprises which workers had attempted to take over in January (see page 5669).

[The workers tried to take over control in protest against the detention of two Indonesian vessels in Hong Kong. The Hong Kong Supreme Court on February 1 released one of these ships, the 10,952-ton **Ambulombo**. Both had been detained by a court order in connexion with claims against them by a Dutch bank and an engineering firm in Singapore. Lawyers representing the bank said a settlement had been reached regarding **Ambulombo**.]

It was not immediately clear which firms were affected by the new announcement. On January 18 Indonesian trade unionists attempted to take over the headquarters of the Shell oil company in Djakarta and the P. and T. Lands tea and rubber estates in West Java. On January 20, similar "take-over" actions were attempted on other British firms, including Unilever, in Djakarta.

Indonesian Government mediators ruled on the following day that the British managements should retain authority in these firms and told the trade unionists that their actions were illegal.

The Governor of West Java told P. and T. estate workers in the Subang area on January 30 that the plantations would be nationalized in "the near future", according to the Indonesian news agency.

The news agency said that the order for the supervision of the British enterprises was issued after a meeting of the committee of 13 which President Sukarno had appointed to oversee Indonesia's economic and monetary measures. The order amounts to at least a partial reversal of Government policy.

The Government, after some initial hesitation, moved firmly against the take-over attempts, but the Communist Party continued to agitate for take-overs even after President Sukarno had ordered the civil and military authorities to prevent illegal action by the workers.

Business circles said that although the supervisory order was far short of the expropriation demanded by the communists, it nevertheless represented a victory for the Left.

The order mentioned only firms subjected to seizure attempts, but did not specifically exclude others. The order said that the Ministries which were ordered to take immediate steps for supervision were also to take measures to assure continuity of production.

(*The Times*, London)

[Prev. ref. 5669:IND:A]

B. **Gen. A. H. Nasution's Foreign Tour:** On his return from visits to USSR, USA, Yugoslavia, France, Turkey, the Philippines and Thailand, the Defence Minister, Gen. Abdul Harris Nasution, issued a statement on December 24, 1963 giving his impressions of the tour.

He said that he had succeeded in thwarting an attempt by Britain to impose an arms embargo on Indonesia.

He said that he had fulfilled "a number of our military needs" and explained Indonesia's opposition to Malaysia.

He had signed an Arms Agreement in Moscow and "colonialist equipment" previously supplied to the Armed Forces would be replaced by Russian arms.

He said: "In the countries we visited we explained that Indonesia has no territorial claims anywhere but will keep supporting North Borneo and other struggling nations anywhere to drive out the colonialists.

"We will always be prepared to train their soldiers and we will not stop our young men from joining them.

"We shall not commit aggression or war but if we are attacked we will be ready to retaliate.

"The British have been trying in some countries to impose an embargo on arms and spare parts for our Armed Forces.

"Their attempts have failed in the countries we visited because these countries will continue to honour their contracts with us.

"All the military equipment that used to be supplied by the colonialist countries has been replaced with new equipment as stated in the Indonesian-Soviet Arms Agreement signed in Moscow."

He said the French Government had decided to remain neutral in Indonesia's quarrel with Malaysia.

He said he had not concluded any new agreement in Paris for arms supplies, but stressed that France would implement the defence contracts signed previously. He did not explain what these contracts were, but it was understood to be concerning expansion and construction of naval and air bases.

In USA, he said, he had explained Indonesia's struggle against Malaysia to the American leaders. He said that President Lyndon Johnson felt that Asians themselves should find solutions for problems confronting them.

(*The Statesman*, Calcutta and *The Hindu*, Madras)

[Prev. ref. 5548:IND:A]

IRAQ

A. **Cabinet Re-shuffle:** In a broadcast on January 31, *Baghdad Radio* announced that two Ministers had been replaced in a Cabinet re-shuffle involving three Ministries.

Under a Presidential decree, Dr. Shamelksamar, Minister of State for Union Affairs, became Health Minister in place of Dr. Izza Mustafa, who returned to his former post as a senior official of the Ministry.

The new Minister of State for Union Affairs is Mr. Abdel-Razzak Muhieddin.

Dr. Mohammed Nasser replaced as Minister of Education Dr. Ahmed Abdel Sabtar el-Jawari, who returned to a post at Baghdad University.

(*Baghdad Radio*)

[Prev. ref. 5535:IRQ:A, 5586:IRQ:A]

B. **President Arif's Warning To Armed Forces:** President A. S. Arif issued on January 26 a warning to his armed forces and police that the discovery of political elements within their ranks would be severely dealt with.

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He exhorted his men to strengthen their ranks "for the great task ahead for Iraq and the Arab nations as a whole in repulsing the treacherous enemy and greedy imperialists."

He said: "You know the armed forces are a faithful defensive force for Iraq's existence and for bringing about the aims of the Arab peoples. Strengthen your ranks and make our citizens more enthusiastic in the work of building the country. The Army is the bulwark of our citizens and the armed forces must become one unified block.

"I draw your attention that in no circumstances is it permissible for party elements to exist within your ranks, and no member of the armed forces can consider himself involved with party elements. I emphasize that commanders should make this absolutely clear to their men and explain the punishment entailed in any violation of this order."

(*The Times*, London)

[Prev. ref. 5586: IRQ: A]

ISRAEL

A. Histadrut Approves New Wage Policy: The Executive Council of the Histadrut—the Israeli General Federation of Labour—adopted on January 26 its wage policy for 1964 and 1965.

The decisions are binding on all constituent trade unions, and will be the basis for the renewal of the collective contracts with the employers, which expired on December 31, 1963.

Mr. Yeruham Meshel, head of the Federation's Trade Union Department, stated that the new policy aimed at continuing economic stability, full employment, and the maintenance of living standards, while linking wage rises to the net increase in the national output.

The Secretary-General, Mr. Aharon Becker, said that the policy offered "the absolute minimum for the worker and the maximum feasible for the economy."

The policy adopted calls for:

(1) A three per cent basic wage rise in 1964, and another three per cent increase in 1965, in keeping with the expected growth of the national output, as estimated by an impartial body of experts, which was recently set up for the purpose.

(2) The payment of an additional cost-of-living allowance at the rate of 4.7 per cent of basic pay as of January 15. The allowance will be paid on wages up to I£700 a month, instead of I£500 as before.

(3) The payment of a family allowance of I£6 for each of the first three children—allowances for the fourth and subsequent children are paid through the National Insurance Institute.

The Horowitz Committee report on the reform of Civil Service salaries will be implemented after job analysis has been carried out.

The Government, local authorities and public concerns will be called upon to refrain from any increase in present tax and price levels.

(*The Israeli Digest*, Jerusalem)

LAOS

A. Complaints Of Cease-fire Violations: Despite the announcement of an accord between the neutralist and Pathet Lao factions in January (see page 5658) both sides continued to complain of cease-fire violations and, on February 1, a report said the International Truce Supervisory Commission (ITSC) had unanimously agreed to investigate the complaints.

In Washington on February 4, the State Department reported that Communist pressure was continuing on neutralist troops in central Laos and that the Commission investigators needed transportation facilities before they could inspect the fighting area.

Pathet Lao troops, according to the State Department, were being supported by North Viet-Namese.

If the Pathet Lao succeed in their objectives, it would cut a line across central Laos from North Viet-Nam to the Mekong river border with Thailand and provide uninterrupted access to routes 8 and 12, two important high-ways.

The State Department Press Officer, Mr. Robert J. McCloskey, said that on January 31 the ITSC, composed of representatives of India, Canada and Poland, had informed the Government of Laos that it was prepared to conduct an investigation of the violations of the Cease-fire Agreement in the Makay-Nomarath area in central Laos.

The request for the investigation had come earlier from the Premier, Prince Souvanna Phouma.

"For the past several weeks the Pathet Lao have been attacking the neutralist and conservative forces in this area," Mr. McCloskey said, "and according to the Prime Minister and other Laotian officials, North Viet-Namese are supporting the Pathet Lao."

Though there had been a violation of the Geneva accords, which guaranteed the neutrality of Laos, he said, USA would not send back its military advisers to the fighting area. Rather, an effort would be made to see that North Viet-Nam and other parties to the Agreement lived up to their commitments.

Recent Developments:

Earlier, on December 11, 1963, a unanimous report was published by the three members of the International Commission on an incident which occurred in Vientiane on September 9, 1963. This and other recent developments are summarized below.

During September, 1963, the British and Soviet Governments, as co-Chairmen of the Geneva Conference, were unable to agree on the text of messages to be sent to the conflicting political parties and to the International Control Commission in Laos on the subject of an incident involving the death of a Pathet Lao guard which had taken place in Vientiane on September 9. In particular, Britain objected to the presence, in a draft Soviet message, of a complaint from the Pathet Lao leader, Prince Souphanouvong, laying the blame for the incident entirely on the United States.

During September and October, 1963, Prince Souvanna Phouma visited USA, Britain and the Soviet Union (see page 5456). During the Prince's absence from Laos, there was an uneasy lull in political activity in the country, with the Pathet Lao continuing to boycott Cabinet meetings unless its terms for a truce were accepted. In London on October 17, the Prince explained the need for agreement between the two co-Chairmen of the Geneva Conference, the necessity of establishing a homogeneous International Commission and the desirability of establishing a unified administration in Laos. In Moscow, on October 30 he again emphasized the responsibility of the Soviet Union and Britain in enforcing the truce between the three contending factions.

In the Plain of Jars sporadic fighting had continued and became particularly serious in the first two weeks of November. On November 17 General Kong Lae, the neutralist leader, and General Singkapo Chounramany, a Pathet Lao leader, met at Xieng Khouang airstrip in the presence of representatives of the Geneva Conference on Laos, and agreed to proclaim a cease-fire. However, within 20 hours of the cease-fire meeting, renewed firing broke out between the neutralist and Pathet Lao forces, each accusing the other of breaking the agreement. Although both sides said they were trying to create conditions conducive to a meeting between Prince Souvanna Phouma and Prince Souphanouvong, neither party could agree on the form of such conditions. At the beginning of December the neutralists were expressing unwillingness to resume discussions with the Pathet Lao, who, they alleged, were merely using negotiations as a cloak for making further inroads into neutralist territory whilst themselves putting all the blame for the fighting on the forces of the Right-wing Defence Minister, General Phoumi Nosavan.

On December 11, 1963, the co-Chairmen of the Geneva Conference on Laos published the first unanimous report drawn up by the three members of the International Control Commission.

The report, dated November 6 was the result of the Commission's investigation of the incident of September 9 in Vientiane. The report deplored the incident which it said "caused a further deterioration in the serious and unsettled situation which exists in Laos". It further called upon the leaders of the various factions to resume negotiations and to build up a neutral and independent country.

On December 16, 1963, Prince Souvanna Phouma declared that only Soviet influence on North Viet-Nam could bring a halt to civil war. While admitting that the Soviet Government had probably made an effort to persuade North Viet-Nam to restrain the Pathet Lao, he did not think the representation could have been taken seriously. He feared that, since Hanoi had sided with Peking in the Sino-Russian ideological dispute, Soviet influence on Hanoi could not be wholly effective.

Prince Souvanna Phouma revealed that he had been in contact with the Pathet Lao leader, Prince Souphanouvong, to whom he had proposed the provisional transfer of the Government from Vientiane to the Royal town of Luang Prabang, which should be policed by a joint force of neutralists, Pathet Lao and Rightists. A coalition Government of the three parties in the dispute might under such circumstances be re-established in the Royal Capital. Prince Souvanna Phouma indicated that Prince Souphanouvong had agreed to discuss these proposals.

(*The New York Times* and *Commonwealth Survey*)

[Prev. ref. 5658: LAO: A]

MALAYSIA

A. Investment Of Foreign Capital: The Minister for Commerce and Industry, Dr. Lim Swee Aun, said in Kuala Lumpur on December 27, 1963 that foreign industrialists, particularly Australians, were competing to invest and build in Malaysia.

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He added that at present 50 proposed Joint Ventures—businesses to be launched with combined foreign and local capital—were under consideration.

Thirty of the proposals had come from Australia. The others were from Hong Kong, Japan, Formosa, Britain, Italy, West Germany and USA.

The industries under discussion included the manufacturing of textiles, pharmaceutical goods, chemicals, electrical appliances, iron and steel building materials and automobile spare parts.

(*The Times*, London)

[Prev. ref. 5659:MAL:A]

THAILAND

A. Government's Policy Statement: The new Prime Minister, Gen. Thanom Kittikachorn, outlined to the Constituent Assembly in the third week of December, 1963 a five-point policy which his Government would follow.

The highlights of the policy statement were:

Economic Policy: Thailand would bring up-to-date through careful planning its own capacity and would improve all national resources to the maximum benefit of the nation.

Finance: Thailand would maintain the continued stability of its currency and will increase the national income through greater productivity rather than through heavier taxation.

Industry: The Government would give support to industrial projects and economic vocational training.

Security: The Government would bring about greater efficiency within the administration, particularly the Police Department.

Foreign Relations: The Government would observe its treaty obligations and maintain the objectives of the UN Charter and the common ideals of S-EATO (South-East Asia Treaty Organization). It would promote friendly relations with other nations through peace based on justice, truth and freedom of the Thai nation. More emphasis would be laid on friendly relations with South-East Asian countries.

Later, speaking to newsmen, he said that he would ask all his Cabinet colleagues to sever their connexions with business firms and not to acquire any commercial interests.

He said he wanted a "free trade"—that is, business and commerce should be carried out by private individuals without official involvement.

(*The Nation*, Rangoon)

[Prev. ref. 5620:THI:A]

B. British Aid For Airfield Project: The British Government announced on December 18, 1963 that to improve certain logistic facilities in Thailand, the Thai Government had accepted an offer by the British Government, as its ally in S-EATO, to construct an airfield near Mukdaharn in north-east Thailand.

The work would be undertaken by units of the British forces in co-operation with the Thai Government and would start shortly.

The purpose of construction, it was emphasized, was purely defensive, for the purpose of giving assistance to a S-EATO ally. On completion the airport would be handed over to Thailand. It was anticipated that it would take about a year to construct and about 400 British Army and Royal Air Force technicians from various units, including the Royal Engineers, the Royal Army Service Corps and the Royal Electrical and Mechanical Engineers, would participate in the project.

The new airport will consist of a landing strip and parking areas for transport aircraft. Besides its defensive purpose, it will have a civil value in improving air communication.

(*Commonwealth Survey*)

[Prev. ref. 3311:THI:B]

TURKEY

A. Progress Of Five-Year Plan: The Supreme Planning Council, which meets at approximately quarterly intervals to discuss progress under the Five-Year Plan, met in Ankara on January 16.

The report for the first nine months of 1963 showed that the rise in the gross national product appeared to have exceeded 5 per cent while the target set in the Plan for this period was 7 per cent. Industrial production showed a marked rise over 1962 in a number of fields, notably in the output of crude oil which increased by 26 per cent; petroleum products by 41 per cent; iron and pig-iron by 50 per cent; cement by 18 per cent; paper by 12 per cent and chemical fertilizers by 133 per cent.

The foreign trade deficit, which had reached $250 million by the end of September, 1963 and the increased pressure upon financial reserves caused by the rising volume of investments had an adverse effect upon the Central Bank gold and foreign exchange reserves and upon banking in general. In the first 7 months of the year 53.5 per cent of the year's planned investments had been carried out. The report tentatively estimated that by the end of 1963 85 per cent of the planned investments would have been implemented. During the first 7 months the percentages of investments actually carried out in the different sectors were: mining 61 per cent, manufacturing industries 62 per cent, power 53.5 per cent, communications 62 per cent, tourism 66 per cent, housing 58 per cent, education 60 per cent and health 25 per cent.

The report noted that the full implementation of the Plan was hampered by a number of obstacles, mentioning delays in the preparation and contracting of projects which arose partly from a failure to amend the Adjudications Law, and other relevant laws. Other causes were insufficient inter-departmental co-ordination, external financing difficulties, overstaffing and delays in Government action over taxation changes, land reform and the reorganization of State enterprises.

(*Middle East Economic Digest*, London)

[Prev. ref. 4972:TUR:B, 5470:TUR:A, 5571:TUR:A]

VIET-NAM (DR)

A. New Power Station Opened: The first part of North Viet-Nam's biggest thermo-power station in the Uong-Bi Vang Banh coal area of Quang Ninh province was commissioned on January 18.

Top Government leaders, including the Premier, Mr. Pham Van Dong, the Minister for Heavy Industry, Mr. Nguyen Van Tran, the Soviet Ambassador, Mr. Suren Tovmasyan, and several other diplomats were among those present at a special ceremony to mark the commissioning of the project undertaken with Russian assistance.

Mr. Nguyen Van Tran thanked the Soviet Union for its assistance and congratulated Viet-Namese workers and Soviet experts on their achievements.

Mr. Tovmasyan described the project as a "concrete proof of the fraternal co-operation and unshakable friendship between the Soviet and Viet-Namese peoples."

(*Viet-Nam News Agency*)

[Prev. ref. 3149:VND:A]

VIET-NAM (RVN)

A. Gen. Khanh Assumes Power In Bloodless "Coup": Gen. Nguyen Khanh, an Army Corps Commander aged 37, assumed power on January 30 in a bloodless *coup d'etat*.

He explained that his *coup* was aimed at forestalling a neutralist plot.

According to him, the plot was backed by France, and it implicated several leading members of the military junta which took power after last November's coup.

In a broadcast to the nation, Gen. Khanh said: "A number of persons, wanting to preserve their own private interests, did not hesitate to ally with the colonialists standing for neutralism, in order to pave the way for the Communists to enslave us."

Although troops seized control of Saigon before dawn on January 30 and arrested several members of the old military junta, the city remained almost unaffected and it was not until late afternoon that the people had a clear idea of what had happened.

Gen. Khanh's assumption of power came after a breakdown in talks lasting several hours with the chairman of the old junta, Maj-Gen. Duong Van Minh.

[It will be recalled that on November 1, 1963 "a committee of Generals", as the ruling military clique styled itself, took control of South Viet-Nam in a lightning coup. The armed forces overthrew President Diem and dismissed his Government. Maj.-Gen. Duong Van Minh, the military assistant to Mr. Diem and leader of the coup announced that the "Council of Revolutionary Generals" would govern the country. The Constitution was suspended and the National Assembly dismissed. President Ngo Dinh Diem and his brother Mr. Ngo Dinh Nhu committed suicide after a vain bid to escape from custody.]

On January 31, General Khanh told newsmen that the Government of Mr. Nguyen Ngoc Tho, the Prime Minister, had resigned.

He said that he would try to form a Government of National Union in which all political parties would "take a share in the struggle against the communists".

He said that President de Gaulle was "interfering blatantly in Viet-Namese affairs. We are determined to stand against this policy."

He complained that since the November coup there had "not been any definite plan against neutralism as propounded by the colonialists and Communists."

He said that "as far as I know, the four leading Generals arrested yesterday were still alive." "They will receive a fair trial and treatment."

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He described the coup as "an internal purge within the Military Revolutionary Council", and added: "Not one shot was fired, and there was no bloodshed."

He said Gen. Duong Van Minh had "accepted a position as adviser to the Military Revolutionary Council."

In an Order of the Day published by the official Viet-Nam News Agency Gen. Khanh, speaking as "Chairman of the Military Revolutionary Council and Supreme Commander of the Republic of the Viet-Nam armed forces," said: "Complete destruction is threatening the nation." He appealed to the forces to "remain vigilant."

Saigon was generally quiet, but there was a small demonstration near the Central Market asking the new regime to protect the rights of workers.

The Viet-Nam Press news agency reported that Gen. Mau Huu Xuan, Mayor of Saigon and Director of the National Police, had been replaced by Col. Zuong Ngoc Lam, commander of the Home Guards.

Speaking at Ben Cat, 30 miles from Saigon on February 2, Gen. Khanh explained to soldiers why the former junta had been ousted.

He said that certain generals were "going to nightclubs while we—you and I—were suffering in the field."

He added that some indulged in graft and corruption, and former leaders "were incapable of leading".

His 15-minute speech was punctuated by salvoes from heavy artillery only a few yards away supporting an anti-guerrilla operation.

Replying to newsmen he said that any decision to break diplomatic relations with France would depend on President de Gaulle's future statements and actions.

American Support:

Addressing a news conference in Washington on February 2, President L. B. Johnson re-iterated American support to the new *regime* in Viet-Nam.

He announced that what he called the "new and friendly leaders" in Viet-Nam had assured him they were immediately quickening the pace of military operations.

He read a letter which he had sent to General Khanh saying: "We shall continue to be available to help you to carry the war to the enemy and to increase the confidence of the Viet-Namese people in their Government."

It was when he was asked to look at the problem in the long term and to discuss General de Gaulle's proposals that President Johnson startled some of his listeners by saying: "If we could have neutralization of both North Viet-Nam and South Viet-Nam I am sure that would be considered sympathetically, but I see no indication of that at the moment. I think if we could expect the Viet-cong (the communists) to let their neighbours live in peace we could take a much different attitude."

He added that the present course was the only one so long as the attempt to envelop South Viet-Nam continued and he saw no sentiment in favour of neutralizing South Viet-Nam.

After expressing his opposition to General de Gaulle's position, which he felt to be against the interests of freedom, he made it clear that he interpreted the French proposal as favouring neutralization of South Viet-Nam only.

Officials explained later that although General de Gaulle had referred to neutralizing South-East Asia as a whole, they believed that the effect would be felt primarily in South Viet-Nam, because the communists showed no disposition to neutralize North Viet-Nam.

(*The Times*, London, *The Hindustan Times*, New Delhi and *The New York Times*)

[Prev. ref. 5589:RVN:A]

B. UN Fact-finding Mission's Report: The UN Assembly's Fact-finding Committee on allegations of persecution of Buddhists in South Viet-Nam published on December 11, 1963 a 254-page report on its mission (see pages 5566 and 5590).

It omitted any conclusions on conditions in the country.

The seven-man Committee arrived in Saigon on October 24, 1963 and left on November 3, 1963—the day after the Government of President Diem was overthrown.

The Committee was appointed after 16 countries had demanded full debate on violation of human rights in South Viet-Nam. The debate was postponed when the Diem Government invited UN to send a fact-finding mission.

With the overthrow of the Diem Government, the Buddhist crisis subsided.

The report gave details of co-operation by the Government and Buddhist authorities with the investigators in their determination of evidence, but offered no opinion on whether the Diem Government had actually violated the human rights of Buddhists.

(*The New York Times*)

[Prev. ref. 5590:RVN:A]

C. American Support In War Against Viet-cong: President L. B. Johnson on January 1 supported the internal position of the military junta in Viet-Nam (RVN) with a renewed pledge of the full support necessary to help the Government achieve victory over the communist guerrillas.

"The United States will continue to furnish you and your people with the fullest measure of support in this bitter fight", Mr. Johnson wrote to Major-General Duong Van Minh, then Chairman of the Revolutionary Council. "We shall maintain in Viet-Nam American personnel and material as needed to assist you in achieving victory."

By implication, the message revised the previous target date for withdrawing the bulk of the United States forces from Viet-Nam by the end of 1965. Because of the critical turn of the war in recent months, American officials no longer consider such a date realistic.

President Johnson's message unequivocally rejected a neutralist solution for South Viet-Nam. "As long as the communist regime in North Viet-Nam persists in its aggressive policy, neutralization of South Viet-Nam would only be another name for a communist take-over."

His message to Major-General Minh came at a critical juncture of the war, when Government forces are trying to regain the initiative from the guerrillas, who have scored alarming gains in the Mekong Delta south of Saigon. In addition, neutralist sentiment has been gaining currency in some political and intellectual circles in Saigon.

Mr. Johnson's letter also contained an indirect plea for a greater effort by Major-General Minh and the Viet-Nam leadership to rally popular support for the anti-communist campaign.

After praising the new Government's efforts to bring once dissident religious sects, such as the Cao Dai and the Hoa Hao, under one anti-communist banner, Mr. Johnson observed: "I know from my own experience in Viet-Nam how warmly the Viet-Namese people respond to a direct human approach and how they have hungered for this in their leaders."

(*The New York Times*)

[Prev. ref. 5589:RVN:A]

ASIA OUTSIDE ASIA

A. International Agreement To Renounce Use Of Force—Mr. N. Khruschev's Letter To Heads Of States And Governments: The Soviet Prime Minister, Mr. N. Khruschev, on January 3 called for a fresh wind to soften the international climate and proposed an international agreement renouncing the use of force in settling territorial or border disputes.

The proposal was contained in a message addressed to Heads of States and Governments, including Mr. J. Nehru of India, President Lyndon Johnson of USA and Sir Alec Douglas-Home, Prime Minister of Britain.

Mr. Khruschev said that such an agreement would "sweep away much in international life that has been artificially contrived and is an obstacle to the relaxation of tension in the world and to the consolidation of peace".

He said it would considerably soften the international climate "and provide a good foundation for the growth of trust between States".

He also referred to recent exchanges of opinion between Governments on other measures to ease international tension, and said that "agreement on such measures will naturally have a positive effect on the international situation".

He added: "The Soviet Government proceeds from the assumption that the search for agreements on ripe international questions will be continued."

The message said that the international agreement should contain four main provisions:

(1) A solemn undertaking by the parties not to resort to force to alter existing State frontiers.

(2) Acknowledgement that the territories of States should not even temporarily be the object of any invasion, attack, military occupation or any other forcible measure directly or indirectly undertaken by other States for whatever political, economic, strategic, frontier or any other consideration.

(3) A firm statement that neither differences in social and State systems, nor refusal to grant recognition, or absence of diplomatic relations or any other pretexts may serve as a basis for the violation by one State of the territorial integrity of another.

(4) A commitment to solve all territorial disputes solely by peaceful means, such as negotiation, mediation, conciliatory procedures and other peaceful means chosen by the parties concerned, in conformity with the UN Charter.

The Soviet Government was confident, Mr. Khruschev said, that in the "new situation" created by the conclusion of such an agreement, it would be much easier to find a solution to other fundamental international problems. This applies above all to the problem of disarmament".

He said that "while continuing to work tirelessly for the solution of the problem

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of general and complete disarmament, it would be useful simultaneously to redouble our efforts in eliminating acute frictions in relations between States and centres of tension."

After noting that "not all territorial claims and disputes between States are of the same nature" he pointed to Formosa and said: "This island since ancient times is a component part of the Chinese State. The unlawful occupation of Taiwan by American troops must be terminated. The island is an inalienable part of the People's Republic of China and would have been re-unified with it long ago were it not for the external interference of another State.

"The demands of the liberated States for the return of their territories that are still under the colonial yoke or under foreign occupation are unquestionably just. All this, of course, applies in full also to the territories of people who have not yet won national independence and remain colonies."

President L. B. Johnson's Reply:

The White House in Washington on January 20 released the letter from President L. B. Johnson in reply to Mr. N. Khruschev's letter.

It read: "I welcome the stated objective of your December 31, 1963 letter and agree with much of its contents. It is my hope that we can build on these areas of agreement instead of merely emphasizing our well-known disagreements.

"This nation is committed to the peaceful unification of Germany in accordance with the will of the people. This nation, which has fundamental commitments to the Republic of China, has for many years sought the renunciation of force in the Taiwan Strait. This nation's forces and bases abroad are for collective defence, and in accordance with treaties and agreements with the countries concerned; let us emphasize, instead, our agreement on the importance your letter places on preserving and strengthening peace—and on the need to accompany efforts for disarmament with new efforts to remove the causes of friction and to improve the world's machinery for peacefully settling disputes. In this spirit, let us both present new proposals to the Geneva Disarmament Conferences—in pursuit of the objectives we have previously identified:—To prevent the spread of nuclear weapons; To end the production of fissionable material for weapons; To transfer large amounts of fissionable materials to peaceful purpose; To ban all nuclear weapons tests; To place limitations on nuclear weapons systems; To reduce the risk of war by accident or design; To move toward general disarmament.

"I am sure you will agree that our task is to work hard and persistently on these and other specific problems and proposals—as you and President Kennedy did on the Test Ban Treaty—instead of confining ourselves to vague declarations of principle that oppose some wars but not all. Your letter singles out the problems of territorial disputes and concludes that 'the use of force for the solution of territorial disputes is not in the interest of any people or any country.' I agree, moreover, the United States proposes guidelines to implement this principle which are even broader and stronger than your own.

"First, all Governments or regimes shall abstain from the direct or indirect threat or use of force to change—International boundaries; —Other territorial or administrative demarcation or dividing lines established or confirmed by international agreement or practice; —The dispositions of truce or military armistice agreements; or —Arrangements or procedures concerning access to, passage across or the administration of these areas where international agreement or practice has established or confirmed such arrangements or procedures.

"Nor shall any Government or regime use or threaten force to enlarge the territory under its control or administration by overthrowing or displacing established authorities.

"Second, these limitations shall apply regardless of the direct or indirect form which such threat or use of force might take, whether in the form of aggression, subversion, or clandestine supply of arms; regardless of what justification or purpose is advanced; and regardless of any question of recognition, diplomatic relations, or differences of political systems.

"Third, the parties to any serious dispute, in adhering to these principles, shall seek a solution by peaceful means—resorting to negotiation, mediation, conciliation, arbitration, judicial settlement, action by a regional or appropriate United Nations agency or other peaceful means of their own choice.

"Fourth, these obligations, if they are to continue, would have to be quite generally observed. Any departure would require reappraisal; and the inherent right of self-defence which is recognized in Article 51 of the United Nations Charter would, in any event, remain fully operative.

"You will note the basic similarities in our position. Agreement should not be impossible on this or other propositions—and I share your hope that such agreement will stimulate disarmament and peaceful relations.

"The prevention of wars over territorial and other disputes requires not only general principles but also the 'growth and improvement' to which you refer regarding the machinery and methods for peaceful settlement. The United States believes that the peace-keeping processes of the United Nations—and specifically its Security Council—should be more fully used and strengthened and that the special responsibilities and contributions of the larger countries—particularly the permanent members of the Security Council—deserve greater attention in solving its financial problems.

"In conclusion with our allies, we shall offer specific proposals along these lines in the weeks ahead. Both the Geneva Disarmament Conference and United Nations are appropriate places for such discussions.

"Mr. Chairman, let me assure you that practical progress toward peace is my most fervent desire. This requires not only agreements in principle but also concrete actions in accord with those principles. I believe this exchange of letters offers real hope for that kind of progress—and that hope is shared by all peace-loving men in every land."

(*Tass* and *US Embassy*, New Delhi)

[Prev. ref. 5575:AOA:B, 5621:AOA:A]

B. President L. B. Johnson's "State Of The Union" Message To US Congress: President Lyndon B. Johnson, in his "State of the Union" message to the US Congress on January 8, said:

"Let this session of Congress be known as the session which did more for civil rights than the last hundred sessions combined; as the session which enacted the most far-reaching tax cut of our time; as the session which declared all-out war on human poverty and unemployment in the United States; as the session which finally recognized the health needs of all our older citizens; as the session which reformed our tangled transportation and transit policies; as the session which achieved the most effective, efficient foreign aid programme ever; and as the session which helped to build more homes, more schools, more libraries and more hospitals than any single session of Congress in our nation's history.

"Let us carry forward the plans and programmes of John Fitzgerald Kennedy, not because of our sorrow or sympathy, but because they are right. In his memory I especially ask all members of my own political faith, in this election year, to put country ahead of party, and to debate principles, not personalities.

"For my part, I pledge a progressive administration which is efficient, honest and frugal. The Budget to be submitted shortly is in full accord with this pledge.

"It will cut our deficit in half, from $10,000 million to $4,900 million. It will be, in proportion to our national output, the smallest budget since 1951. It will call for a substantial reduction in federal employment, as yet accomplished only once before in the last 10 years.

"While maintaining the full strength of our defences, it will call for the lowest number of civilian personnel in the Department of Defence since 1950. It will call for total expenditures of $97,900 million compared to $98,400 million for the current year, a reduction of more than $500 million. It will call for new obligational authority of $103,800 million—a reduction of more than $4,000 million below last year's request of $107,900 million.

"But it is not a standstill budget, for America cannot afford to stand still. Our population is growing. Our economy is more complex. Our people's needs are expanding.

"This Administration here and now declares unconditional war on poverty in America. I ask this Congress and all Americans to join with me in that effort. It will not be a short or easy struggle—no single weapon or strategy will suffice—but we shall not rest until that war is won.

"The richest nation on earth can afford to win it. We cannot afford to lose it. One thousand dollars invested in salving an unemployable youth today can return $40,000 or more in his lifetime.

"The programme I shall propose will emphasize this co-operative approach to help that one-fifth of all American families with incomes too small to meet their basic needs. Our chief weapons in a more pin-pointed attack will be better schools, better health, better homes, better training, and better job opportunities to help more Americans—especially young Americans—escape from squalor and misery.

"These programmes are obviously not for the poor or under-privileged alone. Every American family will benefit by the extension of social security to cover the hospital costs of their aged parents. Every American community will benefit from the construction or modernization of schools, libraries, hospitals and nursing homes, from the training of more nurses, and from the improvement of urban renewal and public transit.

"And every American taxpayer, corporate or individual, will benefit from the earliest possible passage of the pending tax Bill—from both the new investment it will bring and the new jobs it will create.

"The tax Bill has been thoroughly discussed for a year. Now we need action. The new Budget clearly allows it. Our taxpayers surely deserve it. Our economy strongly demands it.

"For, however proud we may be of the unprecedented progress of our free enterprise economy over the last three years, we cannot permit it to pause.

"In 1963, for the first time in history, we crossed the 70 million job mark, but we will soon need more than 75 million. In 1963, our gross national product reached the $600,000 million level—$100,000 million higher than when we took office. But it easily could, and should, be still $30,000 million higher today.

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"Wages, profits and family income are also at their highest levels in history—but four million workers and 13 per cent of our industrial capacity are still idle. We need a tax cut now to keep this country moving. For our goal is not merely to spread the work. Our goal is to create more jobs.

"I believe the enactment of a 35-hour week would sharply increase costs, invite inflation, impair our ability to compete and merely share instead of creating employment. But I am equally opposed to the 45 or 50-hour week in those industries where consistently excessive use of overtime causes increased unemployment.

"I recommend, therefore, legislation authorizing the creation of tripartite industry committees to determine, on an industry-by-industry basis, as to where a higher penalty rate for overtime would increase job openings without unduly increasing costs, and authorizing the establishment of such higher rates.

"Let me make one principle of this Administration abundantly clear. All of these increased opportunities—in employment, education, housing and every field—must be open to Americans of every colour. As far as the writ of federal law will run, we must abolish, not some, but all racial discrimination.

"For this is not merely an economic issue, or a social, political or international issue. It is a moral issue, and it must be met by the passage this session of the Bill now pending in the House.

"All members of the public should have equal access to facilities open to the public. All members of the public should be equally eligible for federal benefits financed by the public. All members of the public should have an equal chance to vote for public officials, and to send their children to good public schools, and to contribute their talents to the public good.

"Today Americans of all races stand side by side in Berlin and Viet-Nam. They died side by side in Korea. Surely they can work and eat and travel side by side in America.

"For our ultimate goal is a world without war, a world made safe for diversity, in which all men, goods and ideas can freely move across every border and boundary.

"We must advance toward this goal in 1964 in at least 10 different ways:

"(1) We must maintain—and our reduced defence budget will maintain—that margin of military safety and superiority obtained through three years of steadily increasing the quality and quantity of our strategic, conventional and anti-guerrilla forces.

"In 1964 we will be better prepared than ever before to defend the cause of freedom—whether it is threatened by outright aggression or by the infiltration practised by those in Hanoi and Havana who ship arms and men across international borders to foment insurrection.

"And we must continue to use that strength, as John Kennedy used it in the Cuba crisis and for the test ban Treaty, to demonstrate both the futility of nuclear war and the possibilities of lasting peace.

"(2) We must take new steps—and we shall make new proposals at Geneva—towards the control and eventual abolition of arms. Even in the absence of agreement we must not stockpile arms beyond our needs, or seek an excess of military power that could be provocative as well as wasteful.

"It is in this spirit that in this fiscal year we are cutting back our production of enriched uranium by 25 per cent, shutting down four plutonium piles, and closing many non-essential military installations. And it is in this spirit that we call on our adversaries to do the same.

"(3) We must make increased use of our food as an instrument of peace, making it available—by sale, trade, loan or donation—to hungry people in all nations which tell us of their needs and accept proper conditions of distribution.

"(4) We must assure our pre-eminence in the peaceful exploration of outer space, focussing on an expedition to the Moon in this decade—in co-operation with their powers if possible, alone if necessary.

"(5) We must expand world trade. Having recognized in the Act of 1962 that we must buy as well as sell, we now expect our trading partners to recognize that we must sell as well as buy. We are willing to give them competitive access to our market, asking only that they do the same for us.

"(6) We must continue, through such measures as the interest equalization tax as well as the co-operation of other nations, our recent progress towards balancing our international accounts. This Administration must and will preserve the present gold value of the dollar.

"(7) We must become better neighbours with the free States of the Americas, working with the councils of the OAS, with a stronger Alliance for Progress, and with all the men and women of this hemisphere who believe in liberty and justice for all.

"(8) We must strengthen the ability of free nations everywhere to develop their independence and raise their standard of living, and thereby frustrate those who prey on poverty and chaos. To do this, the rich must help the poor—and we must do our part. We must achieve a more rigorous administration of our development assistance, with larger roles for private investors, for other industrialized nations, for international agencies, and for the recipient nations themselves.

"(9) We must strengthen our Atlantic and Pacific partnerships, maintain our alliances and make United Nations a more effective instrument for national independence and international order.

"(10) Finally, we must develop with our allies new means of bridging the gap between East and West, facing danger boldly wherever danger exists, but being equally bold in our search for new agreements which can enlarge the hopes of all while violating the interests of none.

"In short, we must be constantly prepared for the worst and constantly acting for the best, strong enough to win a war and wise enough to prevent one. We shall neither act as aggressors nor tolerate acts of aggression.

"We intend to bury no one—and we do not intend to be buried. We can fight if we must, as we have fought before, but we pray we will never have to fight again.

"My fellow Americans. In these last seven sorrowful weeks, we have learned anew that nothing is so enduring as faith and nothing is so degrading as hate.

"John Kennedy was a victim of hate—but he was also a builder of faith—faith in our fellow Americans whatever their creed or colour or station in life; and faith in the future of man, whatever his divisions and differences.

"This faith was echoed in all parts of the world. On every continent and in every land to which I travelled I found faith and hope and love toward this land and all its people.

"I ask you now, in the Congress and in the country, to join with me in expressing and fulfilling that faith—in working for a nation that is free from want and a world that is free from hate—a world of peace and justice, freedom and abundance, for our time and for all time to come."

(*The Times*, London and *The New York Times*)

[Prev. ref. 5600:AOA:A]

C. Cut In US Defence Budget: The US Defence Secretary, Mr. Robert McNamara, announced on December 30, 1963 that the US Defence Budget for the 1964-65 fiscal year would be $1,000 million less than that for the present fiscal year and would reach a ceiling of about $51,000 million.

He said the cut in the Defence Budget would be carried out "without reducing the defence of the nation."

He said that the new Budget would give USA the best defence system it had ever had.

He said the decision to reduce the Defence Budget was in no way connected with the recent announcement by Soviet Union that it was going to reduce its military Budget.

He said final decisions had not yet been made on certain aspects of the new Defence Budget, but it was clear that the expenditures of the Defence Department would be "about $1,000 million less than expenditures in fiscal 1964."

The Soviet defence expenditure announced earlier in December showed a reduction of about 600 million roubles (about £240 million sterling), a cut of about 4.3 per cent.

Mr. Nikita Khruschev, in an interview published on December 30 said "it would be a good thing if other States also took similar action" and added that "Russia was contemplating further reductions in armed strength."

American officials said in reply to questions that the Soviet decision to reduce military spending had not been a factor in the US cut.

Defence Department officials said US expenditures in the current year, ending in June, 1964, were expected to total $52,000 million and that expenditures in fiscal 1965 would be about $51,000 million.

(*The Hindu*, Madras)

[Prev. ref. 5084:AOA:B]

D. Supply Of Wheat To USSR—USA Authorizes Sale: The US Commerce Department announced on December 26, 1963 that it had authorized the sale to the Soviet Union of more than $10,000,000 worth of American wheat.

The Department said two proposed sales to Russia amounted to $20,320,000 worth each. No details were given.

If the proposed sales take place, they will be the first to Russia under a new policy announced in Washington a few months earlier. Shipments to other East European countries have already been made under the policy.

The House of Representatives on December 24 approved a Foreign Aid Bill which has a provision giving President Johnson authority to permit US Government guarantees of credit sales to Communist countries.

The Commerce Department did not disclose whether the sales authorized would be for cash or credit.

(*The New York Times*)

[Prev. ref. 5622:AOA:C]

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CAMBODIA

A. Move For Defensive Alliance With China And Viet-Nam (DR): The Chief of State, Prince Norodom Sihanouk told a news conference in Pnom Penh on February 15 that he would negotiate a defensive military alliance with Hanoi and Peking and break off diplomatic relations with USA and other Powers if an international conference on the neutralization of Cambodia had not been called by the end of May.

He said that he would send a delegation to Hanoi to negotiate an agreement recognizing Cambodia's territorial integrity "even at the end of April. "USA and its friends continue to oppose the calling of such a conference."

He said: "If such an agreement is signed, we will at once establish diplomatic relations with the Government of North Viet-Nam which we will recognize as the Government of all Viet-Nam".

(*The Hindu*, Madras)

[Prev. ref. 5640:CAM:A, 5651:CAM:A, 5663:CAM:A]

B. Dr. A. Sukarno's Visit: President A. Sukarno of Indonesia paid a State visit to Cambodia from January 11 to 15 at the invitation of the Head of State, Prince Norodom Sihanouk.

It was the second visit of President Sukarno to Cambodia. It followed the one made by Prince Norodom Sihanouk in 1962.

During the latest visit, the two leaders held long discussions on international problems affecting world peace in general and the peace, security and stability of South-East Asia in particular.

A joint communique issued by them on January 14 said:

"These talks were conducted in a most cordial atmosphere and were characterized by complete mutual understanding. They revealed the identical views held by the two Heads of State on all the questions which were brought under review.

"The two Heads of State reviewed the developments in the situation of the world in general and in the region of South-East Asia in particular, revealing their common views on the important aspects of the international situation of today.

"They noted that the struggle of people in certain parts of the world against colonialism still continues to persist; worse still, where colonialism is seemingly on the retreat, it is re-appearing subtly in the form of neo-colonialism, aggravated by practices of intervention and subversion.

"The two Heads of State therefore maintained that the forces for freedom and national independence should not allow themselves to succumb to the policy of divide and rule of a certain imperialist Power, thus preserving their compact solidarity in their common struggle to achieve a new and better world free from exploitation of man by man and of nation by nation.

"In this context the two Heads of State firmly associate themselves with the struggle of the new emerging forces, social forces which courageously are fighting for the achievement of their national independence and social forces which, even in their post-national independence period have still to struggle consistently for the establishment and preservation of their national identity, either in the political, economic or social field, on their path towards prosperity, peace and justice.

"The two Heads of State further noted that, under the present international conditions described above, the two countries which persistently pursue a policy of non-alignment are subject to the dangers of encirclement and subversion by forces which are bent upon preventing the realisation of the ideals of a new world of freedom, justice and lasting peace.

"Faced by these dangers, the two Heads of State re-affirmed their deep conviction in the policy of non-alignment and the policy of peaceful co-existence among the free and independent countries, in order to facilitate co-operation among them for the speedy achievement of the common ideals of man.

"In this context of peaceful co-existence, the two Heads of State are of the opinion that, with regard to existing differences among countries in the region, Asian solutions are to be devised by Asians themselves in an Asian fashion.

"President Sukarno and Prince Norodom Sihanouk further exchanged information on the problems faced by their respective countries at present and on their efforts to find a peaceful solution.

"The two leaders expressed their conviction that those solutions can be attained by combining their individual efforts and those of other countries in Asia through frequent and regular mutual consultation or **mushawarah** to achieve a consensus of opinion or **mufakat** among them without interference or intervention by outside Powers. Prince Norodom Sihanouk and President Sukarno believed that by freely meeting each other in this fashion the leaders of Asia, irrespective of their political conviction will have the opportunity to review various problems and devise possible solutions in a spirit of friendship and brotherhood among fellow Asians.

"President Sukarno re-affirmed energetic support by the Government and people of Indonesia for the courageous struggle of the people of Cambodia, to safeguard the sovereignty and territorial integrity of Cambodia, consistent with the policy of peace and non-alignment pursued by the Royal Cambodian Government.

"President Sukarno considers that the proposal made in 1963 by the Royal Government of Cambodia to obtain guarantees and respect for Cambodia's neutrality and territorial integrity by the participants in the Geneva Agreement of 1954 is not only in accordance with the legitimate aspirations of the people of Cambodia, but equally contributes to the maintenance of peace in South-East Asia.

"The Government and people of Indonesia firmly support this proposal and express the hope that the countries concerned will respond positively to this proposal.

"The Head of State of Cambodia expressed the appreciation of the Royal Government and people of Cambodia to the Government and people of Indonesia for their firm and constant support accorded to Cambodia in defence of her just cause.

"The Head of State and the Government and people of Cambodia, having been informed of the result of the first **mushawarah** Maphilindo held in Manila from January 7 to 11 expressed the hope that the Malaysia problem will be solved in an Asian fashion without outside interference.

"The two Heads of State renewed their common determination that relaxation of international tensions should be further promoted and that Asian-African solidarity and world peace should be safeguarded. To this end, they firmly supported the idea of convening a second Asian-African Conference.

"The two Heads of State also reviewed the development of their bilateral co-operation in the economic, cultural and technical fields and recognized the necessity of firmly maintaining and simultaneously re-inforcing and developing this co-operation on the basis of the spirit and principles of the Bandung Conference.

"President Sukarno expressed his appreciation for the kind offer of Prince Sihanouk to make use of the facilities of the port of Sihanoukville, and it was agreed that a Joint Commission be set up for the purpose of further surveying the matter in view of promoting trade relations between the two countries.

"The two Heads of State expressed the opinion that exchanges of visits between Heads of State or Heads of Government have always contributed a great deal to the promotion of mutual understanding and the development of friendly relations among nations, leading towards the strengthening of world peace.

"They also noted with satisfaction the continued re-inforcement of friendly relations between Indonesia and Cambodia and the constant development of their co-operation following the visits made to Cambodia and Indonesia by Dr. Sukarno and by Prince Norodom Sihanouk.

"President Sukarno expressed deep appreciation and grateful feelings for the warm and enthusiastic welcome accorded him by Prince Norodom Sihanouk by the Government and by the people of Cambodia during this present visit to Cambodia.

"President Sukarno extended an invitation to Prince Norodom Sihanouk, which was warmly accepted by the Prince."

(*Information Service Indonesia*)

[Prev. ref. 4995:IND:A]

INDIA

SUMMARY: Communal Riots—Mr. G. L. Nanda's Statements; Relations With Sikkim—Sino-Indian Correspondence; Import Policy; Trade Deficit; UP Budget.

A. Communal Riots—Mr. G. L. Nanda's Statements In Lok Sabha: In a statement on a calling attention notice by Mr. Hem Barua (P-SP), the Central Home Minister, Mr.

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Gulzari Lal Nanda said in the Lok Sabha on February 12 that it was the Government's policy to treat the rehabilitation of new migrants from East Pakistan as a national problem. Instructions had already been issued to ease the conditions for the grant of migration certificates to intending migrants.

The procedure for issuing certificates had also been streamlined in view of the very large number of applicants. It was the Government's intention to reduce the period of uncertainty and hardship for the migrants and to draw up suitable schemes for their rehabilitation.

He referred to the recent talks with the Chief Ministers of Andhra Pradesh, Mysore, Maharashtra, Orissa, West Bengal and Madhya Pradesh and said they had assured the Centre that immediate steps would be taken to make nearly 2,00,000 acres of land available for resettling refugees.

Pressure would be put on the Pakistan Government to see reason and follow the internationally recognized canons of behaviour in respect of minorities.

The theft of the holy relic from the Hazratbal shrine in Srinagar (see page 5630) provided the background for the agonizing series of outbursts in East Pakistan. Pakistan gave a communal twist to the incident and used it for anti-Indian propaganda. The violent manifestations of communal hatred and disorder in Khulna and Jessore might be traced directly to this extremely inflammatory campaign.

About the riots in West Bengal, he said that as a result of the prompt measures taken by the State Government, normal conditions were restored by January 15. In contrast to the determined and successful efforts on India's part to restore normalcy, the Pakistan Government failed to take its responsibility seriously. On the other hand, it made efforts to shift the entire blame for the riots on India.

It was unfortunate that the Press in Pakistan should have adopted a similar attitude and come out with extremely exaggerated, false and inflammatory accounts of the incidents in West Bengal.

Largely as a result of the Press incitement, disturbances broke out in Dacca and Narayanganj. There were reports of whole villages like Rayer Bazar and Baidyer Bazar inhabited by the minority community being completely wiped out. The exact number of casualties was not known on account of the strict censorship imposed by Pakistan. Unofficial estimates put it at 1,000.

The number of refugees in Dacca and Narayanganj was about 100,000 and there were reports that the Government was unable to cope with the needs of the refugee camps where several deaths had occurred due to unsatisfactory arrangements.

He referred to the proposal by the President, Dr. S. Radhakrishnan, for a joint appeal by him and President Ayub Khan of Pakistan for communal harmony in the two countries and also India's suggestion for a meeting of the two Home Ministers and said Pakistan had rejected this "basically human" approach with its usual cynicism and apathy.

The large-scale exodus from East Pakistan was the inevitable consequence of Pakistan's irresponsible attitude and its disinclination to accept its minimum duty by the minorities.

Mr. Nanda also placed on the table a statement giving the salient facts relating to the communal disturbances in West Bengal and East Pakistan.

He said that in addition to the normal categories qualifying for the issue of migration certificates, it had been decided to include the following categories:

(1) Girls of marriageable age; unattached women and orphans who might have no sponsors in India as well as girls approaching marriageable age;

(2) Families seriously affected due to arson, looting and killing;

(3) Petty traders who had lost their wherewithal as well as industrial labour, skilled or unskilled, who had been badly affected; and

(4) Cases for Deputy High Commissioner's discretion; this would also take care of borderline cases.

As a result of the wave of communal violence in East Pakistan, 25,000 refugees had already crossed over to Assam, Tripura and West Bengal and more were coming in.

He disclosed that following the disturbances in East Pakistan and West Bengal, the Centre had asked State Governments to exercise "utmost vigilance and take strongest possible action including preventive measures at any sign of trouble to keep under check communal and anti-social elements. I am sure members will wish me to pay a tribute to the calm and restrained manner in which the people in other States conducted themselves during this delicate period."

About the disturbances in West Bengal, he said prompt measures were taken to put them down. Two hundred and eight persons of both communities lost their lives; 56 more were killed as a result of police action. It was estimated that in Calcutta about 62,000 persons of both communities either left their homes out of a sense of insecurity or their homes were destroyed. Of these more than 59,000 had since returned to their homes.

In the districts, mostly in 24 Parganas and Nadia, roughly 84,039 persons were estimated to have been displaced, of whom 90 per cent had returned to their homes. Measures had been taken to provide prompt relief and succour to these people and he assured the House that neither funds nor facilities would be denied for the purpose. The number of persons who had crossed over to East Pakistan because of disturbances was estimated to be slightly more than 5,000.

An encouraging feature noticeable in West Bengal was the protection and help given by Hindus to Muslims in distress even at serious personal risk to themselves. Similar instances had come to notice in East Pakistan where Muslims came to the help of Hindus. Saner elements in Pakistan, including some newspapers, also protested against communal violence and the inactivity of the Government.

Mr. Nanda made a similar statement in the Rajya Sabha.

When several members suggested that the House should have an opportunity to hold a discussion on this matter, he said if after the debate on the President's Address, members felt the need for further discussion, he would have no objection to it.

Replying on February 13 to the debate in the Lok Sabha on the situation arising out of the communal riots in East Pakistan, Mr. Nanda announced that there would be no bar against entry into India of those members of the minority community who found that they could not stay in East Pakistan with safety and honour.

Comparing their predicament to what a Persian couplet said—"no room to stay, no outlet to escape"—he said: "We shall see to it that they (East Pakistan minorities) can come across."

India was a poor country and there was not enough land on which to settle all those who might seek a new home here, but "whatever we have we shall share with them."

He said that about 22,000 persons had arrived in West Bengal and about 50,000 in Assam from across the border. Most of them were without migration certificates but they would be accepted. Already there had been a liberalization of migration restrictions.

He agreed that these steps had to be taken out of human considerations, whatever the legal or other aspects. There was, however, a certain limitation to what could be done for the well-being of the Hindu minority across the border because they were Pakistani nationals. It was Pakistan's responsibility to safeguard their safety and property. People in India should do everything possible to alleviate the sufferings of those people as "we are answerable to man and God."

He compared the position in India, where everybody enjoyed equal rights and State protection, whatever his religion, caste or community, with Pakistan's failure to protect the minorities. This matter had to be brought to the notice of the world at large.

(*The Times of India*, New Delhi)

[Prev. ref. 5667:INI:O, 5670:PAK:A]

B. Relations With Sikkim—Sino-Indian Correspondence: Chinese attempts to undermine India's relations with Sikkim have been exposed in the Notes, memoranda and letters exchanged between India and China in recent months.

A White Paper (No. 10) containing the correspondence between the two countries from July, 1963 to January, 1964 was placed on the table of the Lok Sabha on February 17 by Mrs. Lakshmi Menon, Minister of State in the Ministry of External Affairs.

India stated in its Note of September 19, 1963, that the Chinese Government had, on one pretext or the other, been challenging the position that the Government of India was responsible for the defence of Sikkim and its external relations.

In its Notes, India denied the Chinese claim to Indian territory in the Ladakh area. The Chinese Government's "mischievous" allegations against Indian soldiers in the Bara Hoti area in the middle sector of the border were also denied equally firmly by India.

The White Paper also contained India's protest to China against violations of the country's territory by Chinese aircraft.

In a Note sent on January 3, India made it plain that "after the massive aggression by China across the Indian borders", there could be no revival of the 1954 Agreement on trade and intercourse with Tibet.

Referring to a Chinese proposal that the Agreement be renewed the Indian Government said that it had no intention of continuing the correspondence, beyond re-iterating its contention that the Chinese Government itself must bear the responsibility for the present situation.

It pointed out that a new agreement, in continuation of the old one, could not be negotiated now "because of the crisis of confidence" created by the "massive and unprovoked Chinese aggression" along the Indian borders.

In its Note of December 31, 1963 to the Chinese Embassy, the Government took "the most serious exception" to the "extraordinary behaviour" of some Embassy officials towards a postman on November 26, 1963, and subsequently towards a Town Inspector of the Posts and Telegraphs Department.

Other matters brought up in the correspondence, which included 126 Notes, letters and memoranda exchanged between the two countries, included India's attitude towards Formosa and the fate of five Kashmiri Muslims detained in Tibet.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5340:INI:A]

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C. Trade And Payments Agreement With Bulgaria: A new five-year Trade and Payments Agreement between India and Bulgaria was signed in New Delhi on February 14.

Mr. Ivan Golomeev, Deputy Minister of Foreign Trade of Bulgaria, signed the Agreement on behalf of his country and Mr. S. Vohra, Joint Secretary, Ministry of International Trade, signed for the Government of India.

The Agreement, which is operative from the beginning of this year, envisages trade both ways of about Rs. 90 million in 1964 and Rs. 105 million in 1965. The total trade both ways in 1963 was worth Rs. 61.7 million.

The list of Indian exports will be enlarged and diversified as a result of the Agreement.

India will continue to import from Bulgaria electric hoists, cranes, power cables, transformers, steel products, machine tools, ball bearings, mining locomotives, automatic looms, battery-operated trucks, pig-iron, zinc, chemicals and capital goods.

(*The Times of India*, New Delhi)

[Prev. ref. 4440:INI:G]

D. Import Policy: It was announced by the Minister for International Trade, Mr. Manubhai Shah, in New Delhi on February 14 that the import policy for the next financial year would continue to place severe restrictions on the import of raw materials and intermediates, available indigenously, with a view to conserving foreign exchange.

He told a meeting of the Informal Consultative Committee of Parliament that imports during 1963 totalled Rs. 1,087 crores and were Rs. 39 crores less than those of 1962. The reduction, he said, was possible because of the strict scrutiny, import rationalization and import substitution.

Imports of machinery and components and parts and spares to meet the increasing demand of industry had gone up by nearly Rs. 30 crores and accounted for nearly a third of the total imports. There was, however, a decline of nearly the same magnitude in food imports.

Increased production of iron and steel, chemicals, transport equipment, dyeing, tanning and colouring materials, medical and pharmaceutical products, metal manufactures, paper and paper board, textile yarn and scientific instruments partly helped to reduce the import bill.

In view of the better domestic cotton crop, imports of raw cotton were less by Rs. 15 crores. The import of petroleum products, however, rose in view of the growing defence and domestic demands. The import of vegetable and animal oils showed a decline.

The increasing indigenous production of aluminium reduced the imports while the increasing internal demand for copper, lead and zinc necessitated larger imports of these metals.

As regards machinery, the policy followed was to allow the import of only complex and heavy types of machinery and machine tools since most of the less complex and medium machinery and machine tools were being manufactured within the country.

He also informed the Committee of the record increase of Rs. 104 crores in exports in 1963 as compared to the previous year.

According to official figures, exports in 1963 totalled Rs. 791 crores as against Rs. 687 crores. Thus, the trade deficit was reduced from Rs. 439 crores in 1962 to Rs. 296 crores in 1963.

While expressing gratification over the increase in exports, he pointed out that there was no room for complacency. India had the lowest per capita foreign exchange earning and it was necessary to step up exports further. There was good scope for raising the exports of even traditional items like jute goods, tea and textiles.

During the discussion, many members endorsed Mr. Shah's plea for creating an export-consciousness in the country. Some suggested integration of the Ministry of Industry and the Ministry of International Trade for achieving greater co-ordination in the field of foreign trade.

(*The Times of India*, New Delhi)

[Prev. ref. 5608:INI:E]

E. Railway Accidents During 1962-63: The Railway Accidents Committee has stated in its report for 1962-63 that a majority of train accidents on the Indian Railways was the direct result of the failure of Railway staff.

The report for 1962-63, for instance, says that out of 1,441 collisions and derailments, 1,016 or about 70.5 per cent were caused by the failure of Railway staff. Almost all cases of collision were attributable to human failure.

About 12 per cent of the derailments were on account of defective working of mechanical equipment, while the failure of permanent way was responsible for 46 or 3.4 per cent of the derailments.

The total number of accidents on the Railways during 1962-63 was 9,119 compared to 9,184 during the previous year. Of these, accidents, which normally result in loss of life or limb or damage to property, totalled 2,030, showing a declining trend from 2,272 in 1960-61 and 2,084 in 1961-62.

Serious accidents numbered 14 or one less than in 1961-62 but the figure of killed and injured was higher. Fatal casualties totalled 187 and others 504 compared to 120 and 399 in the previous year. This was because of two head-on collisions at Dumraon and Umeshnagar, which resulted in 111 persons being killed and 116 injured. Between April, 1963 and the end of the year there were five serious accidents resulting in 12 deaths.

A majority of the recommendations of the Railway Accidents Committee has also been accepted and 71 others of 298 made are under examination.

Among the major recommendations of the Committee are the opening of a Central Training Institute for the benefit of supervisors, provision of sufficient staff and their being posted in time, imparting of adequate training and intensification of periodical refresher courses.

It has also suggested that the present methods of selection of supervisors should be radically altered to provide chances for persons with initiative and ability and that a sum of Rs. 12 crores per year should be spent in providing staff quarters, instead of Rs. 7 crores as at present.

The Committee has also suggested the establishment of a central workshop for the manufacture of electrical signalling and mechanization of tracks, maintenance of busy trunk routes. Two special workshops, it has also said, should be built up for the manufacture of spare parts generally in short supply.

An expansion of research facilities and personnel was also essential. The Committee has expressed the view that at least one per cent of the gross expenditure of the Railways should be on research. This would mean more than a four-fold increase in the present expenditure on railway research organization.

(*The Financial Express*, Bombay)

[Prev. ref. 5116:INI:B]

F. Trade Deficit For 1963: India's trade deficit for 1963 was Rs. 296 crores as against Rs. 439 crores during 1962.

Exports during the year touched the record figure of Rs. 791 crores, which was Rs. 104 crores more than in 1962. This included exports from Goa, Diu, and Daman.

The exports increased in spite of some decline in the unit price of several commodities. The higher unit prices of some items accounted for the increased earnings.

Imports dropped by Rs. 39 crores to Rs. 1,087 crores. The bulk of the imports was for the maintenance and development of the economy. Essential items like foodgrains and petroleum were imported in the same quantities as in 1962, but the value of machinery and components imported rose by nearly Rs. 30 crores. They now account for nearly a third of the imports.

In view of foreign exchange difficulties, imports of several lower priority items were cut. There was also some reduction in the imports of priority items produced in India. The increase in the production of iron and steel, chemicals, transport equipment, dyeing, tanning and colouring materials, and medicines led to substantial import cuts. In view of better cotton crop, imports of raw cotton declined by Rs. 15 crores.

The decline in imports was well spread. The deficit trade balance with West European countries, including the UK improved by Rs. 62 crores, with Asia and Oceania by Rs. 56 crores and with East European countries by Rs. 15 crores over the previous year.

The largest increase of Rs. 43 crores in exports was recorded in respect of Asia and Oceania, followed by Rs. 25 crores to West European countries, including the UK, Rs. 13 crores to USA and Rs. 14 crores to East European countries.

The largest decline in imports of Rs. 37 crores was in the case of West European countries, followed by Rs. 13 crores in Asia and Oceania.

Trade with Africa recorded a decline of about Rs. 5 crores both in imports and exports.

Trade deficit with USA slightly widened because of a larger increase in imports than in exports. Imports from America amounted to Rs. 370 crores and exports to Rs. 170 crores.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5041:INI:G]

G. Theft Of Sacred Relic From Hazratbal Shrine—Three Persons Arrested: The Central Home Minister, Mr. Gulzari Lal Nanda, disclosed in Parliament on February 17 the names of three persons arrested so far in connexion with the theft of the sacred relic from the Hazratbal shrine in Srinagar (see page 5630).

They are: Abdul Rahim Bande, mujawar (custodian) of the shrine; Abdul Rashid, a young boy who actually brought back the relic to the shrine and was caught while running away, and Kadar Butt, who is believed to have some affiliation with Pakistan and had often visited Pakistan.

Mr. Nanda made a brief statement announcing the names in both Houses, but replied to members' questions only in the Rajya Sabha.

He said that preliminary charge-sheets against the three had been filed. But the investigation was still proceeding and other suspected persons might come to light.

He said the possibility of "some kind of an inspiration or complicity" from out-

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side in the theft could not be ruled out and half-a-dozen more arrests might follow.

About the possibility of some political party acting behind the scene, he remarked: "I think one can infer. I need not name them."

He said that those arrested would be tried under the Penal Code of the State for wounding the religious feelings of a community. "It was possible that under the State's Enemy Agents Ordinance, some other case might arise."

He took the opportunity to make it clear once again that the judge, who would try the case, would be deputed from outside the State and would be "unconnected" with the State administration.

Relic Certified As Genuine:

The recovered relic of Prophet Mohammed in the Hazratbal shrine was certified as genuine by all the 17 maulvis and pirs who examined it at a special *deedar* in Srinagar on February 3.

The hour-long ceremony was marked by scenes of joy.

Among those present was the Central Minister without Portfolio, Mr. Lal Bahadur Shastri, at whose suggestion the deedar was held.

The action committee had been demanding identification of the relic by respected Muslim divines ever since it was recovered.

(*The Times of India* and *The Statesman*, New Delhi)

[Prev. ref. 5630:INI:C]

H. Mr. Asoka Mehta Expelled From P-SP: The National Executive of the Praja-Socialist Party decided on February 15 "with regret to terminate Mr. Asoka Mehta's membership of the P-SP" for accepting the post of Deputy Chairman of the Planning Commission.

The resolution, which was put to the vote after a three-hour discussion, was adopted by a majority of 15 to 3.

The action was taken by the Executive under Article 28 of the party constitution for breach of discipline (writing or speaking publicly or acting against the decisions of the party).

Of the 25 members, 19 attended the meeting. Mr. H. V. Kamath had to leave for Bombay before voting took place. Mr. Nath Pai, Mr. Farid Ansari and Mr. Genda Singh opposed the resolution. They felt such action might weaken and endanger the party unity.

Members who supported the action asserted that Mr. Mehta's continued membership might weaken the party.

Eight special invitees participated in the discussions.

National Executive Meeting:

The Lohia Socialists' move for unconditional merger with the Praja-Socialist Party was welcomed by the P-SP National Executive, which concluded its two-day session in New Delhi on February 16.

The Executive, in a resolution, said that the final decision for a merger could be taken only with the sanction of the National Conferences of the respective parties.

The Executive has appointed a special committee for the task of conducting merger talks with representatives of the Socialist Party.

The Socialist Party had formally communicated its decision to merge with the P-SP in a note to the P-SP Executive on February 15. It also informed the P-SP that a special committee had been set up for merger talks.

Resolutions:

On February 16, the National Executive of the P-SP adopted a resolution strongly criticizing the British Government's stand on the Kashmir issue and said the British attitude had rendered the "Commonwealth association a meaningless link."

The resolution noted with regret the "unhelpful attitude of certain nations" in the Security Council over the Kashmir issue during the last 16 years and declared that Kashmir's accession to India was valid and final.

It also criticized the Government of India for the support it gave to "the undemocratic practices" of the Kashmir Government and urged that the Central Government should "induct an administration enjoying the confidence of all sections of the community."

It also passed a resolution on the communal disturbances in East Pakistan and their repercussions in India. The resolution called upon the Government to provide facilities to the new migrants from East Pakistan and assured its support to measures for the protection of Muslim minority in India.

As regards the new migrants, the resolution reminded the Government of the pledge of protection given to them by Indian leaders at the time of Partition. Suggesting concrete measures, the resolution said the Government should arrange planned and safe transit of immigrants from East Pakistan.

The Government was also asked to take steps "to secure compensation for the properties left in East Pakistan" and to assure the immigrants "full and immediate rehabilitation, and confer on them Indian citizenship."

The resolution also called upon the Government to take measures to evict all Pak illegal infiltrators.

(*The Times of India* and *The Hindustan Times*, New Delhi)

[Prev. ref. 5077:INI:L, 5473:INI:E]

I. Gold Deposits In Assam: The Central Minister for Steel, Mines and Heavy Engineering, Mr. C. Subramaniam confirmed in the Lok Sabha on February 14 that gold-bearing rocks had been discovered near Mawphlong in Assam.

He said that the rocks were outside the earth surface and it was estimated that there was 1.2 penny weight of gold in every ton of rock.

The Assam Government proposed to undertake preliminary prospecting of the area "in due course."

(*The Times of India*, New Delhi)

[Prev. ref. 4588:INI:E]

J. Natural Gas Discovered In Upper Assam: Natural gas has been discovered in the second test well at Bogapani in Upper Assam.

Oil India Limited, a joint venture of the Government and the Burmah Oil Company, is now engaged in exploratory drilling estimated to cost about Rs. 2 crores.

It has selected the site for a third test well near Namrup. The first test well at Tinali has been abandoned as a dry hole, according to Oil India.

Oil India plans to drill at least four more test wells in 1964-65 in its exploration licence areas in Dum Duma (Assam) and Ninguru (N-EFA). Seismic surveys have already covered most of the Dum Duma area and the party will be moving soon into Ninguru.

At the Bogapani location, situated in a dense jungle, drilling commenced towards the end of December, 1963 and the objective depth was reached on January 21.

The initial production tests of the two promising sands in the well have yielded some natural gas, but without any crude oil.

Oil Deposits In Doon Valley:

The Central Minister for Petroleum and Chemicals, Mr. Humayun Kabir told newsmen in Dehra Dun on February 14 that the Oil and Natural Gas Commission had discovered rich oil deposits in the Doon Valley.

He said that drilling operations would be undertaken shortly at Mohand, eight miles from Dehra Dun on the Dehra Dun-Delhi Road, where oil deposits had been located. An intensive survey in the Himalayan and Terai regions was also being carried out.

(*The Times of India*, New Delhi and Bombay)

[Prev. ref. 5354:INI:H]

K. Mr. V. V. Dravid Resigns From Madhya Pradesh Cabinet: The Labour Minister of Madhya Pradesh, Mr. V. V. Dravid, on February 17 submitted his resignation to the Chief Minister, Mr. D. P. Mishra in pursuance of a directive of the Indian National Trade Union Congress which had drafted him for organizational work.

Mr. D. P. Mishra said that he would get in touch with the Congress President, Mr. K. Kamaraj, and tell him about Mr. Dravid's insistence that he should be relieved soon. Mr. Mishra would also discuss the question of appointing a successor to Mr. Dravid.

Mr. Mishra said that the decision came as a surprise to him and he was sorry to lose a colleague of Mr. Dravid's calibre.

Mr. Dravid (52) said that as soon as he was relieved he would go to Indore to put the INTUC organization there in shape. The Madhya Pradesh INTUC has been dissolved and Mr. Dravid will look after the movement. He had built up INTUC in Indore. His differences with Mr. Ram Singh Varma, the man who ran the organization, resulted in group rivalry.

Mr. Dravid said he had assured the Chief Minister of his co-operation at all times.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5474:INI:M]

L. Governor's Address To Gujerat Legislature: The Governor of Gujerat, Nawab Mehdi Nawaz Jung, opening the Budget session of the State Legislature on February 17, said that the Government was determined to root out corruption.

He said that a separate anti-corruption bureau had been set up directly under the Government, replacing the existing machinery in charge of the Inspector-General of Police. Useful suggestions were welcome from the employees.

He announced that elections to the district panchayats would be held during April.

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Referring to defence efforts, he said that gold and silver worth over Rs. 3 crores were collected in the State for the National Defence Fund. A large number of people were given training in various civil defence organizations.

Of the total outlay of Rs. 236.50 crores for the State's Third Five-Year Plan, Rs. 127.05 crores were spent by the end of the third year of the Plan, Rs. 46.14 crores were spent in 1963 and Rs. 43.48 crores were earmarked for the coming year.

Among the measures adopted by the State Government for the rapid industrialization of Gujerat, the Governor referred to the assistance to industrialists for procuring land, power, equipment and raw materials, establishment of industrial estates, financial aid, expansion of the industrial research laboratory at Baroda and subsidy on the power consumed by small industries.

He said that the Government was anxious to provide gas to industries at a reasonable price.

The first phase to process one million tons of crude oil at Koyali refinery would be completed by December. The second phase to process another one million tons of oil would be achieved by July, 1965. The Central Government was considering doubling the refining capacity at Koyali.

Details regarding the setting up of a petro-chemical complex in the public sector around Koyali refinery were being finalised. The complex would start functioning by 1971. Further processing of the basic chemicals produced at the complex would be entrusted to the private sector.

With a view to maintaining the price level of foodgrains, the Government opened 1,164 fair price shops during the year, taking the total to 4,264.

(*The Times of India*, Bombay)

[Prev. ref. 5145:INI:A]

M. Governor's Address To Punjab Legislature: The Budget session of the Punjab Legislature got off to an unruly start, when three members walked out during the Governor's Address to a joint sitting of both Houses on February 17.

The three members walked out immediately after the Governor, Mr. Pattom Thanu Pillai, began reading his Address in protest against the use of English. The three were Mr. Net Ram (Soc), Mr. Tek Ram (PIP) and Mr. Tara Singh (Akali). They wanted the Address to be read out in Hindi.

Mr. Thanu Pillai began his address with a reference to Punjab's "special role" as a border State and with a tribute to its people for having "already risen to the occasion and answered the challenge so far magnificently".

He admitted that there was "an unusual rise in wheat prices in the market" during the year. He attributed this to the "national policy regarding free trading and free movement of grain" which had led to huge export of grain from the State.

He said that the State Government had "taken all possible measures to hold the price line". About 6,000 fair price shops had been opened in the State to supply flour to the people. There was also a vigilance committee which reviewed prices from time to time.

There was no mention of the Government's scheme for State trading in grain which it had already discussed with the Centre.

Stressing the need for special attention to solve the problem of annual floods, Mr. Thanu Pillai revealed that the floods had caused a loss of Rs. 5.98 crores in 1963.

He spoke of the need to maintain the status of Simla and re-iterated the Government's much-criticized decision to move Government offices there during Summer.

On the law and order situation during the past year—a subject which the Opposition repeatedly brings up during debates—he revealed that registered cases had gone up from 46,711 in 1962 to 51,723 in 1963. The rise did not, however, signify a deterioration in the situation. According to him, the increase was attributable to the special drive launched against illicit distillation.

He catalogued several achievements of the State during the year. They were: the completion of the Bhakra Dam, the introduction of free and compulsory education for children in the age group 6—9, installation of water supply plants in 60 towns and sewerage in 38 towns, the completion of the first panchayati elections without any major incident or conflict and the introduction of the Old Age Pension Scheme.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5117:INI:H]

N. Governor's Address To Maharashtra Legislature: A clear indication that the Naik Ministry was "resolved to take measures which will result in a more realistic and effective implementation" of the prohibition policy was given on February 13 by the State Governor, Mrs. Vijayalakshmi Pandit, in her address to a joint session of the Maharashtra Legislature.

She said that while the Government stood firmly committed to follow the policy laid down in the Constitution, experience over the past 14 years had made it aware that "prohibition as it now exists in this State can give rise to serious dangers to the common welfare and that these dangers can be aggravated if an unrealistic or wishful approach is adopted".

She said that it could not have been the intention that the State should provide lawbreakers with an easy and profitable means of livelihood through illicit distillation or by trafficking in noxious alcohol. Experience had shown that the present mode of prohibition had caused serious harm to the health of those very people for whose benefit prohibition had been conceived.

She added that any additional revenue collected from the proposed liberalization in the issue of permits would be used for the welfare of addicts and for propaganda to wean away at least the younger generation from drink.

In an indirect reference to the Goa ruling party's main platform in the recent elections for the immediate merger of Goa with Maharashtra, she said that the establishment of a democratic form of Government "will help strengthen the cultural, historical and linguistic bonds which exist between the people of Goa and the people of Maharashtra".

She expressed the hope that Maharashtra's boundary and waters disputes with Mysore and Andhra would soon be settled satisfactorily and on a permanent basis.

She also referred to the State's defence effort, the record established in small savings, and to the progress of development schemes.

(*The Times of India*, Bombay)

[Prev. ref. 5102:INI:T]

O. UP Budget For 1964-65: The Uttar Pradesh Budget for 1964-65, presented to the Vidhan Sabha on February 13 by the State Finance Minister, Mr. Kamlapati Tripathi, showed a deficit of Rs. 11.59 crores.

Revenue receipts were estimated at Rs. 223.84 crores and revenue expenditure at Rs. 235.43 crores.

To cover the deficit the Government proposed to launch a vigorous drive for the realisation of tax arrears and prevention of tax evasion. Economy in administrative expenditure was contemplated.

Mr. Tripathi said the entire revenue deficit could not possibly be wiped out by these measures alone and steps for raising additional resources appeared to be unavoidable. He had no doubt that, in these circumstances, the House would approve such measures as might be placed before it in due course.

The Government had decided to appoint a committee to rationalize the pay-scales of various categories of Government employees. It has, in the meantime decided to increase by Rs. 5 a month the rates of dearness allowance for whole-time Government servants.

The rate of old age pension will be increased from Rs. 15 to Rs. 20 a month.

Top priority will be given to stepping up agricultural production. For this it is proposed to take urgent steps to ensure maximum utilization of the irrigation potential, dig more tubewells and encourage private irrigation, simplify the procedure for advancing loans for minor irrigation and introduce an irrigation extension service.

The provision for distribution of fertilizers is to be increased from Rs. 12.5 crores to Rs. 17.86 crores. Short-term loans in kind will be advanced in the co-operative sector. Emphasis will be laid on intensive cultivation of sugar-cane. "Package programmes" for increasing production of rice, pulses, potato, cotton, rape-seed, mustard seed and jowar will be launched.

Power has also been given high priority. It is proposed to increase the installed capacity for power generation from 601 mw, expected at the end of the current financial year, to 614 mw in 1964-65. The Plan provision for the electrification of 1,500 villages is likely to be doubled and the State Electricity Board hopes to electrify 3,000 villages by the end of 1965-66.

The anticipated outlay on the power schemes during the current year is about Rs. 20 crores (excluding the Uttarkhand region). This is being raised to Rs. 29 crores next year. A scheme for the establishment of a cement factory at Dalla in Mirzapur district has been included in the Third Plan. The development and exploitation of Singrauli coal deposits is proceeding according to schedule. Coal from these fields may be available in 1965.

The antibiotics factory at Rishikesh is likely to go into production this year. The State Industrial Corporation proposes to start a lime-based industry in Mirzapur. Rehabilitation and modernization of old sugar mills is engaging the attention of the Government.

A sum of Rs. 6.5 crores has been allotted for roads and bridges. The construction of an additional 300 miles of roads, improvement of 250 miles of existing roads and completion of 15 new bridges are envisaged.

(*National Herald*, Lucknow)

[Prev. ref. 5118:INI:K]

INDONESIA

A. Control Of Estates Transferred: The British managers have handed over control of the Pemanukan and Tjiasemlands plantations in West Java to a Government provisional supervisory team.

The Antara news agency reported on February 14 that control of the plantations in the Subang plateau was transferred on February 13 at a ceremony attended by Mr. D. S. F. Meyer, representing the plantations, and Mr. Ustara Wiradinata, chairman of the body for provi-

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sional control of British-owned estates in West Java.

Before the transfer, Mr. Mashudi, Governor of West Java, officially installed the members of the suvervisory body on behalf of Dr. Sadjarwo, Minister of Agriculture.

Mr. Meyer said he believed that Government control over the plantations would be only of a temporary nature and that Indonesia would not nationalize them. The agency reported that Mr. Mashudi, however, said that "come what may, all plantations must unconditionally become the property of the Indonesian nation".

Antara reported that Major-General Aziz Saleh, Minister of People's Industries, had placed 13 British commercial enterprises under the supervision, control and security of his Ministry.

A Ministry of Agriculture official said that the latest transfer was in line with the Ministry's decision of February 3 placing all British estates under the direct control of the Government.

An Antara report from Sourabaya, East Java, said that the city's mayor had ordered all British companies taken over by workers to be returned to their former managements. The order said the companies should be restored to their former position and appealed to the workers to co-operate with the management. The order also forbade any changes in staff.

Meanwhile, at least 18,000 people were reported to be suffering from hunger on the Indonesian island of Bali. The agency was quoting reports which said that thousands were still suffering from widespread famine in Central Java, after a long drought and rat plagues.

The Defence Minister, General Abdul Haris Nasution, announced that the Armed Forces had made available 5 million *rupiahs for famine-stricken people. This followed an earlier Army gift of 30 tons of rice.*

Earlier, on February 12, the Anglo-Dutch Unilever Company was placed under the control of the People's Industry Ministry.

An announcement said the Ministry had decided to control the company after its workers attempted to take it over in January. The Ministry had appealed to the workers to go back to work as usual.

Most British and partly British estate holdings in Indonesia are now under a degree of Government supervision after take-over attempts in January by the Communist-dominated Workers' Association. These followed demonstrations against Britain's role in the formation of the Malaysian Federation.

President Sukarno on January 24 ordered army, police, and civil authorities to obey an earlier presidential order forbidding labour unions to seize British concerns in Indonesia.

(*The Times*, London)

[Prev. ref. 5669:IND:A]

B. Basis Of Education System: A spokesman of the Education Ministry said on February 16 that Indonesia had decided to make the State philosophy of *Panchashila* the basis of its education system.

He said the purpose of the stress on this philosophy was to develop "perfectly patriotic citizens with the national character."

Panchashila is a broadly conceived theory involving five principles—belief in God, humanitarianism, nationalism, sovereignty of the people and social justice.

(*The Statesman*, Calcutta)

[Prev. ref. 3927:IND:B]

IRAN

A. Transit Agreement With Turkey: A new Iran-Turkish Transit Agreement was signed in Tehran on February 1 to replace the 1949 Agreement, to which so many additions and protocols had been added that it had become a completely unwieldy document of 45 pages.

The importance of the Agreement is the simplifying and streamlining of the procedures for transit trade between and through the two countries. Iran is possibly the main beneficiary by the new arrangements, and her exports to Europe should certainly benefit as transport rates and time schedules have been reduced drastically. Turkey will of course also benefit through the additional traffic and both countries will benefit by the increased volume of trade made possible by the Agreement.

The net effect of the Agreement will be to reduce the maximum transport rates for a ton of exports from Tehran to European ports from 6,000 rials to 3,225 rials, and to cut the time from five to two weeks. The effective rates range from between $128 to $38 per ton. The present Agreement covers overland transport, but discussions are taking place at present with a view to extending the rate concession to sea transport between the two countries. In addition, charges are being cut by both countries for loading and unloading and all other warehouse and dock services by between 25 per cent and 50 per cent. The discount reductions are still larger if Iranian transport is used for Iranian goods through Turkey.

The main transport routes to be used by Iran are from the Iranian border to Trabzon, to Iskenderun on the Mediterranean, and to Istanbul. Turkish transport companies will use the Bezergan-Istafan-Kerman route to the border of Pakistan and the Bazergan-Tehran route to the border of Afghanistan. In addition, other routes may be used by mutual agreement.

Another advantage for both sides is the reduction of the guarantees to $12,000 that have to be provided by transport companies using routes through the other country and this sum can now be deposited by bank letters of credit instead of hard currency; the net effect of this new ruling will be to reduce the transport costs still further.

It is claimed that the result of these reductions in transport charges will be to make the overland route to Europe via Turkey cheaper than the Soviet overland route, for which Iran obtained special concessions in 1963.

Prior to this Agreement the majority of goods transported from Iran to Europe were transhipped at the border on to Turkish transport, and while previous efforts to form mixed transport companies have not been successful, it is hoped that such companies can be formed.

(*Middle East Economic Digest*, London)

IRAQ

A. Cease-fire With Kurds Signed: The war between the Kurds and Iraqi forces ended on the night of February 10.

President A. S. Arif and the Kurdish leader, Mullah Mustapha Barzani, agreed to a cease-fire.

The Iraqi Government has decided to concede the "just claims of the Kurds and to restore the unity of Arabs and Kurds".

President Arif said in a broadcast that the Government had recognized the natural rights of the Kurds within the frame-work of national unity.

He ordered the release of all prisoners of war and declared a general amnesty.

Kurdish officials who had been dismissed or transferred to other jobs during the Kassem administration will be reinstated.

Mullah Mustapha issued a statement read over the radio by Brigadier Farhan, Minister for National Guidance. The Mullah said: "Wishing to preserve the unity of the nation we have decided to cease fire and to advise our followers to return to their dwellings.

"By doing this there will be room to take steps which will ensure the return of things to normal as well as security and stability."

The bloody conflict between Kurds and Iraqis began in September, 1961. President G. A. Nasser of UAR was believed to have played a great part in the present settlement.

(*The Statesman*, Calcutta and *Baghdad Radio*)

[Prev. ref. 5549:IRQ:B]

B. Nationalization Of Oil Companies—Government Stand: The Minister of Oil, Dr. Abdul Aziz al Wattari, told a news conference in Baghdad on February 9 that Iraq had no intention of nationalizing oil companies.

Speaking of the function of Iraq's new National Oil Company, announced on February 8, he said this would in no way affect the interests of foreign companies. The new company was to contribute to the international oil industry as a whole.

President A. S. Arif has approved an enabling law which is a continuation of previous legislation limiting the land where foreign oil companies might operate, and appropriating more than 66 per cent of the land covered by their concessions.

A draft law for a national oil company was published in 1962 but it was held in abeyance both in General A. K. Kassem's days and after. In May, 1963 Dr. Abdul Aziz al-Wattari, who had been Minister of Oil since February, 1963, said that the law had been pigeonholed. Its execution now indicated at first sight that the door has been slammed on the Iraq Petroleum Company in order to give the February, 1963 coup a resounding anniversary.

In fact the door may not have been slammed. Originally the national company was to enjoy rights over at least 99 per cent of the Iraq Petroleum Company's concession area; the reference on Baghdad Radio to 66 per cent may mean that some change has been made.

In any case the crux of this matter is whether the national company tries to exploit the areas of which the IPC has been dispossessed. This would make the IPC's loss final.

Iraq's attitude since the further coup in November, 1963 which clipped Baathist wings in the country seems to have hardened towards all foreign oil interests, and this was shown in the arguments within the Organization of Petroleum Exporting Countries at its meeting in Saudi Arabia in December, 1963.

(*The Times*, London and *The Egyptian Gazette*, Cairo)

[Prev. ref. 5483:IRQ:A]

C. Economic Projects: According to an announcement on January 5, the Economic Planning Board is to increase allocations made to the Railway projects by ID2,500,000. (Dinar=£).

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This sum is to be spent by the end of the current fiscal year (March 30) so as to speed up the completion of the Baghdad-Basra railway line and the Baghdad East railway station.

The Board has also approved the establishment of a woollen textiles factory in Nassiriya, for which international tenders will be announced in the near future. Tenders have already been published for the ID1.2 million water treatment project in Arbil; and are expected shortly for the construction of an ID13 million paper factory at Rumaitha; and an ID12 million fertilizer factory at Umul Fuluss.

Plans are also being considered for the construction of the Al Karma Bridge on the Baghdad-Basrah highway at a cost of about ID1.5 million. The Ministry of Industry has informed foreign trade missions about the Government's intention to build a tyres factory and has asked for details of foreign firms capable of handling such a project. The Ministry is also planning to build a second factory for production of aluminium sheets.

(*Middle East Economic Digest*, London)

[Prev. ref. 5455:IRQ:C]

PAKISTAN

SUMMARY: Air Transport Agreement With Lebanon; Trade Pacts With Yugoslavia; Opposition's Appeal For Restoration Of Franchise.

A. Air Transport Agreement With Lebanon: Pakistan and Lebanon signed in Karachi on February 4 an Air Transport Agreement.

Khan A. Sabur, Pakistan's Communications Minister, and Mr. Pierre Gamayel, the visiting Lebanese Works Minister, signed the Agreement on behalf of their respective countries.

A communique, issued after the signing ceremony, said that the conclusion of the air services Agreement would further strengthen the existing very friendly and cordial relations between Pakistan and Lebanon and would lead to stronger economic and cultural ties.

Exchanging Instruments of Ratification, Khan A. Sabur characterized the accord as the first step towards ever-increasing friendship and understanding between the two countries.

Later, an operational agreement was also signed by the Pakistan Director-General of Civil Aviation and the Lebanese Director-General of Transport.

(*Dawn*, Karachi)

[Prev. ref. 5305:LEB:A]

B. Rechna Doab Project—Loan From USA: The US Information Services in Karachi announced on February 1 that a long-term interest-free American loan of $750,000 to finance spare parts, servicing equipment and consultant services for the Rechna Doab tubewell project had been signed.

The loan, authorized by the US Agency for International Development, was signed for the Government of Pakistan by Mr. Osman Ali, Secretary, Economic Affairs Division of the President's Secretariat and for the United States by Mr. Donald G. McDonald, Director of the US Agency for International Development Mission to Pakistan.

Actual terms of the loan call for no repayment during the first ten years and then repayment in dollars over a period of 30 years with a small carrying charge of three-quarters of one per cent per annum.

The Rechna Doab project, with 1,800 tubewells in operation, was formally inaugurated in April, 1963 by President Ayub Khan.

A $10.8 million US loan signed in March, 1963 called for the sinking and operation of more than 800 tubewells, with power supply facilities and drainage works, designed to benefit an area of about 623,000 acres in the Chaj Doab area of West Pakistan. This scheme, together with the Rechna Doab, will bring approximately 1.5 million acres under beneficial reclamation treatment.

Rechna Doab, known as Salinity Control and Reclamation Project No. 1, (SCARP 1) is one project in the programme outlined in the draft report on water-logging and salinity by the late President Kennedy's Science Advisory Committee. The draft report and a recent review of the project in Pakistan have indicated the necessity of intensive co-operative effort to realize the full potential of the pumping facilities. The new US $750,000 loan is designed to provide funds for support to the operation and maintenance of the pumps.

Mr. McDonald pointed out that in the year in which the Rechna Doab project had been operating, some dramatic results had been achieved. "In Khangah Dorgan, in the Sheikhupura district, more than 200 tubewells have reclaimed some 13,000 acres, raising the acreage of cultivated land in the area by 50 per cent."

(*Dawn*, Karachi)

[Prev. ref. 5569:PAK:G]

C. Trade Pacts With Yugoslavia: Pakistan and Yugoslavia signed on January 28 Agreements providing for exchange of commodities under barter and a further Yugoslav credit of $10,000,000 for development projects in Pakistan.

The following communique was issued on the occasion:

"The economic and trade delegation, headed by HE Mr. Kosovac, Minister of Trade, Government of Yugoslavia, arrived in Pakistan on January 16, 1964. The delegation came to Pakistan to explore the possibilities of expanding trade and of enlarging the scope and volume of economic, technical and industrial co-operation between the countries.

"Mr. Wahiduzzaman, Minister for Commerce, and Deputy Chairman, Planning Commission, Mr. Said Hasan, represented the Government of Pakistan in these discussions with the visiting delegation.

"(a) The two delegations signed a balanced Trade Agreement (barter agreement) involving exchange of a number of goods and commodities on both sides on a self-balancing basis. The value of these goods and commodities would be Rs. 1.5 crores on each side and the Agreement will be valid for one year. The exchange of commodities under this Agreement will be in addition to the normal trade between the two countries.

"The main exports from Pakistan under this Agreement would be jute, cotton and manufactured and semi-manufactured goods, viz., cotton textiles, cotton yarn, cotton waste, fertilizers, sports goods, surgical instruments, cutlery, fish meal, frozen fish, etc., tanned and semi-tanned leather, leather goods, spectacle frames, sheep casings, kapok, chrome ore, hosiery, molasses, fresh fruits, handloom cloth and handicrafts.

"The exports from Yugoslavia will consist of motor cars, scooters, tools and workshop equipment, cables, insulators, conductors, pipes, chemicals, including insecticides, hardware and iron pharmaceuticals, marine engines, earthenware and crockery, glass ware, paper (all sorts), tyres and tubes, sanitary ware, typewriting machines.

"(b) Another Barter Agreement was finalised by the two delegations. This Barter Agreement involves the construction by a Yugoslav firm of about 200 tube-wells for WAPDA, West Pakistan, in exchange for exports of some specified grades of jute. The value of this Barter Agreement is about Rs. 80,00,000 on each side. This project will take about two years to complete.

"(c) The Pakistan delegation accepted the offer of the Yugoslav delegation concerning a further credit of $10 million for development projects. The projects to be financed from this credit will be negotiated between the two countries later on.

"The two delegations further agreed that apart from these barter agreements and the existing credit financing arrangements between the two countries, another and more effective way to expand the volume of trade and to enlarge the scope of economic co-operation between the two countries would be for Yugoslavia to build development projects on credit in Pakistan and to accept repayment of these credits over a number of years in the form of Pakistan primary commodities and manufactured and semi-manufactured goods.

"The Yugoslav delegation, while accepting the suggestions in principle, however, made it clear that this pattern of repayment credits would apply only to certain specified projects which may be mutually agreed upon by competent authorities in the two countries.

"The two delegations also agreed to hold further discussions to finalise the agreement on avoidance of double taxation.

"The leaders of the two delegations hoped that the Agreements signed today and the principles agreed upon by the two delegations would open the ways for further extension of trade between the two countries and also lead to increased economic and industrial co-operation."

Ship-building Pact Signed:

An Agreement to collaborate in the construction of the first ocean-going ship of over 10,000 tons at the Karachi shipyard was signed on January 31 between Pakistan and Yugoslavia.

The visiting General Manager of the Spilit Shipyard of Yugoslavia, Mr. M. Radovic signed on behalf of his country, while Mr. A. Hamid Ghani, General Manager of the WPIDC Shipyard, signed on behalf of the Shipyard.

Under the Agreement, a 13-man strong team of Yugoslav technicians will shortly arrive in Karachi to assist the WPIDC Shipyard in the construction of the ship, for which preliminary work has already been started by the WPIDC Shipyard.

Besides, the Agreement envisages the supply of material, designs, and drawings of the vessel by Yugoslavia to Pakistan. The ship is to be built for a Pakistani company, which, however, has not yet been named by the Government.

(*Dawn*, Karachi)

[Prev. ref. 4631:PAK:F]

D. Restoration Of Franchise—Opposition's Appeal: Opposition leaders in the National Assembly have appealed to all patriots in Pakistan to continue agitation for the restoration of adult franchise.

The appeal was issued after Opposition members of the Special Committee appointed in December, 1963 for determining an electoral system for the 1965 polls walked out of a Committee meeting on January 30 alleging that they felt the

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Government was not prepared to concede the universal demand for adult franchise.

Mr. Yusuf Khattak, leader of the group, said that the Government had lately made it clear that it had not changed its negative attitude on the franchise issue. "We must adopt all constitutional measures to make people conscious of the plans made by the Government to hoodwink the people. There should be no doubt in the mind of any citizen that the Government has never been sincere and has taken recourse to subterfuges to waste time to create the impression that it is willing to consider the popular demands of the Opposition leaders."

He stated that President Ayub Khan took cognizance of this popular demand in June, 1962, when he promised to set up a Franchise Commission to suggest changes. The Commission's report was kept "under cold storage" for over six months. It was only during the last session of the National Assembly at Dacca that the Government moved a formal resolution for the appointment of a House Committee to thrash out the franchise issue. However, the deliberations in the Committee had left the Opposition in no doubt that the Government was in no mood to change the electorate at least for another five years.

(*The Times*, London)

[Prev. ref. 5660:PAK:E]

E. Ban On Jamaat-e-Islam Challenged In Court: A division bench of the Dacca High Court issued on February 3 a rule on the East Pakistan Government to show cause why the notice declaring the Jamaat-e-Islam an unlawful association should not be declared to have been passed without lawful authority, and as such of no legal effect.

The rule, returnable within two weeks, was issued on a petition filed by Mr. Tamizuddin Ahmed, a member of the Jamaat, challenging the validity of the notice.

(*The Statesman*, Calcutta)

[Prev. ref. 5650:PAK:E]

F. Khan Abdul Ghaffar Khan Released: Khan Abdul Ghaffar Khan, who took a prominent part in the struggle for India's independence under Mahatma Gandhi's leadership and is popularly known as "Frontier Gandhi", was released on January 30 from Haripur Central Jail.

It was reported that he had reached his village—Mohammed Nari—in Charsadda Tehsil.

Earlier reports had stated that he was removed from Lahore Central Jail to Montgomery to be treated in hospital there.

He had been in jail for most of the years since Pakistan came into existence.

(*The Times of India*, New Delhi)

[Prev. ref. 5553:PAK:C]

ASIA OUTSIDE ASIA

SUMMARY: Mexico To Receive Atomic Reactor; GATT Report On World Trade During 1962; UNESCO Activities During 1963; Pope Paul's Visit To Holy Land; USA Launches "Ranger VI" Moon Rocket.

A. Mexico To Receive Atomic Reactor: The Board of Governors of the International Atomic Energy Agency decided on December 4, 1963 that Mexico would obtain a research and training reactor of the Triga Mark III model and the necessary fuel for its operation during the first five-year period from USA through the Agency.

The reactor would be owned and operated by the Mexican National Nuclear Energy Commission at a planned new Nuclear Centre near Salazar in the State of Mexico. The Centre would also have a 12 million electron volt Van-De-Graaff-tandem accelerator. The research groups at the new Centre would be involved mainly in analytical chemistry, nuclear physics, radiation chemistry, radio-bioloby, reactor physics and solid state physics. The Centre is planned to be operative in October, 1964.

The Triga Mark III is an advanced type of the standard Triga series. It needs an initial fuel load of 20,000 grammes of uranium enriched to 20 per cent in the isotope uranium-235. The Government of Mexico has indicated that it wishes to obtain the fuel from the United States, if possible as part of the US offer to the Agency of special fissionable material up to a yearly value of $50,000 for research or medical therapy use. The value of the uranium for the Triga and four grammes of uranium enriched to 90 per cent for fission counters is estimated at approximately $45,000. The Board was informed that USA would supply the enriched uranium free of charge under the terms of the offer to the Agency, provided the project would enter into force before the end of 1963.

(*United Nations*)

B. GATT Report On World Trade During 1962: In a report on world trade in 1962 released by GATT (General Agreement for Tariffs and Trade) in Geneva on December 22, 1963, it was stated that world trade continued to expand during 1962 for the fourth year in succession.

The rate of expansion was higher than that of 1961, but much lower than that of 1959 and 1960.

The report reviewed the recent trends in world trade, analysed the structure of foreign trade of several developing countries and reviewed the trade during 1961 product by product, region by region and country by country.

The report said the value of world exports in 1962 was £138,500 million—$7,000 million above the 1961 figure. The increase was slightly more than 5 per cent compared with the preceding year. The corresponding figures for 1959 and 1960 were 7 per cent and 11 per cent respectively.

The report said that as in the past few years, trade among the industrialized countries accounted for an increasing share of world trade.

The total value of exports from non-industrialized nations to the industrialized areas of the world, their main markets, rose by 5 per cent between 1961 and 1962, and was thus expanding at about the same rate as world trade on the whole. At the same time, the share in world trade constituted by exports from the industrialized areas to the non-industrialized countries continued to diminish and amounted to 17.2 per cent of the 1962 world total as against 21 per cent in 1957.

The report said the most dynamic factor of trade expansion had been exports of manufactured products, as there was a "vigorous and continuous" increase in trade between industrialized countries.

According to GATT, the total value of exports from industrialized areas of the world exceeded $88,000 million in 1962, which was 5 per cent above the 1961 figure.

West European industrialized countries accounted for three-fourths of the total increase in the trade of the industrialized regions, while Japan, whose exports rose by 16 per cent, accounted for one-sixth of the total and North America (USA and Canada) for about one-twelfth.

The report said the total exports from the European Common Market countries rose by 6 per cent compared with 1961 and those of the European Free Trade Association by 5 per cent.

Dealing with the developing countries, it said the increase in the export earnings of the non-industrialized countries "with the exception of the petroleum-exporting countries of the Middle East had been substantially lower than the expansion in world exports and in any event quite insufficient to meet adequately the growing needs of the developing countries."

Industrial expansion in these countries had substantially reduced domestic demand for imported manufactured goods. The report said "the development of national industries leads to a progressive increase in import requirements of raw materials, energy and, more particularly, capital goods and semi-finished products, which it is not easy to satisfy if exports of traditional or new products do not develop fast enough. Moreover, import restrictions intended to stimulate domestic products may tend to encourage an allocation of resources in directions which are not optional.

"It is possible in particular that the efforts made to promote new industries may result in discouraging the development of the traditional activities which usually procure the major part of export earnings."

Report On South-East Asian Trade:

According to a report made public in Geneva on December 21, 1963 by GATT, the overall trend for trade in South-East Asia indicated only slight improvement.

The 100-page report, "International Trade 1962", showed South-East Asia's overall exports and imports as registering "relatively minor increases" in 1962 over 1961 of about $160 million and $360 million respectively. It revealed that exports showed a partial recovery from the decline suffered from 1960 to 1961.

South-East Asia's unfavourable trade balance, however, grew larger in 1962 as a consequence of increased imports which were almost 23 per cent higher than in 1959.

It added that the overall trade deficit "more than doubled" between 1961 and 1962, reaching a total of more than $2,700 million or about one-third of the total export earnings in 1962.

Most of the major export commodities of South-East Asia were affected by the decline in unit values. Rubber prices fell by about five per cent, with a total drop of 30 per cent in relation to the near-record level of 1960.

The average price of jute and manufactures fell by 16 per cent, due mostly to a 30 per cent decline in the price of raw jute. Tea also was affected by declining unit values, as were to a lesser extent cotton textiles, including clothings, and oilseeds and oils.

The unit value of sugar exports declined by about 3.5 per cent under the influence of a 20 per cent drop in the unit value of Taiwan's sugar export, "apparently due to a substantial reduction in shipments to the United States."

The only important commodity to show a fairly large price increase from 1961 to

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1962 was rice, the unit value of which went up by 10 per cent.

World Consumption Of Coffee:

World consumption of coffee is expected to rise at an annual rate of 3.5 to four per cent in the next few years, according to a note prepared by the GATT Secretariat.

The removal of trade barriers, the note points out, can lead to an increase of about 100,000 tons in coffee export. It will also raise coffee consumption.

However, there may be some change in the pattern of consumption, particularly in West Germany and France. An increase in the consumption of Robustas may be more or less balanced by a lower share of this variety in France.

The West German market may thus provide a new outlet and a degree of compensation for those countries who export Robustas associated with France should they lose their preferential treatment on the French market.

The countries associated with France are likely to suffer some decline in their total export receipts from coffee if their prices were to be aligned with world prices.

(*The Times of India*, Bombay)

[Prev. ref. 2922:AOA:P, 4800:AOA:E]

C. **USA Has World's Greatest Navy:** The latest edition of *Jane's Fighting Ships* made its public appearance in London on December 20, 1963.

It said that both the US and Soviet Navies were taking more and more to heart the maxim: "Who rules the sea, rules the world."

The volume which is regarded as the British naval "Bible", said that the Soviet Navy was becoming an increasingly nuclear-powered and guided-missile-armed fleet; so much so that Congress in Washington had been told that the American Navy had only a very small numerical advantage over the Russians in nuclear underwater craft.

Jane's said USA still had the greatest Navy the world had ever seen with a total of 3,250 vessels.

"With such a huge fleet," it added, "it is perhaps not surprising that 18 years after the end of World War II, the US Navy is still largely composed of war-built tonnage."

The Soviet Union had developed a world-wide naval capability. It had the most powerful submarine fleet the world had ever known. There were believed to be over 430 effective submarines including 25 nuclear-powered (compared with America's 31) and over 40 armed with guided missiles. "The Soviet Navy has a new look which must have a profound effect on naval thinking and planning on both sides of the Atlantic."

"There is no doubt that the Soviet Union is developing a maritime strategy as the major part of her overall policy to extend her influence throughout the world. She is striving unceasingly and very successfully to compete with the West in all spheres of naval activity.

"USSR has made sufficient progress with the building of a new spearhead in the shape of new warships, including guided-missile ships and nuclear submarines, that she has been able not only to discard her long, streaming tail of older warships comprising pre-War and war-built ships, captured German ships, and former German, Italian and Japanese ships taken over by the Soviet Navy as War prizes or share of the Allied war reparations, but to supply surface ships and submarines to other countries, notably Indonesia, Egypt, and several Soviet satellite navies in Europe, and guided-missile-armed fast patrol boats to Cuba."

Jane's, now in its 66th year, gave particulars of 10,000 war-ships in the navies of 96 countries. It pointed out that the 1946-47 edition had listed 52 native navies while the current edition featured 44 more. "Some of these are no mere infants-in-arms but quite considerable fleets, notably those of West Germany, Italy, Japan and Indonesia."

It added: "It is somewhat ironical that while the navy of the mighty USA is in danger of becoming top-heavy with the weight of its out-dated, war-built hulls—although of course USA has built in recent years the biggest and most sophisticated warships in every major category—the navies of the so-called defeated nations are rising on a pinnacle of new steel, unfettered by the deadwood of a generation gone."

Jane's said it had been possible by past studies of statistics given in the book to watch the build-up of navies and see the ingredients of "a potentially explosive mixture". "Grouped in a wide circle round the South China Sea facing each other are the indigenous and divergent navies of no fewer than a score of the countries listed in this annual."

(*The Statesman*, Calcutta and *The Times*, London)

[Prev. ref. 4198:AOA:A]

D. **"Echo II" Launched By USA:** An apparently fully inflated *Echo II* communications satellite, its radio beacons pouring out a steady stream of signals, whirled around the Earth on January 26.

The National Aeronautics and Space Administration of USA said information about the new man-made star, a 135-foot-diameter balloon, was still sketchy, but the two beacons it carries to track its progress and transmit data on temperature were "working well."

"Its skin temperature too is about 450°C", a spokesman said, "which is about what we wanted. And it apparently inflated all right."

He said a full report on the inflation, which affects the tightness of the skin and its ability to reflect radio signals, would not be available until data under study could be fully analysed.

Meanwhile, the head of Russia's Space Exploration Committee hailed the orbiting of **Echo II** as strengthening friendly scientific ties between Russia and the United States. "A beginning has been made in joint Soviet-American space experiments," said Professor Anatoly Blaganravov.

(*The Hindu*, Madras and *The New York Times*)

[Prev. ref. 5492:AOA:F]

E. **UNESCO Activities During 1963:** A United Press release on January 17 said that steps aimed at launching a world campaign for universal literacy and the successful conclusion of a campaign to ensure the preservation of the Nubian monuments were among the 1963 achievements of the United Nations Educational, Scientific and Cultural Organization (UNESCO).

The UN General Assembly, acting on the basis of a UNESCO report on "World Campaign for Universal Literacy," unanimously adopted earlier in January a resolution which asked the Secretary-General, U Thant, to explore ways and means of supporting national efforts for the eradication of illiteracy through a world campaign and any other measures of international co-operation, both financial and non-financial.

An important development in the UNESCO education programme was the establishment of the International Institute for Educational Planning in Paris, headed by Mr. Philip Coombs, former United States Assistant Secretary of State for Education and Cultural Affairs.

The Institute was set up to help train specialists who can create sound workable plans for the development of educational systems. It was supported by a grant of $200,000 from the Ford Foundation and $150,000 by the International Bank for Reconstruction and Development. The Institute expects to train 150 top-level planners in the next two years.

Since 1957, UNESCO has concentrated on a Latin American programme to extend and improve primary education in that area. Mr. Malcolm Adiseshiah, Deputy Director of UNESCO, told a Conference held at Bogota in August, 1963 that statistics showed that primary school enrolment in Latin America had increased by nine million pupils between 1956 and 1961.

Part of UNESCO's programme which continued during 1963 was to help operate four associated normal schools—in Colombia, Ecuador, Honduras and Nicaragua—to train specialists in various branches of education. UNESCO has also granted more than 1,000 scholarships to Latin American educators for universities in the United States and Europe.

The UNESCO campaign to protect the valuable monuments of the Nubian Valley in the United Arab Republic drew to a close in 1963.

Two international agreements relating to the salvage operation were signed on November 9 in Cairo, following a session of the 15-nation UNESCO Executive Committee for the International Campaign to Save the Monuments of Nubia. At that time, 45 countries had announced contributions, totalling about $17,225,000, and other donations are expected.

When the waters rise behind the Aswan Dam in 1970, most of the important temples will have been saved by this operation—including those of Abu Simbel, Debod, Taffeh, Dendur, Derr and Ellesya, and the "Pearl of the Nile," the Roman temple at Philae.

An agreement on the participation of UNESCO and the Austrian Government for the establishment of a European Centre for Research and Documentation in the Social Sciences was signed in November, 1963. The Board of the Centre voted to concentrate on comparative studies of programming and planning, social consequences of industrialization and the problems of the under-developed areas.

A world history in which comments of member-States of UNESCO were taken into account reached the publication stage during 1963. The first volume of the projected six-volume work, **Prehistory and the Beginning of Civilization**, by Jaquetta Hawkes and the late Sir Leonard Woolley, appeared simultaneously in the United Kingdom and the United States. The history is the work of an independent international commission of scholars, established by UNESCO in 1950.

The Bible retained its title as the world's most translated work, according to the 14th edition of UNESCO's **Index Translationum**, an international bibliography. In 1961—the year covered by the 1963 edition—the Bible was translated 246 times, and the works of Lenin came second, with 185 translations.

A Union of African News Agencies was set up following a UNESCO-sponsored meeting in Tunis in May, 1963 as part of UNESCO's programme to encourage the expansion of information media. News agency directors and Press experts from 29 African countries agreed to exchange news, train journalists, pool resources and improve services. The Union is a professional association designed to link

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existing news agencies and to help establish new ones.

Twenty nations have ratified UNESCO's Convention against Discrimination in Education. Forty-four are applying the Agreement on the Importation of Educational, Scientific and Cultural Materials, which exempts these materials from customs duties.

Scientists in many related fields met in Paris in May, 1963 to map out the programme for the International Hydrologic Decade, starting in 1965, which will concentrate on studying the world's waning water resources. Among recommendations made by scientists from 48 countries was the establishment of basic net-works to provide fundamental data on hydrological systems. The studies will centre on terrestrial waters.

While continuing an Indian Ocean expedition, in which 44 vessels from 20 nations are taking part, UNESCO helped to co-ordinate a new study of the tropical Atlantic. In early 1963, 14 research ships from seven nations began a systematic oceanographic investigation, which included a study of salinity, as well as geophysical, meteorological and biological observations.

The information collected will be turned over to World Data Centres "A" and "B", located in Washington, D.C., and Moscow. Reports and oceanographic atlases are being prepared by the United States National Oceanographic Data Centre in Washington.

The past year brought disaster to several countries as a result of earthquakes. UNESCO sent mission to Barce, in Libya, following an earthquake which took 350 lives, February 24; to Bali, where 1,460 persons were killed when Mount Agung erupted, March 17; and to Skoplje, Yugoslavia, where 1,000 persons died in an earthquake, September 1. Scientists appointed by UNESCO suggested that the site of Barce should be moved. In the case of Bali, a volcanological observation station on the volcano itself could give advance warnings to protect future generations.

(United Nations)

[Prev. ref. 5490:AOA:C]

F. FAO Activities During 1963: An official review of the activities of the Food and Agriculture Organization (FAO) in 1963 was made in a Press release issued on January 17.

It said that FAO spent $10,800,000 in 102 countries for projects under the UN expanded Programme of Technical Assistance. Its Budget for 1962-63 was $31,185,000 and a Budget of $38,800,000 has been prepared for 1964-65.

The Governing Conference of FAO held its regular biennial session in November-December, 1963. It admitted eight new members, bringing the total membership to 106. The Organization also has six associate members. The Conference also re-elected Mr. B. R. Sen of India to a further four-year term as Director-General of FAO. It also elected Mr. Georges Haraoui of Lebanon as independent Chairman of the 27-nation FAO Council to succeed Mr. Louis Maire of Switzerland.

The Organization's activities for the UN Special Fund continued to expand, and by late 1963 it had been named executing agency for 128 approved projects (plans of operation have been completed and signed for 97) involving expenditure of approximately $101 million by the Fund, with similar matching contributions due from assisted countries. About 1,100 experts are engaged in the FAO|Fund projects.

The "Freedom-from-Hunger" Campaign finished its third year of operation in July, 1963. Highlights of the year included "Freedom-from-Hunger" week in March during which world-wide ceremonies were held to enlarge awareness of the problem of hunger, and about 500 million "Freedom-from-Hunger" commemorative stamps were issued by about 150 postal administrations.

The World Food Congress, held at Washington in June, 1963 brought together 1,300 experts in the fields of sociology, economics, nutrition, science and education, from developed and underdeveloped countries, to review the "Freedom-from-Hunger" Campaign's progress and to discuss the problems of hunger and malnutrition and their solutions. The Congress called for land reform, minimum price guarantees, the establishment of a pool of production requisites, greater efforts to obtain more complete and accurate data on world food consumption and needs, and the continuation of the "Freedom-from-Hunger" Campaign until hunger and malnutrition are defeated.

FAO reported that world agricultural production rose by two to three per cent in 1962-63. This increase was slightly more than the annual population growth of just under two per cent and thus partly made up for the setback of 1961-62 when, as a result mainly of wide-spread bad weather, the increase in production was unusually small. Stocks of coarse grains, wheat, sugar and soya beans declined and those of dried skim milk and cotton showed large increases.

The World Food Programme was launched jointly by FAO and United Nations to use food to aid programmes of economic and social development and it commenced its operations in January, 1963. So far, 56 countries have pledged $90 million in foodstuffs, cash and services towards the target of $100 million for a three-year period. The Programme has so far helped meet emergency situations in 11 countries at a cost of $7.2 million. By the end of October, 1963, there had been 95 requests from Governments for food aid in projects of economic development and special feeding programmes, with new applications coming in at the rate of 10 a month. At a total cost to the Programme of about $21 million, 24 of these projects had been approved. Firm agreements had been signed with seven countries and foodstuffs had started to arrive in three of them.

The Fertilizer Programme within the "Freedom-from-Hunger" Campaign, and the joint FAO|UNESCO World Soil Map Project received particular attention in 1963. The most recent meeting of the world Fertilizer Industry Advisory Panel, in February, 1963, pledged $300,000 for the third year of the Fertilizer Programme. It also pledged some $10,000 worth of fertilizer to be used for field trials and demonstrations, and it approved in principle an idea for pilot schemes to develop credit systems and improve marketing, distribution and storage facilities. More than 20,000 fertilizer demonstrations have been carried out in 15 countries in the Near East and North Africa, West Africa and northern Latin America, since the Fertilizer Programme began.

At its meeting in May, 1963, the FAO Advisory Committee on Pulp and Paper discussed the possible use of paper to accelerate primary education and economic development generally in the underdeveloped countries of the world. More detailed study was recommended of paper needs for mass communication. Also discussed was world paper and paperboard manufacturing capacity which, it was reported, would rise at an annual rate of 6.3 per cent from 80.2 million tons in 1960 to 108 million tons in 1965. The bulk of the expansion was likely to occur in Europe and North America. Preparations were started for an Africa-Near East conference on pulp and paper, to be organized jointly with the Economic Commission for Africa (ECA) in 1965.

Under the "Freedom-From-Hunger" Campaign, an important project was launched in Peru for the production of fish protein concentrates for human consumption. Under another "Freedom-from-Hunger" Campaign plan to mechanize existing small fishing craft with outboard engines, arrangements were made to place a total of 150 engines in 10 projects, part of a continuing plan to place about 2,850 engines in small craft.

FAO continued assistance to Governments in the application of radio-isotopes and ionizing radiations to research in agriculture and food processing. Increasing attention was paid to the assessment of possible hazards which might arise from radio-active contamination of human diet through the disposal of wastes from atomic energy establishments or the dispersal of fall-out.

Results of the 1960 World Census of Agriculture continued to be issued in instalments and by the end of the year internationally comparable results had been issued for 45 countries. Planning was continued for the 1970 Census.

The International Cocoa Study Group met in Montreux, Switzerland (May) and prepared a substantially revised text of a draft agreement to stabilize cocoa prices; it requested the Director-General of FAO to ask the Secretary-General of United Nations to call a negotiating conference on cocoa. This conference was held in Geneva in September-October, but failed to reach an agreement and asked for further efforts and studies by the secretariat.

(United Nations)

[Prev. ref. 5392:AOA:F]

G. Pope Paul's Visit To Holy Land: Pope Paul VI entered Jerusalem (Jordan Sector) on January 4 to welcome-cries in many tongues for the first head of the Roman Catholic Church to make pilgrimage to the cradle of Christianity in 2,000 years.

The Pope, first Pontiff to travel by air flew from Rome to Amman in the morning and was greeted with outstretched hands by King Hussein of Jordan.

His mission of prayer and peace began with a visit to the traditional spot on the River Jordan where Christ was baptised by John the Baptist.

He stopped at the Church of Saint Lazarus just outside Jerusalem, where Christ raised Lazarus from the dead. Lazarus's tomb is set in the rock outside the present church, built 10 years ago.

He was preceded along the Via Dolorosa by a choir of Franciscan and Dominican monks, as he followed the steps of Christ to Calvary. He entered the Church of the Holy Sepulchre, to spend two hours at the site of Calvary and Christ's tomb.

He also visited Nazareth.

On the morning of January 5 he was welcomed at Megiddo by President Z. Shazar of Israel.

He returned on the night of January 5 to the Jordan sector of Jerusalem. There he visited the Sea of Galilee, at the spot where Christ was believed to have met the Apostles on their return from fishing. The Pope walked down rock stairs to the sea's edge and touched the water, with an expression of happiness on his face.

After a meal at a nearby monastery—prepared by a Vatican cook—he returned to the Church of the Annunciation and resumed his journey to the sanctuaries on the shore of the Sea of Galilee, including the Chapel of Primacy where Christ appointed St. Peter as head of the church. On the way to Tabgha on the shore of Galilee, he stopped at the Canal of Galilee.

In the city of Tiberias, large crowds cheered and crowded round him. A Christian Arab of Israel greeted the Pope in the courtyard of the Church of the Multiplication of Loaves and Fishes, kneeling before the Pope and offering small cups

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of coffee on a brass tray. Smiling, the Pontiff took a cup, drank it and blessed the man.

At the Mount of the Beatitudes, on the Sea of Galilee, Pope Paul dipped his fingers in the waters of the lake in veneration of its associations with Christ and his disciples. It was at this spot, according to tradition, that the risen Christ met the Apostles on their return from fishing. It was here that they took their meal and that Jesus asked Simon Peter: "Simon, son of John, dost thou love me more than these do?"

He later visited Mount Tabor, traditional scene of the transfiguration of Christ. The motorcade climbed the steep tortuous road to the peak, where stands the Basilica of the Transfiguration. The Pontiff drove along the lake's shore about 683 feet below sea level to just under 2,000 feet above sea level at the summit of this graceful mountain.

On a bare stone floor in the room where Christ is believed to have held the Last Supper, Pope Paul VI knelt in prayer. The room called the Cenacle is atop Mount Zion.

Pope's Messages To World Leaders:

On January 6, Pope Paul sent messages of hope for world peace to 224 world leaders to mark the end of his pilgrimage to the Holy Land.

He took Epiphany gifts of gold, frankincense and myrrh to Christ's birthplace at Bethlehem and appealed there for Christian unity.

Celebrating Mass in the Grotto of the Nativity, he expressed profound happiness at his historic meetings with Patriarch Athenagoras of Constantinople in Jerusalem. The meetings, he said, gave him the "best hope".

Later, he called on the Patriarch for, in his own words, the "kiss of peace which our Lord has permitted us to exchange in this Holy Land."

The Pope returned to Vatican City on the night of January 6.

At his palace window he blessed hundreds of thousands of welcomers who filled St. Peter's Square and formed a cross of flaming torches to honour him.

"Grazie" (thanks), said the Pontiff, adding humbly: "I did not want to bother anybody. I wanted to come back to Rome in a quiet way."

"My trip," he said, "may have a huge historical significance. It may mark the beginning of great benefits for the Church and mankind."

Referring to his aim of Christian unity, expressed again and again in the Holy Land, he added: "I have had the fortune to embrace after centuries and centuries the Patriarch of Constantinople and exchange with him words of peace and fraternity. We hope this seed will ripen."

(*The Times*, London, *The Egyptian Gazette*, Cairo and *The Hindu*, Madras)

[Prev. ref. 5410:AOA:F]

H. USA Launches "Ranger VI" Moon Rocket: The United States launched a space vehicle called *Ranger VI*, loaded with six television cameras, towards the Moon on January 30, but tracking stations across the country calculated that its present course would have to be changed if the spacecraft was to hit the Moon early on the morning of February 2, as was hoped.

The vehicle weighed 804 lbs.

The United States had made 11 previous attempts to launch spacecraft at or near the Moon, but all had failed to achieve their object. The Russians had announced three Moon flights, one of which hit the surface; another encircled the Moon and took the first picture of the side hidden from the Earth.

"Ranger VI" Hits Moon:

Ranger VI slammed into the Moon's Sea of Tranquillity early on February 2; but failed to send back pictures.

Scientists at the jet propulsion laboratories said signals received from their tracking station at Goldstone indicated that the six-camera television system had been switched on. But by 09.24 GMT when the spacecraft pummelled into the Moon there was no indication that the camera system was at full power.

It looked like the fourth successive failure to win detailed pictures of the Moon from a space probe.

Britain's Jodrell Bank radio telescope picked up the impact of **Ranger VI** 33 seconds after the predicted time.

Hopes were high that the United States would at last reach its elusive target with the fifth **Ranger** built and the fourth sent specifically to the Moon for detailed pictures. Then came the dead silence that marked yet another costly failure and another round of frustration for the JPL (Jet Propulsion Laboratories) team which had built, developed and recast the **Ranger** programme for the National Aeronautics and Space Administration.

The cost so far totals more than $113 million. **Ranger VI** was to have paid off this huge investment with 65 feet of 35 mm film containing 3,000 pictures taken during the final 10 minutes of its flight. They were expected to have shown the lunar surface from 900 miles out down to 600 yards away with an anticipated clarity that would have shown a race-course on the first photographs to an object as small as an armchair in the final photograph—which was to have been taken 0.2 second before it crashed into the Moon.

Ranger VI went into its death-dive at an angle of 40 degrees to the Moon's surface. It was late lunar afternoon on the Moon and the Sun was shining in on that area at about 20 degrees, casting long shadows—perfect for the pictures scientists wanted. The shadows would have given them a means of working out heights of small objects in the area and may also have given clues to the nature of the objects.

The impact point was about 350 to 400 miles from the shadow line of the three-quarter, waning Moon as seen from the Earth. The temperature in that area would have dropped from the peak of 214 degrees, closer to the —250 degrees (Fahrenheit) which prevails during the 27-day lunar night when the Sun shines on the other side of the Moon.

Mr. Harris Schurmeier, **Ranger** project manager, told a news conference there was some indication that the trouble had been either within the six cameras in the spacecraft or in the two 60-watt transmitters which should have radioed the pictures back.

A Washington report on February 3 said that following the failure of the *Ranger VI* lunar probe, American scientific circles were now considering for the first time postponing the US manned Moon landing until the beginning of the 1970s.

Under the **Apollo** programme the first manned landing has been planned for 1969. The manned Moon programme can be delayed by both technical and administrative factors.

The failure to get back pictures of the Moon's surface through **Ranger VI** was described as "one of the great disappointments of the space age" by Mr. Kenneth Gatland, vice-president of the British Interplanetary Society.

He said: "The pictures would have revealed details which would have been of immense value in designing a manned Moon craft.

"One has every sympathy with the designers of the spacecraft who have seen their incredible experiment fall down within its last 10 minutes."

Sir Bernard Lovell, director of the radio telescope station at Jodrell Bank, commented: "I think this represents a very great achievement for American rocket engineers.

"This achievement is underlined by the fact that it is now 4½ years since either the Russians or the Americans have made a direct hit of this nature on the lunar surface, despite repeated attempts."

(*The New York Times*)

[Prev. ref. 4905:AOA:B]

I. USA Puts Giant Satellite In Orbit: The United States on January 29 launched a 562-ton *Saturn I* super-rocket and put into orbit a satellite far bigger than anything Russia had produced.

The giant Saturn rocket, intended as a forerunner of the Boosters, which will land a man on the Moon within the next 10 years, gave USA at least a temporary lead over Russia in rocket supremacy.

President L. B. Johnson in Washington and millions of other television viewers across USA watched as the great rocket leapt into flaming life, seconds before lift-off.

The **Saturn** lifted off agonizingly slow at first, but picked up speed as the eight engines of the paraffin and liquid oxygen-powered first stage built up their powerful thrust from 475 tons of fuel.

Within minutes it disappeared into the sky, belching great clouds of flame and deafening the launch area. The second stage was ignited as planned, and accelerated the rocket towards orbit. Then came news that the satellite went into orbit on schedule.

The 37,700-lb satellite was an "inert" sand-filled package, carrying only a tiny radio tracking beacon to enable space trackers to follow its orbit.

The biggest payloads known to have been orbited by the Soviet Union were **Sputniks VII and VIII**, which weighed 14,292 lbs each.

Tracking data showed that the satellite was orbiting the Earth once every 94.8 minutes on a path which took it from 162 to 467 miles above the Earth.

(*The Times*, London, *The Hindu*, Madras and *The Statesman*, Calcutta)

[Prev. ref. 5264:AOA:A]

J. Russia Launches Two Cosmic Stations With One Rocket: The Soviet Union placed two scientific space stations into different orbits from one rocket on January 30.

The Soviet news agency **Tass** said the stations were named **Elektron I** and **Elektron II.**

It said the successful launching was in connexion with the programme for "the investigation of the upper layers of the atmosphere and outer space".

"The separation of the **Elektron I** cosmic station from the carrier rocket was effected on the active section of the flight while the engine of the last stage was working.

"After the separation of the **Elektron II** cosmic station, the last stage of the car-

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rier rocket continued its flight along the pre-set trajectory and gathering the necessary speed put the Elektron II space station on a pre-set orbit."

It said the fundamental task of the space stations was the simultaneous studying of the internal and external radiation belts of the Earth to get data on the nature, distribution in space and energetic spectrum of charged particles. The results of the research would be published.

(*The Times*, London and *Tass*)

[Prev. ref. 5388:AOA:B]

K. ILO Activities During 1963: An official review of the work of the International Labour Organization (ILO) in 1963, released in New Delhi on January 24, said that the year had been one of continued expansion for ILO, particularly in its technical co-operation programmes.

New activities included the establishment of a unit within ILO to deal with the social consequences of automation and advanced technology, and of the division to conduct a promotional and educational programme for the elimination of discrimination in employment.

The membership of the Organization increased from 105 to 108 with the admission of Burundi, Uganda and Trinidad and Tobago.

The net budget increased from $11,115,438 in 1962 to $14,006,834 in 1963 and in June the International Labour Conference adopted for 1964 a net budget amounting to $16,388,799.

The International Labour Conference's 47th session was held in Geneva in June. It was attended by more than 1,000 delegates, technical advisers and observers from 102 member-countries and five territories. It elected an enlarged Governing Body of 24 Government seats, 12 Employers' seats and 12 Workers' seats.

In reply, the Secretary-General said that he fully understood and appreciated the views expressed, and wished to assure the ILO delegation that United Nations shared its grave concern over the apartheid question.

He said that an Assembly committee had reported a worsening of the situation in South Africa recently, and that the Security Council then had the problem before it at the request of 32 African States.

The ILO spent an estimated $15,109,000 on its technical co-operation programmes in 1963, as compared with $8,993,872 in 1962. The number of expert missions also showed a corresponding increase, rising to approximately 850 from 586 in 1962.

Technical assistance is provided by ILO under the United Nations Expanded Programme of Technical Assistance (EPTA), the United Nations Special Fund, the ILO regular budget and funds in trust. The ILO also participates in special programmes such as the United Nations programme in Congo (Leopoldville).

Expenditures under the Expanded Programme were expected to rise to approximately $5.5 million in 1963, as compared with $5 million in 1962. Allocations under the regular budget advanced to $1,268,000 from $562,908 in 1962.

A total of 42 Special Fund Projects had been assigned to ILO by the end of 1963, with a total allocation of about $36 million to be spent over periods ranging from three to five years. Of these, 24 projects were in operation. With the inclusion of Government counterpart contributions, totalling almost $58 million, the aggregate sums involved were expected to reach approximately $94 million.

Distributed by regions, 23.4 per cent of ILO technical assistance went to Africa; 34.4 per cent to Asia; 4.4 per cent to Europe; 22.5 per cent to Latin America; 14 per cent to the Near and Middle East; and 1.3 per cent to inter-regional projects.

In 1963, man-power projects absorbed 57.1 per cent of the total, while productivity and management development took up 13.6 per cent.

The ILO also provided technical assistance in the general fields of co-operation and small-scale industries, social security, occupational safety and health, workers' education, vocational rehabilitation and labour conditions and management.

The main task assigned to ILO by its founders in 1919 was that of building up a code of international law and practice in the labour and social field. International labour standards are set by the International Labour Conference in the form of Conventions and Recommendations. These, taken together, form the International Labour Code.

In 1963, the International Labour Conference adopted a Convention and a recommendation concerning the prohibition of the sale, hire and use of inadequately guarded machinery. It also adopted a recommendation concerning the termination of employment at the initiative of the employer.

The new instruments brought to 119 the total number of Conventions and recommendations adopted since 1919.

A total of 125 ratifications of ILO Conventions by member-States were registered during the first 11 months of 1963, bringing the total number of ratifications on November 30 to 2,821.

Countries are not bound to ratify Conventions, but they are obliged, under the ILO Constitution, to bring both Conventions and recommendations to the notice of their legislative authorities. Their reports are subject to supervision by a committee of independent experts and by the International Labour Conference.

(*UN Newsletter*)

[Prev. ref. 5094:AOA:D]

L. Dust Coating On The Moon —Theory Challenged: Dust of highly porous soil covers the surface of the Moon to a depth of about 12 to 19½ inches, according to Professor Alexander Markov of the Pulkovo Observatory in Leningrad.

The Soviet news agency Tass said on January 29 that in this year's first issue of the magazine Avastia i Kosmonautika (Aviation and Cosmonautics), Professor Markov had refuted the theory put forward by a British astronomer, Dr. Thomas Gold, that the Moon was covered by dust up to 30 yards deep.

Dr. Gold, who is now Director of the Space Research Centre at Cornell University, New York, claimed in 1955 that exploration parties might disappear into the thick dust which he said blanketed the Moon's surface.

Professor Markov and another Russian astronomer, Mr. Nikolai Barabashov, contend that at least 70 per cent of the elements of the Moon's surface must lie at a very sharp angle to the horizontal plane and that therefore dust could not accumulate on the nearly vertical surfaces.

Professor Markov has also asserted that the reflection of radar beams from the Moon's craters had proved to be of a character to be expected when radio waves are reflected from hard rock covered with a very thin layer of white powder.

(*The Times*, London and *Tass*)

[Prev. ref. 4608:AOA:I]

SPORT

A. Asian Lawn Tennis Championship: R. Krishnan and Naresh Kumar retained the men's doubles title of the Asian Lawn Tennis Championships at the Calcutta South Club on February 8.

In 1963, Krishnan and Kumar won the title in a five-set match that went to 44 games. This time they did not detain Mukerjea and Lall so long, winning in 39 games at 7-5, 6-4, 2-6, 6-3.

In the women's doubles, (final), Mrs. Jill Mills (Great Britain) and Begum F. R. Khan beat Miss Rita Suraiya and Mrs. S. Schlamberger 6-2, 6-0.

On February 9, R. Krishnan, holder, retained the Asian men's singles' title, defeating runner-up Jaideep Mukherjea 6-4, 6-3, 6-2.

Miss L. Mahadevan won the women's singles title, beating Britain's Mrs. Jill Mills 6-3, 6-2 in the final.

(*The Statesman*, Calcutta)

[Prev. ref. 5156:SPO:A]

FORM IV

Statement about ownership and other particulars about ASIAN RECORDER under Rule 8 of Registration of Newspapers Rules, 1956.

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6. Names and addresses of individuals who own the newspaper and partners holding more than one per cent of the total capital.	Asian Recorder & Publications Private Ltd. Directors: 1. Mr. M. H. Samuel. 2. Mrs. D. B. Samuel.

I, Mrs. D. B. Samuel, hereby declare that the particulars given above are true to the best of my knowledge and belief.

Date 29-2-1964 Signature of Publisher. Mrs. D. B. Samuel

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ADEN

A. Federal Government's Criticism Of Aden Bill: A report on February 11 said that the South Arabian Federal Government had protested over an Aden State Government Bill which seeks to amend the franchise.

The Bill, which was published in Aden and was due for discussion by the Aden Legislative Council on February 25 and for approval before the next election to the Council, was denounced by the Federal Supreme Council (Cabinet) as "retrogressive."

The Supreme Council said it was a measure which encouraged separatist feelings at a time when the Federal Government was trying to create a South Arabian nation.

The Supreme Council particularly condemned the proposed disqualification of Federal and Protectorate (Eastern Aden Protectorate) citizens who had been living in Aden for at least two years—a provision which has been in force for years. Under the Bill, to qualify as an elector a person must be born in Aden, or his father must have been born in Aden, or he must have been naturalized in Aden.

(*The Times*, London)

[Prev. ref. 5603:ADN:C]

AFGHANISTAN

A. Panj Water Development Scheme: A message on February 14 said that an Agreement had been signed between Afghanistan and USSR on the utilization of the Panj river waters.

The Panj is a very fast-flowing river, rising in the Pamir mountains on the border between Afghanistan and USSR. Eventually, after joining the Vakhsh, it flows into the Amu Darya (Oxus). It is estimated that the river basin, including the upper reaches, has a power potential of over 150,000,000,000 kwh and accounts for 15 per cent of USSR's total hydro-electric power reserves.

Now that the Agreement has been signed, the project is to be carried out by the All-Union Water Power Design Institute. Initial surveys are expected to take at least two years as the site is located in a seismic area.

At present about two million hectares of land in the two countries is irrigated by the Amu Darya and this area can only be increased by another one million hectares at the most with the present resources; if, however, the Panj can be brought under control, almost six million hectares could be irrigated.

According to a very approximate survey, it should be possible to build 8 power stations on the Panj, with an aggregate capacity of 17,000 mw and an annual output of over 80,000 million kwh, the biggest being the Dasht-i-Jum (5,500 mw) and the Rushan (3,000 mw) stations.

(*Middle East Economic Digest*, London)

[Prev. ref. 5543:AFG:B]

B. Air Agreement With USSR: An Agreement was signed in February between the Afghan Air Authority and the Soviet Civil Aviation Department regarding flights of Aeroflot planes over Afghanistan.

Aeroflot planes flying between Moscow and Karachi and Moscow and other South-East Asian cities will now use the Kabul and Kandahar international airports.

(*Middle East Economic Digest*, London)

[Prev. ref. 2719:AFG:B]

BURMA

A. Curbs On Foreign Propaganda: The Government has promulgated a law aimed at curbing foreign propaganda activities.

Under the law, the Information Minister is empowered to set up a committee to inspect all libraries, museums and exhibitions. Any one setting up a library, museum or exhibition will need a registration certificate.

Offenders are liable to a fine of 2,000 kyats or three years' imprisonment.

It was stated that foreign propaganda had made inroads even into the remotest villages.

(*The Statesman*, Calcutta)

B. Take-over Of Foreign Airlines' Sales Agencies: The Government has asked all foreign airlines offices in Rangoon to hand over their general sales agency work to the Union of Burma Airways (UBA) by March 1.

The order affected IAC, BOAC and Pan-American airlines, which run their own branches in Rangoon. It did not affect the Soviet, Chinese and Czechoslovak airlines, for whom UBA has already been acting as agents in Burma.

KLM has already closed down its branch in Rangoon and suspended its services to Burma.

(*The Times of India*, New Delhi)

[Prev. ref. 5627:BUR:A]

CEYLON

A. Talks On Language Issue: Informal discussions were held in the first fortnight of February between senior members of the Government and leaders of the Federal Party, which represents the Tamil section of the population, on the language problem.

The discussions revived hopes of a settlement of the problem.

Though Sinhala became the sole official language of the Administration on January 1, the Minister of Finance, Mr. T. B. Ilangaratne, on February 17 directed the Treasury that the change to Sinhala should be made without any extremism and without hurting the self-respect of those who prefer to transact business in Tamil or English.

Ministers and officials also held discussions on how to put into effect the Tamil Language (Special Provisions), Act, popularly known as the "reasonable use of Tamil Act."

It provides that Tamils can transact official business in predominantly Tamil areas in the Tamil language and can correspond with any Government department in any part of the Island in Tamil.

Reports said that the Government, which hopes that all political parties will treat the language question as being above party politics, is also studying proposals to establish new regional councils which will replace the existing forms of local bodies. It hopes by this means to decentralize the administration and also to enable the conduct of business in Tamil areas in the Tamil language.

Meanwhile, the Federal Party on February 15 postponed a "direct action" campaign, in view of the developments towards a settlement.

(*The Times of Ceylon*, Colombo and *The Hindu*, Madras)

[Prev. ref. 5629:CEY:B, 5664:CEY:D]

B. Curbs On Holiday Travel Abroad: The Government has banned holiday travel abroad as part of the measures to arrest the foreign exchange crisis caused by the rise in food imports.

The Island's foreign assets have declined by Rs. 200 million in the past six months to an estimated Rs. 390 million—the lowest since 1941.

The Government also proposes to cut drastically the imports of industrial raw materials and machinery.

The Central Bank had forecast a decline of Rs. 52 million in the external assets between October, 1963 and January, 1964 but the actual decline amounted to Rs. 153 million because of the unprecedented rise in world sugar prices.

(*The Hindu*, Madras)

[Prev. ref. 5652:CEY:A]

C. Sale Of Textiles—Government Control: The Government has decided to control sale of textiles in the private sector, regulate the prices and prevent hoarding.

A Government communique said on February 5 that legislation for this purpose would be placed before Parliament.

Meanwhile, utility textiles available with the State-run Co-operative Wholesale Establishment of Ceylon will be issued at the rate of four yards per holder

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of a rice ration book during the period ending June.

The available stock for distribution during this period through about 4,700 co-operative stores is estimated at about 40 million yards, including the locally manufactured sarongs and articles.

A Government source said in Colombo on February 8 that China would lend Ceylon 24 million yards of cloth to help ease the country's shortage of textiles and exchange control difficulties.

China has also offered a gift of 12,100 tons of cement under an economic aid Agreement.

Ceylon's foreign reserves now are down to around $78 million.

(*The Hindu*, Madras and *The Times of India*, Bombay)

[Prev. ref. 5376:CEY:C]

CHINA

A. New French Envoy: The French Foreign Ministry announced on February 13 the appointment of Mr. Claude Chavet as *Charge d'Affaires* in Peking.

Mr. Chavet (44) was Consul-General in Oran (Algeria) and had served in East Asia before.

China has named Mr. Sung Chih-kung as its *Charge d'Affaires* in Paris (for background see page 5652).

Formosa Severs Ties With France:

Earlier, on February 10, the Kuomintang Administration in Formosa severed diplomatic relations with France.

The break was made known after French Foreign Ministry officials had declared that General de Gaulle's Government no longer regarded the KMT Administration as representing China in Paris.

The KMT action provided the French Government with a welcome escape from the increasingly awkward situation arising from the presence of the KMT mission in Paris after recognition of the Peking Government. When France announced recognition of the regime in Peking, the KMT regime, reportedly under American pressure, did not sever ties immediately.

The former French Premier, Mr. Edgar Faure, who played a key role in the French recognition of Peking, in a television speech on February 7 said France had two formulae—one for diplomatic recognition of the only China and another for arranging relations with a country named Formosa—but he stressed that no prior conditions had been accepted by the French in recognizing Peking.

The KMT announcement severing ties with France said France had ignored the traditional Sino-French friendship, damaging the unity of the 'free world,' seriously impairing the interest of the free world and France itself and violating the basic spirit of the UN Charter by recognizing People's China.

However, the statement said that although normal relations between the countries were cut off, "the traditional friendship between the two peoples will not be affected."

Softening In Japanese Attitude:

Meanwhile, a softening in the attitude of the Japanese Government towards China since the French recognition of Peking has been noted by political observers in Tokyo.

Government spokesmen in Tokyo have refrained from making any adverse comment against China. The Premier, Mr. Hayato Ikeda has refused to share the view of the American Secretary of State, Mr. Dean Rusk, that China follows a militant policy.

Mr. Ikeda has also refused to commit himself on the American policy of containing China. The Foreign Minister, Mr. Masayashi Ohira, surprised observers when he told a questioner in the Diet in the first week of February that the Chinese Government was a realistic rather than adventurous regime.

Though observers are agreed that Japan is unlikely to depart from its previous attitude of watching the general trend before deciding its policy on China, the ripples generated by the French-Chinese entente have caused the Government to manoeuvre itself towards a position divorced of hostility to Peking. This is underscored by reports of wide divergencies between Mr. Ikeda and Mr. Rusk on the assessment of China during the latter's recent visit to Japan.

Mr. Ikeda has also emphasized the Japanese friendship and closeness for the people of China and disassociated Japan from USA in this respect.

While Japan is anxious not to adopt a hostile attitude to Peking it is not willing to see Formosa's interest sacrificed in the process. Japan is, in fact working to see that Taiwan does not lose its seat in UN even if Peking were to gain membership.

However, Japan, being a close neighbour of China with long associations between the two peoples would not want to be among the last to recognize Peking. This will certainly be taken note of by China.

According to reports, Mr. Ikeda has spoken in favour of concluding technological, communications and cultural treaties and to work for further expansion of trade. A Japanese fair is to be held in China this year, while a Chinese trade fair is scheduled to be held in Japan this Spring.

(*The Times*, London, *The New York Times* and *The Hindu*, Madras)

[Prev. ref. 5652:CHI:A]

B. Anniversary Of Sino-Soviet Friendship Treaty: China celebrated the 14th anniversary of the signing of the Sino-Soviet Treaty of Friendship on February 13 in spite of the quarrel with Soviet leadership.

Peking Radio said that the Soviet Ambassador, Mr. S. V. Chervonenko. was among the foreign guests who attended a party held in Peking.

In Moscow, **Izvestia** in a special article published to mark the occasion blamed the Chinese Government for the deterioration in Sino-Soviet relations.

The newspaper said: "It is not the fault of the Soviet people that in recent times the economic co-operation of the Chinese People's Republic with our country has been curtailed."

It repeated Soviet charges that it was the Chinese who had refused assistance from Russia in the heat of the Moscow-Peking ideological debate.

It declared that no force in the world would be able to destroy the "fraternal friendship" between the peoples of USSR and China.

It said "the Soviet people are convinced that this friendship will pass all tests and will overcome all the present difficulties."

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5640:CHI:A]

INDIA

SUMMARY: Mr. Lee Kuan Yew's Visit; Mountain Divisions For Defence; US Loan; Army Officers Killed In Air Crash; Progress Of Third Plan; State Budgets.

A. Mr. Lee Kuan Yew's Visit: The Prime Minister of Singapore, Mr. Lee Kuan Yew, arrived in New Delhi on February 25 on a day's visit.

He was understood to have explained to the Prime Minister, Mr. Nehru, Malaysia's stand on the Indonesian policy of "confrontation" towards his country.

Later, he called on Mr. Lal Bahadur Shastri, Central Minister without Portfolio, Mrs. Lakshmi Menon, Minister of State, and Mr. Dinesh Singh, Deputy Minister in the External Affairs Ministry.

The Indonesia-Malaysia conflict was believed to have been discussed at greater length at these meetings.

Mr. Lee was on his way home after a five-week tour of 17 African countries where he had gone as the personal representative of Tengku Abdul Rehman, Prime Minister of Malaysia, to explain his country's point of view in the situation now prevailing in South-East Asia.

His party included the Chief Minister of Sarawak, Mr. Stephen Kalong Ningkan and the Minister for Local Government in Sabah, Inche Harris Salleh.

He later called on the President, Dr. S. Radhakrishnan and was with him for half-an-hour.

Mr. Lee, who was due to leave for Colombo, cancelled his visit and left for Rangoon on February 26.

It was understood that the cancellation was because of the visit to Colombo of the Chinese Premier, Mr. Chou En-lai.

(*The Statesman*, New Delhi)

[Prev. ref. 4897:INI:A]

B. Mountain Divisions For Defence: The Defence Minister, Mr. Y. B. Chavan said in the Lok Sabha on February 24 that all five mountain divisions would be ready by the end of this year.

In a statement laid on the table in reply to a question by Mr. Prakash Vir Shastri (Ind.), he said that one mountain division was practically ready. The other four were being raised.

He listed some of the important measures being taken to strengthen the defence. Two Scout battalions were being raised and the organizational structure of infantry, artillery and ASC units was being revised to make each army formation self-contained and capable of operating efficiently in the mountainous regions.

Some additional units had been sanctioned to make the army a properly balanced force. Some of the existing infantry divisions were proposed to be re-organized into mountain divisions.

Arrangements had been made to strengthen the Military Intelligence Directorate at Army Headquarters. The Command Headquarters had been re-organized by creating a new command.

He assured the House that the troops were being trained in the type of operations expected against China. Automatic rifles and other improved weapons were being introduced in the Army. The indigenous production of defence equipment and its procurement from abroad had been stepped up. The transport fleet of the IAF had also been augmented and communications in the border areas were being improved.

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In reply to Mr. Mahavir Tyagi (C) and Mr. Swell (Ind.), he said that the local hill people would certainly find a place in the mountain divisions, but he was not in a position to say that they would get preference in the matter of recruitment.

(*The Times of India*, New Delhi)

[Prev. ref. 5526:INI:E]

C. **Refund To IMF:** The Government of India has arranged to refund to the International Monetary Fund (IMF) a sum of $25 million, being the first instalment of $250 million (Rs. 119.04 crores) drawn from the Fund on August 1, 1961.

Under the terms of the drawal, repayment on the entire amount has to be completed by the end of July, 1966.

It may be recalled that the Fund provided the equivalent of $250 million in six foreign currencies—$110 million (Rs. 52.38 crores) in dollars, $60 million (Rs. 28.57 crores) in sterling, $45 million (Rs. 21.43 crores) in DM, $15 million (Rs. 7.14 crores) in francs, $15 million (Rs. 7.14 crores) in lira and $5 million (Rs. 2.38 crores) in yen.

Apart from the outstanding balance of $225 million India has a standby arrangement with the Fund for $100 million effective for one year from August, 1963. No amount has been drawn from this standby credit.

(*The Financial Express*, Bombay)

[Prev. ref. 5321:INI:Q]

D. **US Loan For Commodity Imports:** India and USA concluded in New Delhi on February 24 an Agreement providing for an American loan of $225 million (Rs. 107 crores) "to finance commodity imports required to carry forward the Indian economy."

The items of imports for which the loans will be available are: steel, non-ferrous metals, lubricants, fertilizers, machinery and machinery parts, sulphur, rubber, tire cord, carbon black, caustic soda, DDT, chemicals, vehicle components and other components. Within these broad categories the Government of India will be free to set the amounts of imports according to the needs of the economy.

Nearly 80 per cent of the imports will be for private industry. It is expected that over 6,000 individual licences will be issued under this loan.

The loan is part of the US commitment of $435 million for the third year of the Third Five-Year Plan. It carries an interest of three-quarters of one per cent per annum for the first ten years and 2 per cent per annum for the remaining years. Repayment in dollars will be spread through 40 years after the first disbursement, with no payments for a period of 10 years.

With the latest loan the total of the US non-project assistance for the Plan amounts to $685 million (Rs. 326 crores). This means 48 per cent of the US commitment of $1,415 million (Rs. 674 crores) for the first three years of the Plan.

In granting non-project loans the US Government is said to have taken into account the urgent need for India to make full use of the industrial capacity already created.

The Agreement was signed by Mr. L. K. Jha, Economic Affairs Secretary, and Mr. Chester Bowles, US Ambassador to India. The Central Finance Minister, Mr. T. T. Krishnamachari was present.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5679:INI:G]

E. **Mr. L. N. Mishra Appointed Central Deputy Home Minister:** A Rashtrapati Bhavan *communique* on February 23 said that Mr. L. N. Mishra, who was recently elected to the Rajya Sabha from Bihar, had been appointed Deputy Minister in the Central Home Ministry.

Mr. Mishra was formerly Deputy Minister for Planning and Labour. He was defeated in the General Election.

(*The Statesman*, New Delhi)

[Prev. ref. 5655:INI:C]

F. **New Envoy To Togoland:** Mr. Purshottam Lal Bhandari, High Commissioner-designate for India to Nigeria, has been appointed concurrently Ambassador to Togoland, with residence at Lagos.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5594.INI:H]

G. **Army Officers Killed In Air Crash:** An IAF Ilyushin-14 aircraft carrying Maj.-Gen. R. S. Grewal, Divisional Commander, Brig. J. M. Das and 11 others including the crew was reported missing between Srinagar and Udhampur since February 17.

Making this announcement in the Lok Sabha on February 18, the Defence Minister, Mr. Y. B. Chavan explained that the aircraft took off on duty from Srinagar at 3 p.m. from Udhampur. The aircraft was in contact with the ground station until 3.32 p.m. after which the two-way contact was lost. At about 4-11 p.m. the Pathankot air base heard the aircraft calling up the Jammu airfield. An intensified search for the aircraft was continuing. Bad weather, which delayed early search operations, had cleared up.

Immediately after Mr. Chavan's statement Mr. H. V. Kamath (P-SP) asked for a parliamentary commission assisted by technical staff to inquire into the tragedy.

Mr. N. G. Ranga (Swa.) asked whether any sabotage was suspected and pointed out that earlier two MIGs had collided. Mr. Chavan did not reply to the first question, but said the MIGs had crashed in Jullundur and not in the Jammu and Kashmir area.

In reply to a question from Mrs. Renu Chakravarti (Comm), Mr. Chavan said the Ilyushin aircraft was in a different area from the place where some months ago a helicopter had crashed killing several senior defence officers.

A similar statement was made in the Rajya Sabha by Mr. D. R. Chavan, Deputy Minister for Defence. Mr. A. M. Tariq (Cong.) asked why the aircraft had taken off when the IAC had cancelled its service because of bad weather.

The Speaker of the Lok Sabha, Mr. Hukam Singh, hoped the plane would be traced and directed the Defence Minister to inform the House of any new developments.

The passengers in the aircraft were: Maj-Gen. R. S. Grewal, Brig. J. M. Das, Maj. Niranjan Singh, 2nd-Lt. V. K. Sharma, Capt. G. B. Gairolla, A|C W. G. Sawale, Sep. Jaint Singh, L|Nk Joginder Singh Parmar and L|Nk Gurdev Singh.

The crew consisted of Sqn.-Ldr. K. G. Kanitkar, Pilot Off. A. C. Vig, Sgt. H. A. Kanungo and Sgt. P. S. Parmar.

A week later, it was announced that the plane had crashed and all aboard were killed. The wreckage had been located.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5580:INI:A]

H. **Progress Of Third Plan—Mr. B. R. Bhagat's Statement In Rajya Sabha:** The Central Minister of Planning, Mr. B. R. Bhagat, told the Rajya Sabha on February 20 that owing to adverse weather conditions the country would be faced with "another year of stagnant agriculture and relative shortage of food crops."

Mr. Bhagat, who was initiating the discussions on the mid-term appraisal of the Third Five-Year Plan (see page 5656), said that agricultural production particularly of grain had received a setback during 1962-63. "I am distressed to say that in the current year we have again been hit by the weather".

Although some improvement is expected in the production of rice and sugar, "owing to the unprecedented cold spell and the meagre Winter rains, the production of wheat, gram and other pulses is reported to have been heavily affected..".

Detailing the various measures for stepping up agricultural production during the current year, he announced that the outlay for agricultural plan for 1964-65 had been stepped up by about Rs. 20 crores.

In the field of education, he said the increase in the annual outlay for 1964-65 over the anticipated expenditure for 1963-64 was of the order of Rs. 31 crores. During the Third Plan over 100,000 additional scholarships for post-matriculation studies had been provided.

He said to speed up the implementation of agricultural programmes the State Governments had agreed to set up integrated and unified organizational committees at different levels. There was also a likelihood of sanctioning additional allocation for minor irrigation, soil conservation and intensive development programmes.

To ensure an increased supply of fertilizers a foreign exchange allotment of Rs. 30 crores involving an increase of Rs. 30 crores over the previous year had been made for 1964-65.

In the industrial field, he said that against the Third Plan outlay of Rs. 1,520 crores for the public sector industries and mineral projects, the expansion now envisaged would be of the order of Rs. 1,754 crores.

Among the new schemes are the setting up of an additional furnace at both Bhilai and Durgapur for pig-iron in advance of the Fourth Plan expansion programme to these steel plants. This has been planned to meet the expected shortage of pig-iron during the first year of the Fourth Plan. The establishment of a structural plant at Bokaro was also under consideration.

In the private sector also, he expected investments to be more or less of the same order as envisaged in the Plan.

He expected the supply position of cement to States to ease considerably with the restoration of cuts in quota made during the Emergency.

To meet power requirements in the Fourth Plan, he said, the Tiruchi boiler plant was being expanded. With a view to maintaining the lead in power generation, advance action had been authorized on 10 new power generation schemes with an aggregate benefit of 1.47 million kw. The sanction for some more schemes was also under consideration.

(*The Statesman*, New Delhi)

[Prev. ref. 5656:INI:E]

I. **Survey Of The Economy—Mr. T. T. Krishnamachari's Report To Parliament:** In an elaborate survey of the country's economy in the current year, the Central Finance Minister, Mr. T. T. Krishnamachari on February 21 presented to Parlia-

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ment a picture showing the "promise of rising growth rates" in the basic fields of industry. But he admitted that these rates were somewhat below Plan expectations.

The survey emphasized that in the coming months it would be necessary to "strengthen the forces which contribute to higher levels of growth" not only in industry but also in agriculture. Presented to both Houses, the survey also stressed the need for "continuing vigilance over prices."

The current wholesale and consumer price trends reflected the growing pressure on supplies of grain and other essential commodities. This was attributable to both a rise in demand and a shift in the pattern of consumption. While the ultimate solution to the price problem lay only in an increase in production, continued action would be required to avoid excess demand and to strengthen Governmental control over distribution.

Referring to the country's balance of payments position the survey did not hide the Government's concern over the growth in the external debt falling due for repayment over the next few years. But it gave out the cheerful news that in 1963-64 India would have repaid a part of its drawals from IMF while the year before it had actually borrowed from that agency. Increased export earnings during the year had been the major factor contributing towards this improvement.

Reviewing the current year's Budget, the survey noted that the increased taxes on kerosene had checked the rising trend in consumption with a resultant relief to the balance of payments.

A considerable part of the survey was devoted to an analysis of the production trends in different fields, the price trends and of short-term measures taken to correct deficiencies. It mentioned the *Government's decision to step up the procurement of rice to build up a substantial stock.*

On measures to stimulate production, it especially referred to the price support and buffer stock schemes for raw jute, and to the raising of the minimum prices of wheat and sugarcane and the procurement prices of rice.

It also made special mention of the fiscal and price policies employed to stimulate production in priority industries, such as cement and coal, and said that the problems of steel, coal and electricity were receiving more detailed examination.

It emphasized that the need to accelerate the rate of growth had become all the greater in the context of substantially larger defence requirements. This must be achieved "in an environment of reasonable stability of prices", if the levels of living at the most vulnerable points in society were to be protected and raised and if the economy was to be freed from dependence on external assistance.

The survey said indications were that the rise in national income in real terms would be higher in the current year than in the first two years of the Plan.

The favourable situation in regard to transport, power, and other items which existed now would have to be made full use of so as to push production and incomes still higher during the remaining years of the current Plan.

It was estimated that the flow of production inputs to agriculture would be considerably higher in the coming years and said "the dependence on weather conditions should be further reduced."

The survey pointed out that the capacity of the cement industry was expected to rise by more than a third during the next two years. The petroleum refining capacity was expected to go up over the next two years from the current level of 6.8 million tonnes to 17.3 million tonnes.

It was hoped that as a result of the expansion of capital goods output and of the production of import substitutes, such as fertilizers and steel, the import content of economic development would be reduced.

Nevertheless, it was stated, there was an urgent need to increase export earnings further to enable larger imports of components and raw material to make full use of the industrial capacity and to reduce dependence on external assistance.

(*The Statesman*, New Delhi)

[Prev. ref. 5126:INI:A]

J. Contribution Of Industries To National Income—NCAER Study: The total contribution made by manufacturing industries to national income in 1960-61 was Rs. 1,892 crores with an employment of 180,00,000, according to a study made by the National Council of Applied Economic Research (NCAER).

The official estimate for the year (Rs. 2,193 crores) was on the high side by Rs. 300 crores.

Maharashtra made the maximum contribution of Rs. 383 crores, followed by West Bengal with Rs. 324 crores and Uttar Pradesh Rs. 164 crores. Madras contributed Rs. 171 crores, Andhra Rs. 71 crores, Mysore Rs. 84 crores and Kerala Rs. 74 crores.

In fact, according to the Council, five States—Maharashtra, West Bengal, Madras, UP and Gujerat—together accounted for as much as two-thirds of the national income generated in manufacturing industry. The joint contribution of Himachal Pradesh, Kashmir, Tripura, Orissa and Rajasthan accounted for a bare four per cent.

Releasing the report to newsmen in New Delhi, Dr. P. S. Lokanathan, Director-General of the Council, expressed the hope that the report would be useful to the planners in formulating the Fourth Plan. It was for the first time, he said, that such detailed estimates had been made available.

An interesting fact brought out by the study was the output employment co-efficient amongst the States, namely, net output per person engaged. Delhi, with a net output of Rs. 2,228 per person, topped the list while Maharashtra, West Bengal and Gujerat occupied the next three positions ranging between Rs. 1,810 and Rs. 1,860.

Andhra, Orissa and Rajasthan had, on the other hand, a very low co-efficient—Rs. 374, Rs. 443 and Rs. 495 respectively.

The main reason for the low figure for Andhra, Orissa and Rajasthan was that these States were very much dependent on household manufacturing establishments for employment.

According to the present study, household manufacturing establishments account for as much as 74.2, 83.3 and 65 2 per cent of the total employment of manufacturing industry in Andhra Pradesh, Orissa and Rajasthan respectively, whereas the corresponding shares in the net output are 34.8, 35.5, and 22.6 per cent.

As a contrast, large manufacturing establishments account for 7.7, 4.9 and 4.96 per cent of the total employment, though they contribute 33.4, 36.6 and 39.2 per cent of net output respectively in these States.

Delhi, Maharashtra and West Bengal, which have a high value of output-employment co-efficient, are comparatively much less dependent on household sector for employment.

(*The Financial Express*, Bombay)

[Prev. ref. 5364:INI:F]

K. Steps To Increase Foreign Investment—NCAER Recommendations: A substantial reduction in the present level of taxation on foreign investments has been urged by the National Council of Applied Economic Research (NCAER) in order to stimulate the flow of external private capital into the country.

The most important recommendation by the Council is that the increased taxes on personal incomes and corporate profits levied for defence purposes should be confined to Indian nationals and domestic investors. A downward revision of the rates of super-tax and super-profits tax applicable to foreign investors in different forms has also been urged.

The Council has urged a reduction of the present taxes on inter-corporate dividends and also on royalty income of foreign companies.

According to it, several factors such as the country's political and financial stability, its expanding market and its record in honouring commitments of profit remittances and capital repatriation have inpressed the foreign investor greatly. In spite of this, the flow of foreign capital was much less than what it could be. Venezuela accounted for eight to nine per cent of US investments abroad, while India's share was only 0.5 per cent.

Apart from simplification of procedures, it was necessary in the Council's view to undertake the following steps:

(1) Personal taxation. A system of tax-free allowance must be instituted for foreign technical personnel living in the country. The time limit of six months for tax exemption for foreign managerial personnel should be extended.

The tax on investment income of a non-resident should be limited to 30 per cent when his income consists only of dividends or interests. He should not be required to file any returns of income.

Pensions of foreign personnel should be subjected to tax at the rates applicable to the residents without taking into consideration their foreign incomes.

(2) Corporate taxation. In order to make the tax-holiday to new enterprises more effective, carry-forward facilities should be provided under the income-tax law.

The tax on inter-corporate dividends to foreign companies should be gradually eliminated. As a first step, the rate should be reduced from 35 to 25 per cent on dividends which do not enjoy the super-tax exemption.

The combined rate of income and super-taxes on royalty earnings of foreign companies should be reduced from the present level of 50 per cent to 35 per cent.

In order to enable a ploughing back of profits for expansion of business, private and closely-controlled public companies should be allowed to exceed the statutory percentage now permissible under the law.

The company should have the right of appeal against the application of penal provisions to a board of references.

Further Indian subsidiaries of foreign, private and closely-held public companies may be exempted from the penal provision of Section 104 of the Income-tax Act, as the question of evading progressive personal super-tax rates does not arise in the case of corporate shareholders.

(3) Registered professional firms. Registered firms in legal, accounting and similar professions, which are prevented by Indian laws and regulations from forming themselves into companies, may not be subjected to income-tax on the registered firm as such.

The partners of a registered professional firm may be allowed tax relief in respect of contributions to approved superannuation and provident funds, now restric-

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ted in the income-tax law to employees only.

(*The Financial Express*, Bombay)

[Prev. ref. 5207:INI:F]

L. Mr. N. Sanjiva Reddi Resigns As Andhra Chief Minister: The Andhra Chief Minister, Mr. N. Sanjiva Reddi, said in Hyderabad on January 29 that he had sought the permission of the Congress President to vacate his office because of the Supreme Court judgment in the Kurnool nationalization of bus transport case.

He told a hurriedly called news conference: "I do not want to go into technicalities. The Supreme Court is the Supreme Court. I must bow to its judgment. I feel that I must quit office to lay some sound traditions in the country."

The Supreme Court had remarked that the allegation by the private operators (affected by the nationalization scheme) that the Chief Minister was "motivated by bias and personal ill-will against them stood unrebutted."

The Supreme Court had quashed three schemes framed by the State Government to nationalize bus routes in Kurnool district on the ground that they did not conform to the provisions of the Motor Vehicles Act.

The judgment had said: "We are constrained to hold that the allegation that the Chief Minister was motivated by bias and personal ill-will against the appellants stands unrebutted."

Mr. Sanjiva Reddi said it was not just a case of a Government decision being reversed. The Supreme Court, which was the supreme judicial body, was not satisfied that the nationalization of the bus transport in Kurnool was purely on merits. Since it had cast some doubts, "I feel I should honour and respect its decision and vacate my office."

But, he added, he could not simply walk away. He had to take the permission of the party. "I have, therefore, written to the Congress President to immediately permit me to vacate the office of Chief Minister."

He said he had taken the decision without waiting for a copy of the judgment. He said he did not want to be taught morals by anybody. "I stand on a much higher level." The Chief Minister obviously had in mind the demand made by Mr. Tenneti Viswanatham, leader of the National Democrats in the State Assembly, that he should resign because of the judgment.

Leaders of Opposition parties welcomed the Chief Minister's decision.

Mr. N. Rajasekhara Reddi, Secretary of the Andhra Pradesh Council of the Communist Party, said it was a good step. Mr. Tenneti Vishwanatham congratulated Mr. Reddi on his bold decision.

On February 4, the Congress Parliamentary Board allowed Mr. Sanjiva Reddi to resign his office.

Mr. K. Brahmananda Reddi Becomes New Chief Minister:

A new Ministry headed by Mr. Kasu Brahmananda Reddi (54) was sworn-in on February 29.

The Andhra Congress Legislature Party, which met in Hyderabad on February 23, "regretfully" endorsed Mr. Sanjiva Reddi's desire to resign as Chief Minister following the Supreme Court's judgment in the "bus case", and requested him to continue to be the leader of the party.

Mr. Sanjiva Reddi agreed to continue as the leader and proposed that the Finance Minister, Mr. Brahmananda Reddi, should form a new Ministry.

The Congress President, Mr. K. Kamaraj, was present at the meeting.

Mr. Brahmananda Reddi moved a resolution requesting Mr. Sanjiva Reddi to continue as the leader and it was adopted unanimously.

Mr. Kamaraj told correspondents that he did not see any anomaly in Mr. Sanjiva Reddi being the leader and another person the Chief Minister.

Mr. Sanjiva Reddi, who assumed the Chief Ministership on March 11, 1962, after the last General Election, was in office for 23½ months.

This was the second time that Mr. Sanjiva Reddi relinquished office as Chief Minister before the expiry of the full term—the first occasion was in January, 1960, when he was elected Congress President after having been the first Chief Minister of the enlarged Andhra Pradesh since its formation on November 1, 1956.

(*The Hindu*, Madras)

[Prev. ref. 5610:INI:L]

M. Nagaland Cabinet—Allocation Of Portfolios: The portfolios of the eight-member Nagaland Ministry were officially announced in a notification in Kohima on February 18.

They are:

Mr. P. Shilu Ao—Chief Minister, Home Department, Appointments, Secretariat Administration, Confidential, Political and Election Affairs, Planning and Co-ordination of all business of the Development Department, Councils, Revenue and any other matters not allotted to any Ministers;

Mr. Hokishe Sema—Minister-in-charge of Finance, PWD, roads and buildings including army construction;

Mr. Jasokal—Minister-in-charge of Supply and Transport, Forest and Relief and Rehabilitation;

Mr. R. K. Chiten Jamir—Minister-in-charge of Agriculture, Veterinary and Animal Husbandry, Registration and Co-operation, Fisheries, Industries and Commerce, Laws and Parliamentary Affairs;

Mr. Akum Imlong—Minister-in-charge of Tuansang Affairs and Publicity and Information;

Mr. Mhondamo Kithan—Minister-in-charge of Education, Town Planning and Town Committee;

Mr. Luthipru Vasa—Minister-in-charge of Medical, Public Health, Community Development and Excise and Jails; and

Mr. N. L. Odyou—Deputy Minister-in-charge of Tribal Areas and Range Council, co-ordination of all branches of the Development Department and Electricity Department.

(*The Statesman*, Calcutta)

[Prev. ref. 5656:INI:G]

N. Mr. P. T. Chacko Resigns From Kerala Cabinet: The Kerala Chief Minister, Mr. R. Sankar, has accepted the resignation of the Law and Revenue Minister, Mr. P. T. Chacko, from the Cabinet.

He announced this in the Assembly on February 21.

Mr. Chacko submitted his resignation immediately after his return from Madras where he met the Congress President, Mr. K. Kamaraj.

Mr. Chacko later left for his home in Vazhoor, Kottayam district.

Mr. Sankar met the Governor, Mr. V. V. Giri on February 20.

Mr. Chacko also met Mr. Giri to bid him good-bye.

He told newsmen that he might not make any statement in the Assembly about his resignation because it might give rise to more controversies which would not be in the interests of the Congress.

Mr. Sankar made another statement in the Assembly about the demonstration against the Congress MLA, Mr. P. Gopalan, in the Legislature Hostel on February 4. He said that there was no complaint, either oral or written, before the police or before him on the incident.

(*The Hindu*, Madras)

[Prev. ref. 4865:INI:F]

O. Maharashtra Budget For 1964-65: The Maharashtra Budget for 1964-65, presented to the State Legislative Assembly on February 19 by the Finance Minister, Mr. S. K. Wankhede, showed a revenue surplus of Rs. 51,00,000.

There are no new taxes. On the contrary, Mr. Wankhede announced reduction in the incidence of the State sales-tax on meals, clothing and medicines.

Revenue receipts for 1964-65 have been estimated at Rs. 188.45 crores and revenue expenditure at Rs. 187.94 crores. The surplus is partially accounted for by receipts of Rs. 20.21 crores expected from the taxation measures taken in the first three years of the current Plan, including Rs. 6.50 crores from Inter-State Sales-Tax. The yield of State taxes as they existed in 1960-61 is likely to go up substantially, as also the State's share in Central taxes.

As a result of "buoyancy" in revenues, the revised estimates for 1963-64 stepped up the surplus to Rs. 5.43 crores from the budgeted figure of Rs. 4,00,000, with revenue receipts at Rs. 174.21 crores (Rs. 160.66 crores budgeted) and revenue expenditure at Rs. 168.78 crores (Rs. 160.62 crores budgeted).

Mr. Wankhede attributed this surplus principally to an improvement in the growth rate of taxation in 1961-62, but also, to some extent, to the doubling of the one per cent rate of the Central sales-tax by the Central Government.

The following is the Budget at a glance:

(Rs. in Crores)

	Accounts 1962-63	Budget estimates 1963-64	Revised estimates 1963-64	Budgeted estimates 1964-65
Revenue receipts	149.60	160.66	174.21	188.45
Expenditure on revenue account	146.38	160.62	168.78	187.94
Balance	plus 3.22	0.04	5.43	0.51

(*The Times of India*, Bombay)

[Prev. ref. 5118:INI:J]

P. Bihar Budget For 1964-65: The Budget of the Bihar Government for 1964-65, presented in both Houses of the State Legislature on February 19, showed a small surplus of Rs. 51,00,000.

The total receipts in the consolidated fund for 1964-65 is Rs. 197.27 crores and the total expenditure Rs. 196.76 crores, thus leaving a surplus of Rs. 51,00,000.

The Budget was presented in both Houses by Mr. Ambika Saran Singh, Minister of State for Finance, on behalf of the Chief Minister, Mr. K. B. Sahay, whose speech was also read out by the former.

Mr. Sahay said that the surplus was likely to disappear in the course of the

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year for several reasons, the chief of which being Plan expenditure.

The total Plan outlay for 1964-65 is of the order of Rs. 78.92 crores, while the provision made in the Budget so far is only Rs. 75.17 crores.

Mr. Sahay said that even this provision could not stand unless additional resources were in sight, because additional non-Plan expenditure might have to be incurred to implement such decisions as the State Government might take on the recommendations of the Pay Revision Committee.

The Budget did not contain any fresh taxation proposal. Mr. Sahay said, however, that fresh resources have to be tapped through more economical operation of commercial and semi-commercial schemes of the Government, taxation and loans.

(*National Herald*, Lucknow)

[Prev. ref. 5079:INI:N]

Q. Orissa Budget For 1964-65: Orissa's Chief Minister, Mr. Biren Mitra, presented on February 24 to the State Assembly the Budget for 1964-65, indicating a revenue deficit of Rs. 3.91 crores.

He did not propose to levy any new taxes. The Government would prefer to draw on the reserves rather than impose a new burden.

Mr. Mitra, who also holds the Finance portfolio, said provision had been made to float a loan of Rs. 8 crores in the open market and another of Rs. 5 crores for the Orissa Port Trust to help it execute the Paradeep project.

Revenue is estimated at Rs. 74,53,26,000 and expenditure at Rs. 78,44,77,000, thus leaving a deficit of Rs. 3,91,51,000.

The estimate for 1964-65 indicates an increase of Rs. 4,12,07,000 over the revised estimate for 1963-64 of Rs. 70,41,19,000 which in turn represents a rise of Rs. 2,81,59,000 over the budget estimate for the same year.

This buoyancy is attributed to increased receipts of Rs. 7,79,00,000 from taxation measures like irrigation rates, tax on motor vehicles, State trading in bidi leaves, electricity duty, increase in registration fees and increased grants-in-aid from the Central Government for Plan schemes.

New schemes costing Rs. 70,38,50,000—Rs. 26.68 crores in the revenue account and Rs. 43.69 crores in the capital account—have been provided in the Budget estimate. This provision for new schemes would leave a deficit of Rs. 19,39,31,000 in the consolidated fund of the State.

The consolidated debt of the State has risen from Rs. 203 crores outstanding on April 1, 1963, to Rs. 228 crores on April 1, 1964. This is expected to reach Rs. 268 crores on April 1, 1965.

(*The Financial Express*, Bombay)

[Prev. ref. 5174:INI:T]

R. Punjab Budget For 1964-65: Despite an overall deficit of Rs. 1.58 crores, no new taxation measures were proposed by the Punjab Finance Minister, Dr. Gopichand Bhargava, in the Budget estimates for 1964-65 presented to the Vidhan Sabha on February 25.

The deficit is expected to rise to Rs. 11 crores, because of the additional funds needed during the year for flood control schemes and those which will bring socialism to Punjab.

This gap will remain uncovered for the present in the hope that it will be closed by floating public loans. The Government hoped to "borrow a substantial amount from the people, particularly for flood control schemes".

The Budget estimates an income of Rs. 191.57 crores and an expenditure of Rs. 188.15 crores, showing a surplus of Rs. 3.42 crores. But since this surplus takes into account the Rs. 5 crores earmarked for Harijan welfare schemes, the resulting deficit is one of Rs. 1.58 crores.

The Budget estimates for the coming year provide revenue receipts at Rs. 112.67 crores and expenditure at Rs. 112.91 crores, thus showing a deficit of Rs. 24,00,000 on revenue account. The receipts show an increase of Rs. 1.65 crores over the revised estimates of Rs. 111.02 crores for the year 1963-64, and the expenditure shows a rise of Rs. 5.60 crores, the revised estimates being Rs. 107.31 crores.

A provision of Rs. 19.67 crores has been made for capital expenditure as against the revised estimates of Rs. 20.26 crores for 1963-64, showing a decrease of Rs. 59,00,000, mainly as a result of reduction in the Plan outlay for flood control and drainage schemes.

Dr. Bhargava announced that no shortfalls would be permitted in resources for the Third Plan, for which the original target of Rs. 231.39 crores would be maintained. About Rs. 120 crores (52 per cent) had been spent during the first three years. A mid-term appraisal of the achievements was now being made.

A disquieting feature of the Budget was Dr. Bhargava's admission that prices had shown an upward trend during the year. This he attributed to the low agricultural production due to floods and other natural calamities. Giving an account of the measures taken to check the rise in prices, he said that the "Government is closely watching the position and, if need be, would not hesitate to resort to State trading in foodgrains".

(*The Statesman*, New Delhi)

[Prev. ref. 5165:INI:T]

S. West Bengal Budget For 1964-65: West Bengal's Budget estimates for 1964-65, presented in the State Assembly by the Finance Minister, Mr. S. K. Mukherjee, on February 19 revealed an overall deficit of Rs. 2.47 crores, although there was a revenue surplus of Rs. 5.61 crores.

The deficit was proposed to be met by:

(i) Land reforms which would yield an additional revenue of Rs. 1 crore;

(ii) Increase of registration fees which would yield an additional revenue of Rs. 50,00,000; and

(iii) A levy of higher stamp duty on transfer of immovable properties and similar transactions, which would yield an additional revenue of Rs. 40,00,000.

The total revenue receipts for 1964-65 were estimated at Rs. 135.52 crores against Rs. 128.64 crores in the revised estimate for 1963-64. The revenue expenditure for 1964-65 was placed at Rs. 129.91 crores, against Rs. 120.83 crores in the revised estimate for 1963-64.

There was thus a revenue surplus of Rs. 5.61 crores for 1964-65. There was, however, a deficit of Rs. 8.19 crores outside the revenue account. This, together with the opening balance of Rs. 11,00,000 resulted in an overall negative closing balance of Rs. 2.47 crores.

The Government proposed to raise a loan of Rs. 7 crores from the market in 1964-65 to finance the development schemes.

Besides, the State Electricity Board would also raise a loan of Rs. 3 crores for expenditure on schemes included in the State Plan.

(*The Statesman*, Calcutta)

[Prev. ref. 5118:INI:I]

T. Andhra Pradesh Budget For 1964-65: The Andhra Pradesh Budget for 1964-65, presented by the State Finance Minister, Mr. K. Brahmananda Reddi, to the State Assembly on February 21, showed a nominal surplus of Rs. 15,00,000.

However, he said with the Government's decision to increase dearness allowance, involving an expenditure of Rs. 1.84 crores, the surplus would be converted into a deficit of Rs. 1.79 crores.

The Budget did not envisage any taxes. The increase under State excise duties and sales-tax reflected the full effect of the new taxation measures introduced during the course of 1963-64.

The total revenue receipts for 1964-65 was estimated at Rs. 136 crores and the expenditure at Rs. 135.85 crores.

Mr. Reddi admitted that Central aid for next year's Plan would be limited to Rs. 43.05 crores and the balance of Rs. 29.49 crores would have to be raised by the State through open market borrowings and better collection of existing taxes.

He announced that the State would subscribe Rs. 2,50,000 (Government Rs. 1,00,000 and co-operative institutions Rs. 1,50,000) to the Centrally-sponsored Fruit Export Corporation.

He drew a dismal picture of industrialization. The progress of the two fertilizer projects to be set up in the private sector at Kothagudem and Visakhapatnam had been rather "slow". He announced that the State Government would guarantee up to Rs. 75,00,000 to the Industrial Development Corporation for underwriting the capital issue of Coromandel Fertilizers at Vizag.

(*The Financial Express*, Bombay)

[Prev. ref. 5173:INI:R]

U. Sahitya Akademi Awards For 1963: The Executive Board of the Sahitya Akademi, which met in New Delhi on February 23 under the chairmanship of the Vice-President, Dr. Zakir Hussain, selected 11 books in Indian languages for the Akademi's 1963 awards.

The books and their authors are:

Ghare Pherar Din (poems) in Bengali by Dr. Amiya Chakravarti.

The Serpent and the Rope (novel) in English by K. Raja Rao.

Shant Kolahal (poems) in Gujerati by Rajendralal Shah.

Premchand: Kalam ka Sipahi (biography) in Hindi by Amrit Rai.

Viswadarshanam (poems) in Malayalam by G. Sankara Kurup.

Ratha-Chakra (novel) in Marathi by S. N. Pendse.

Kabita—1962 (poems) in Oriya by Satchidanand Raut Roy.

History of the Dvait School of Vedama and Its Literature (research work in Sanskrit) by Dr. B. N. Krishnamurti Sarma.

Vengaiyin Maindhan (novel) in Tamil by Akilan.

Panditha Parameshwara Sastry Veelunaya (novel) in Telugu by the late T. Gopichand.

Aandhi Men Chiragh (sketches) in Urdu by K. G. Saiyidain.

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The award comprises a casket containing an inscribed copper-plate and a cheque for Rs. 5,000. The formal presentation was made at a special function held on March 15.

(*The Times of India*, New Delhi)

[Prev. ref. 5175:INI:Z]

V. Son For Maharaja Of Sikkim: A son was born to Maharani Hope Namgyal of Sikkim on February 20.

Formerly Miss Hope Cooke and now popularly known in the Himalayan kingdom as the "Yankee Maharani," she entered a nursing home in Calcutta at 3 p.m.

The new-born will be the third in succession. The Sikkim Maharaja has two sons and one daughter by his previous marriage.

The Maharaja, who was away in Europe on a private visit, arrived in Calcutta shortly before the Maharani went to the nursing home.

The President, Dr. S. Radhakrishnan, sent him a message of congratulations.

(*The Statesman*, Calcutta)

[Prev. ref. 5198:INI:F]

W. Major John Dias Passes Away: Major John D. Dias (35), the well-known mountaineer who led the second Indian expedition to *Mt. Everest* in 1962, died on February 24 of cerebral haemorrhage in the Military Hospital in New Delhi.

Maj. Dias, who was Chief Instructor at the High-Altitude Warfare School, had been deputed for a special course to USA. The course commenced on January 5 and Maj. Dias fell ill after five weeks. He was flown back to India on February 15.

Indian mountaineering has suffered a great loss in the death of Maj. Dias. Commissioned into the Garhwal Rifles in 1948, he was a Ski-ing Instructor at the Winter Warfare School first in 1950 and then again in 1952. He did the basic course at the Himalayan Mountaineering Institute, Darjeeling, in 1954.

He accompanied the late Maj. N. D. Jayal's expedition to **Kamet** (25,447 feet) in 1955, which, apart from succeeding in its main objective, scaled **Abi-Gamin** (24,130 feet), and he was among those who climbed the second peak.

He was a member of K. F. Bunshah's successful expedition to **Cho-Oyu** (26,750 feet) in 1958 and was with Maj. Jayal at the time of his death on the way to this mountain. He was also a member of Gurdial Singh's expedition to **Nanda Devi** in 1961, and was among those who climbed **Devistan I** and **Maiktoli**.

Leading the second expedition to Everest, Maj. Dias, as a member of the support party, went up to the South Col (25,850 feet). His summit party, comprising Inst.-Lt. M. S. Kohli, Sonam Gyatso and Hari Dang, reached 28,000 feet before being hurled back by foul weather.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 4651:INI:T]

INDONESIA

A. President A. Sukarno Alleges Encirclement Plot By Britain: Speaking to a post-prayer congregation in a mosque in Djakarta on February 15, President A. Sukarno claimed that he had documentary evidence of a British plan to use Malaysia to encircle and undermine Indonesia.

He said he had received the document after the burning of the British Embassy in Djakarta in September, 1963.

In London on February 16, the British Foreign Office and the Commonwealth Relations Office denied any plan of this nature.

A Government spokesman added: "We have never overtly or in any other way used Malaysia as a springboard against Indonesia."

According to a London Times despatch, it is naturally always possible that, in the confusion consequent upon the sacking of the Embassy (see page 5504) some papers were not locked away, before the staff were forced to leave the building. Clearly any confidential file might contain criticism of members of the Indonesian Government or the diplomatic community, which could be embarrassing to British representatives, if published, though the relevance and importance of such criticism must largely have vanished by now.

Such a file could also contain speculation on what might happen in Indonesia, if, for instance, the economic situation deteriorated much further. Clearly in that case a process of regional fragmentation might take place—such as happened at the time of the Sumatra rebellion in 1958.

President Sukarno had made similar claims on other occasions since the sacking of the British Embassy, but had never produced the documents themselves.

(*The Times*, London)

[Prev. ref. 5504:MAL:A]

B. Famine Threat In Central Java: The Deputy Governor of Central Java, Mr. Sujono Atmo, said in Semarang on February 16 that an estimated one million people were facing starvation after the longest drought and the worst rat plague within living memory in the region.

He told journalists that 12,000 people were being treated for malnutrition in provincial Government hospitals and special clinics. Fifty persons had died already this year while undergoing medical treatment for hunger. About 15,000 peasant farmers and their families had deserted their barren ricefields in outlying districts to become beggars scrounging for food in Semarang, the provincial capital.

(*The Times*, London)

[Prev. ref. 4580:IND:B]

C. Assurance To Foreign Oil Companies: The Department of Basic Industries and Mining announced in Djakarta on February 20 that the Government had no intention of taking over foreign oil companies operating in the country.

The announcement said that the Government hoped the trade unions would "understand the Government's position and divert their intentions of taking over foreign oil companies towards safeguarding the smooth running of the undertakings...." This would "help to stabilize domestic oil production".

Meanwhile, the Permigan State oil company council has agreed to the workers' action in taking over the Shell Oil Company and handing it to the Government. The Permigan company had mining rights and were contractors of Shell.

The same day (February 20), in a speech in Djakarta, President Sukarno said that foreign countries which were supplying aid to Indonesia but did not approve of "the progress of the Indonesian revolution" were welcome to withdraw their support. Indonesia was a country rich in natural resources and man-power, and the people were united behind the common cause.

He said: "You may withdraw your economic aid. We will not withdraw one step".

(*The Times*, London)

[Prev. ref. 5657:IND:A]

IRAN

A. Army Drive Against Illiteracy: A despatch on February 15 said that Iran's peasants have over the past year witnessed the incursion of a curious kind of soldier into their villages.

He carried the rank of sergeant, but he is a teacher rather than a military man. On his chest, he wears a cloth badge depicting the Sun bursting with a book, across which lies a pen.

There are at present some 3,000 of these soldiers scattered in villages across Iran, from Azerbaijan to Baluchistan, from Khorasan to Khuzistan. They are the advance guard of Iran's latest plan to battle against rural illiteracy.

In spite of heavy expenditure, Iran remains faced with a large education problem. Primary education was last year available to only two out of every 10 village children. There is proportionately twice as much primary class-room space in the towns, but nearly 80 per cent of the adult population is still illiterate.

Nothing less than a crash programme could hope to make a significant dent in this ignorance. The Government's answer has come in the form of a Literacy Corps, a scheme under which high school graduates are recruited into the army and then sent off to rural areas to teach villagers to read and write.

The plan is sponsored jointly by the Ministries of Education and War, and financed out of development funds. Army conscripts may volunteer to join the corps instead of doing normal military service. So far, the volunteers have outnumbered conscripts by two to one.

A young man entering the Literacy Corps undergoes four months of training. During this period he is treated as a regular soldier. He wears uniform and lives in barracks. He gets the army haircut and keeps army hours. For the first two months, he is initiated into army life. His training includes marching drill, infantry practice, use of small arms, map-reading, and mock attacks.

His schedule for the second two months reads like an intensive teacher-training course. He is instructed in teaching methods for Persian, arithmetic, science, physical education, children's games. Supplementary training is given in agricultural and vocational teaching methods, village sanitation, health and community development. There are, in addition, guest lectures by officials from the Ministries of Health and Agriculture and from Iran's community development organization.

The first group of 2,500 corpsmen completed their training and were assigned to their villages in December, 1962. A second group of 600 joined them a few months later. By the end of 1964, another 3,500 teachers will be in the field. Each corpsman serves out his regular 18-month army term in the Literacy Corps.

The appearance of the corpsman in a village is preceded by visits from a member of the 200 supervisors assigned to the corps by the Ministry of Education. Each supervisor is in charge of 10 to 15 corpsmen. The supervisor talks to the village headman and village elders; he attempts

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to persuade them of the advantages of the Literacy Corps idea.

The Literacy Corps has already made a substantial contribution to rural education. Before the Literacy Corps, there were 18,000 rural teachers in the field. If the Corps succeeds in putting 6,000 teachers in the villages at any one time (actual plans are even more ambitious), this would increase the teaching force by 33 per cent. Out of 1,700,000 primary school students in the country, only 700,000 of them come from rural areas. The Literacy Corps has added some 150,000 students to this figure.

(*The Times*, London)

IRAQ

A. Formation Of National Oil Company—Talks With IPC: After the announcement over *Baghdad Radio* on February 8 of the formation of the new State-owned National Iraqi Oil Company, the Oil Minister, Dr. Abdul Aziz Wattari, gave further details at a news conference on February 9.

The new Company is to have a £25,000,000 capital and will have the right to seek foreign capital not exceeding three times its own capital. It will have financial and administrative independence and the right to operate throughout Iraq, except in the 740 square miles still retained by the Iraq Petroleum Company (IPC) after the remainder of their original area of 175,000 square miles had been unilaterally taken from the Company under General A. K. Kassem's Law 80 passed in December, 1961.

The National Oil Company is being given six months to decide the areas it proposes to operate in, will share its profits (which are not expected for three or four years) on a 50-50 basis with the Government and will have a six-man board of directors, three to be Government officials.

It will take over the Government oil wells at Khanaquin and market crude oil and refined petroleum.

Dr. Wattari confirmed that 12 international companies had already submitted offers to take part in oil exploration in areas taken over from IPC. The attitude of the most experienced oil men in the business has hitherto been that they would not risk a long and costly legal action with the IPC shareholders who still maintain firmly that Law 80 is illegal, and whose request to the Iraqi Government for arbitration under the terms of the concession agreements has not been met. However, both individual and company newcomers to the field are known to have been staking their claims with the Government for many months now, and bringing pressure to assure the Government that "they can get away with it".

The expected reaction of the Iraq Petroleum Company is a statement that the new Law as at present reported "would constitute a further violation of the three companies' agreements with the Iraq Government" and there is more than a hint in their attitude that the intention to implement Law 80 by the Iraqi Government does not provide a favourable ambiance for the suggested resumption of talks. Their attitude remains that Law 80 must be altered.

Dr. Wattari made it clear that the Government had no intention of nationalizing the existing companies, but on the contrary, so long as they do well and give part of their profits to the Government (which, however, wants at least 2 dinars 300 fils per ton of oil exported in place of the current royalty of 2 dinars), the Government would assist them in every way to solve their problems in a peaceful fashion.

Crude Oil Production:

Production of crude oil in January amounted to 5,352,000 long tons, compared with 4,680,725 long tons in January, 1963.

Output for the Iraq, Basrah and Mosul petroleum companies as compared with 1963 were as follows:

	January, 1963 (in long tons)	January, 1964 (in long tons)
Iraq Petroleum Company	3,607,026	3,817,000
Basrah Petroleum Company	774,753	1,422,000
Mosul Petroleum Company	98,946	113,000
Total	4,680,725	5,352,000

(*Middle East Economic Digest*, London)

[Prev. ref. 5692:IRQ:B]

B. Government Plans For Northern Iraq: Plans of the Government for Northern Iraq after the cease-fire between the Kurds led by Mullah Mustapha Barzani and the Iraq Army were announced in Baghdad by the Minister of Guidance, Mr. Abdul Karim Farhan.

He told a news conference that the cease-fire was complete in all areas and Army units were withdrawing gradually to their encampments according to a special plan.

Prisoners of both sides were in the process of being released, and he said the Government was anxious to abolish the emergency measures, including the military courts in the north and the revolutionary court in Baghdad.

It was the Government's intention to reconstruct the north, and he believed this would cause a boom in the national economy. Many fertile areas had been deserted during the hostilities, but these would be recultivated.

He said: "The Kurds are a great part of the Iraq nation who enjoy the same rights as other citizens. They are close brothers linked to us by history, religion, intermarriage and a common destiny."

Asked if Mullah Mustapha wanted to leave Northern Iraq for any other Arab country, he replied that he enjoyed the rights of any other citizen and was entitled to go anywhere he wished.

The reconstruction plans, approved by a special Cabinet meeting, are to be implemented as soon as possible. They include the construction of a net-work of roads linking the north with central and south Iraq, and the building of a number of hospitals, clinics, police posts, and schools. People will be assisted to reconstruct their damaged homes, villages will be revived on modern lines, and industrial projects will be created which depend on the raw materials available in the north. The plan will encourage and develop agriculture and employ the most modern implements to cultivate the land.

The Government newspaper **Al Jumhour** published several interviews with Ministers who gave further details of the Government's intentions. All restrictions on the marketing of foodstuffs are to be abolished. Employees dismissed because of the emergency are to be re-instated. The Government is to build a 3-million-dinar (£3 million) sugar mill and lay a pipe-line for natural gas from Kirkuk to Baghdad.

Mr. Farhan also said the Government intended to build a television station for the north and a medium-wave radio station, both of which would broadcast to the Kurdish people in their own language.

(*The Times*, London)

[Prev. ref. 5692:IRQ:A]

ISRAEL

A. Atomic Power To Cure Sea Water—US Offer: The US President, Mr. Lyndon B. Johnson, announced on February 6 plans for American co-operation with Israel in search of ways to turn salt water into fresh water through the use of nuclear science.

The White House said this would mark the first joint venture of the United States and another country in important desalination research.

In an address prepared for the 18th annual dinner of the Weizmann Institute of Science, Mr. Johnson said: "This nation has begun discussions with the representatives of Israel on co-operative research in using nuclear power to turn salt water into fresh water."

The Weizmann Institute, named for Dr. Chaim Weizmann, the first President of Israel, has long been engaged in research aimed at converting salt water into fresh water. Israeli scientists see this as a possible avenue for bringing ample water to the parched Negev desert.

Mr. Johnson said that water "should never be a cause of war—it should always be a source for peace."

He said USA was "equally ready to co-operate with other countries anxious to cure water shortages."

Israeli Pledge:

Israel's Prime Minister, Mr. Levi Eshkol, pledged on February 9 that Israel's achievements in water desalination would be placed at the disposal of her neighbours in a region thirsty for water.

He was reporting to the Cabinet on President Lyndon Johnson's statement on US-Israel co-operation on the use of nuclear energy for converting sea water to sweet water.

He said Israel would welcome continuation of co-operation with USA in this project and in its expansion.

Arab Reaction:

A Cairo message on February 8 said there had been a flare-up in the Arab Press over President L. B. Johnson's proposal to Israel on desalination of sea water.

Cairo papers said it would mean that America would give Israel a large atomic reactor to generate electricity for turning sea water into fresh water. It would also mean, the papers added, that America would train Israeli people in the handling of atomic secrets.

The atomic plant given to Israel would consume large supplies of uranium which in the process of operation would be converted into plutonium used in the production of atomic weapons.

This, the newspapers said, would create a great imbalance in West Asia because the Arabs would neither have such a large atomic reactor nor specialised knowledge in atomic science as would be given to the people of Israel.

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Such a step, they added, would violate the American policy of stopping the spread of atomic weapons and dissemination of nuclear 'know-how.'

Meanwhile, the Palestinian representative in the Arab League, Mr. A. Shukairy, said on February 7 that Mr. Johnson's statement would mean that America would help Israel in obtaining fresh water to irrigate the Negev desert, 99 per cent of which belonged to the Arabs according to United Nations.

Mr. Shukairy said: "If Mr. Weizmann (first Israeli President) himself were to rise from his grave he would not have praised Israel as President Johnson did."

(*The Hindu*, Madras and *The Statesman*, Calcutta)

[Prev. ref. 3467:ISR:A]

JAPAN

A. Trade Agreement With Cuba Extended: Japan has decided to extend the Cuba-Japan Trade Agreement, which is expiring on July 20.

It added that the United States would understand Japan's position:

—That it must import large quantities of sugar from Cuba and must expect counterpart goods in exchange.

—That there is nothing in the existing Agreement which is likely to irritate Washington. The Agreement provides for reciprocal treatment in shipping, trade and tariffs.

The Agreement was signed on July 24, 1961—to be run for three years and to be extended automatically unless a three-month notice of abrogation is given by one of the two parties. Consequently, Japan in extending the Agreement will not give any notice.

During 1962 $46,600,000 worth of trade, both ways, was done between the two countries but during 1963, the amount dwindled down to $26 million on account of the American blockade of the island. Japanese Government sources expected a considerable increase in the trade volume this year.

(*The Japan Times*, Tokyo)

[Prev. ref. 4130:JAP:E]

KOREA (South)

A. Mr. D. Rusk's Visit: The US Secretary of State, Mr. Dean Rusk, made a flying visit to South Korea on January 29 and had a meeting lasting two hours with President Park Chung Hee.

Mr. Rusk was accompanied by other members of the United States delegation which had spent the past few days in Tokyo attending the third meeting of the US-Japan committee on trade and economic affairs.

The party spent six hours in Seoul before setting off on the return journey to USA.

Mr. Rusk said in a statement on arrival that USA would "continue to stand guard at your side on this rampart of freedom".

After his two-hour meeting with President Park he said the talks had been "profitable".

Joint Communique:

A joint *communique* issued at the close of the talks said Mr. Rusk and President Park had agreed that early completion of the South Korean-Japanese talks "would be of significant benefit" to both countries and to the 'free world' in general.

Mr. Rusk agreed that South Korea would need continued economic aid from USA, but reportedly warned Gen. Park that such grant aid could not be expected to go on indefinitely.

In a memorandum handed to Mr. Rusk, South Korea asked USA to maintain grant aid and farm surplus assistance for 1964 at a $90 million level.

The memorandum asserted that any reduction in the size of US forces in Korea and of the 600,000-man South Korean force would be inadvisable "in view of the deteriorating situation in the Far East."

[South Korea relies heavily on USA to support its large army, and it was believed that a cut in aid would make a reduction of military strength inevitable.]

The joint **communique** emphasized, however, that "it was agreed that a powerful Korean and United States force adequate for the defence of the Republic of Korea would be maintained to meet the continuing Communist menace in the Far East."

It said President Park and Mr. Rusk had discussed the "implications of the recognition of Communist China by France for the security of free world countries."

(*The New York Times* and *The Japan Times*, Tokyo)

[Prev. ref. 4022:KRS:A]

MALAYSIA

A. Doubts About Further Peace Talks With Indonesia: The Foreign Ministry, in a statement on February 13, expressed doubts about the value of further peace talks with Indonesia.

It based its opinion on Indonesia's declared unwillingness to withdraw her forces from Sabah.

The issue of withdrawal of Indonesian fighting men from Malaysia dominated the tripartite discussions (between Malaysia, Indonesia and the Philippines) in Bangkok from January 5 to 10 (see page 5669).

Malaysia holds that a continued cease-fire can be successful only if Indonesian forces are withdrawn. The Indonesian stand is that both the cease-fire and withdrawal are linked with over-all political settlement of the Malaysia dispute.

Withdrawal was not touched on in the Joint Statement (text given below) after the Bangkok meeting, but an attached reservation by the chief Malaysian delegate, Tun Abdul Razak, the Deputy Prime Minister, said that his country believed withdrawal to be essential for continued peace.

The Foreign Ministry statement said that Dr. R. Subandrio, the Indonesian Foreign Minister had promised to communicate by February 12 or 13 the decision of President Sukarno on Tun Abdul Razak's reservation.

"Since the conclusion of the Bangkok meeting nothing has been heard from the Indonesia side", it said. "However, yesterday Dr. Subandrio was reported to have declared that the Indonesian troops would not be withdrawn from Malaysian territories prior to a political settlement of the Malaysian crisis.

"He is also reported to have said that he would be sending liaison officers to Bangkok to arrange for supplies to be dropped by aircraft to Indonesian guerrillas inside Malaysian territory."

The Malaysian Government had grave doubts about the usefulness of further talks with Indonesia, because "it is now clear that Indonesia has no intention of making the cease-fire effective."

It added: "The proposal to drop supplies to Indonesian guerrillas in Malaysian territories cannot be entertained.

"The Malaysian Government considers that this latest move by Djakarta is calculated to give a semblance of the existence of 'occupied' areas within Malaysia, whereas in actual fact there are not more than 200 terrorists, including Indonesian 'regulars' and 'irregulars' in Malaysian territory on the run.

"Any implementation of that move cannot be regarded otherwise than as a further act of aggression which will not be tolerated.

"The Government of Malaysia will exercise its powers and take all action as necessary in accordance with the laws of the country, including those pertaining to the maintenance and preservation of public security within its own territory."

Text Of Bangkok Communique:

Meanwhile, the following is the text of the joint *communique* issued at the close of the tripartite talks in Bangkok that brought about the cease-fire:

[An account of the talks and the communique was briefly given on page 5669].

"On the invitation of H.E. Thanat Khoman, the Foreign Minister of Thailand, a meeting between Dr. Subandrio of Indonesia, Tun Abdul Razak of Malaysia and Mr. Salvador P. Lopez of the Philippines was held at Bangkok from February 5 to 10, 1964 to discuss and resolve their present differences on the basis of the principles and spirit of the Manila Agreements.

"In frank and free informal discussions, which were also attended by Foreign Minister Thanat Khoman, the three Ministers had a full exchange of views on the problems affecting the relationship between their respective countries.

"In the spirit of **Mushawarah** Maphilindo, the three Ministers reviewed the implementation of the Manila Agreements with a view to enabling the three Governments to re-affirm their adherence to the principles and objectives of the said Agreements.

"They were satisfied to note the degree of progress made towards a better understanding of each other's position and in their efforts to find a common approach for the solution of their differences and common problems.

"The three Ministers shared the conviction that their present differences could best be solved on the basis and within the frame-work of the principles and spirit of the Manila Agreements.

"They welcomed the cease-fire with regard to the fighting in Sabah and Sarawak as a means of creating a favourable atmosphere for **Mushawarah** Maphilindo and they agreed on certain detailed arrangements for making it effective as set out in the Appendix attached hereto, together with the reservation made by the Deputy Prime Minister of Malaysia thereto. They also agreed to invite the Secretary-General of United Nations to designate Thailand to supervise the cease-fire.

"The three Ministers decided to study further proposals for resolving the main political issues in consultation with their respective Governments and in this con-

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text they agreed that prior to a summit meeting another meeting at ministerial level should be convened on a date and at a place to be agreed upon.

"The three Ministers wished to express their appreciation to H.E. Thanat Khoman, the Foreign Minister of Thailand, for the impartial and constructive assistance he had given in the meetings. The three Ministers would also like to express their gratitude to the Government and the people of Thailand for the very warm hospitality they extended to them and their delegations."

"Terms of Cease-fire:

"The Governments concerned have agreed that they will exert their best efforts, in co-operation with the Government of Thailand, to observe the cease-fire.

"The Governments concerned have agreed that, in the event an incident breaks out, they will immediately issue orders to their respective forces to halt the fighting.

"The Governments concerned have agreed to appoint their respective military liaison officers in Bangkok to assist the Thai Government in supervising the cease-fire arrangements.

"The Governments concerned have agreed to accept teams of Thai observers in their respective territories and to provide necessary facilities to enable them to carry out their duties in connexion with the implementation of the cease-fire."

"Note:

"In connexion with the above terms, the Deputy Prime Minister of Malaysia reserved the position of his Government as follows:

"It is the sincere desire of the Malaysian Government to adhere to the cease-fire arrangement. However, as there are members of Indonesian Armed Forces, Regulars as well as Irregulars, on the Malaysian side of the border, their presence will provoke incidents. The Malaysian Government therefore consider that the cease-fire would not be fully effective unless the Governments concerned agree to limit the activities and movements of their Armed Forces, Regulars as well as Irregulars within their respective territories."

Tengku-Macapagal Talks:

Following the mediation efforts of the Cambodian Head of State, Prince Norodom Sihanouk (see page 5669) the Premier, Tengku Abdul Rehman, and the Philippine President, Mr. D. Macapagal, held a series of meetings in Pnom Penh and Siem Reap in the second week of February.

On February 12 they took the first step to restore relations between their countries as they agreed to open consulates in each other's territory.

Identical announcements issued by the spokesmen of the two leaders said the Tengku agreed to discuss as soon as possible the settlement of the Philippine claim to Sabah if necessary through the World Court.

Meanwhile, in a joint communique Prince Norodom Sihanouk and Mr. Macapagal expressed the hope that the Philippine President's talks with the Tengku would be followed by a meeting at which the Indonesian President, Dr. Sukarno, be present.

Such a meeting, Mr. Macapagal said, would facilitate discussions to settle the Malaysian crisis.

Prince Norodom said he hoped that as a result of the Tengku's talks with Mr. Macapagal an "atmosphere of better understanding has been restored between the two countries."

The communique was signed after Tengku Abdul Rehman's return home. It marked the climax of President Macapagal's five-day State visit to Cambodia.

Request For RAF Defence:

Malaysia formally asked Britain on February 20 to provide air defence against any Indonesian attempt to supply the guerrilla forces that remain on Malaysian territory.

Britain has a treaty with Malaysia under which British forces must protect the new Federation if requested to do so.

The request for air defence was made to Lord Head, the High Commissioner to Malaysia. The matter was being referred to London for action.

(*The New York Times, The Times*, London and *The Hindu*, Madras)

[Prev. ref. 5669:MAL:A]

B. Three-Nation Talks On Border Cease-fire: The tripartite talks began after the cease-fire on the Malaysia-Indonesian border by representatives of Malaysia, Indonesia and the Philippines in Bangkok (see page 5669) and ended on February 10.

The talks concluded with the Indonesians refusing to pull out their troops —"regulars and irregulars"—from Malaysian territory.

Indonesia's attitude did not mean that the six-day conference had been a complete failure. The three Ministers, Tun Abdul Razak (Malaysian Deputy Premier), Mr. E. Lopez (Philippines Foreign Minister), and Dr. R. Subandrio (Indonesian Foreign Minister), all agreed that the conference had helped the countries concerned to appreciate better one another's problems.

In addition, they decided on a four-point plan to ensure that the cease-fire along the Borneo border was maintained.

Under this plan the three Governments will: exert efforts to co-operate with Thailand to observe the cease-fire; issue orders immediately to their forces to halt fighting should incidents break out; appoint military liaison officers in Bangkok to assist Thailand in supervising the cease-fire arrangements; and accept the presence of Thai observers in the respective territories and provide facilities for them to carry out their duties.

Tun Abdul Razak said later: "The very fact that Indonesians are in Malaysian territory will provoke incidents, and the cease-fire will not be fully effective." He emphasized that the Governments concerned must "limit the activities and movements of their Armed Forces—regular as well as irregular—within their respective territories."

The conference statement said that the delegates had agreed that they should meet again before a summit conference of their three Heads of Government was held. They had also agreed to study proposals for resolving "the main political issues".

All parties expressed at least guarded satisfaction at the outcome of the conference.

Mr. Ganis Harsono, an Indonesian official, said: "We feel the conference has been a very satisfactory one in spite of some tensions and heated arguments. It was worth it. The agreement reached was the best we have been able to achieve so far."

Mr. Ahmad Nurdin, a Malaysian official, said: "The most important thing is that there is general agreement that our differences should be solved by peaceful means."

A Philippines official said he hoped that the Malaysian note of reservation could be resolved by agreement soon.

Australian Support To Malaysia:

Meanwhile, the Australian Prime Minister, Sir Robert Menzies, announced on January 28 that Australia would send a military mission to Kuala Lumpur to discuss with the Malaysian Government what help Malaysia needs in developing its defence effort.

The announcement came after a meeting in Melbourne of the Federal Cabinet, which discussed the Malaysia problem at some length.

After the previous meeting of the Cabinet, on January 16, Sir Robert said that the Australian Government was consulting Malaysia to see what contribution Australia could make to the development of its defence effort. Subsequently the Malaysian Government submitted a list of items which it would welcome if Australia could provide them. The list included F. N. rifles, light automatic weapons, ammunition, and training facilities in Australia for Malaysian pilots.

Sir Robert said on January 28: "The Government has been given to understand by the Malaysian authorities that certain assistance in the form of materials and training would be useful. Accordingly it is proposed to send a mission to Kuala Lumpur to discuss and assess what items within Australia's capacity to supply may be needed."

(*The Times*, London and *The Malayan Times*, Kuala Lumpur)

[Prev. ref. 5669:MAL:A]

NEPAL

A. Development Loan Talks With India: Nepal will receive a long-term industrial development loan of Rs. 1 crore from India in the near future, according to a joint *communique* issued in Khatmandu on February 22 at the end of the three-day talks between representatives of the two countries.

The communique said the two countries had also agreed to buy more consumer and manufactured goods from each country.

The joint communique was signed by Mr. Manubhai Shah, India's Minister for International Trade and Mr. Vedanand Jha, Nepal's Minister for Commerce and Industry.

The broad agreement on policy matters was regarded by observers as a happy augury to the eventual replacement of the Indo-Nepalese Trade and Transit Treaty, due to expire in 1965, by a suitable bilateral agreement.

Mr. Shah said: "As soon as this Treaty ends there will be a new treaty after due notice. At present there is identity of views between the two Governments on the need to increase Indo-Nepalese trade and provide facilities to that end."

He told correspondents that India had always tried to meet Nepal's genuine needs by supplying her essential commodities. He said that India welcomed Nepal's aspirations for diversifying her trade.

The joint communique said the ministerial level talks were "marked by a continuing realisation of basic identity of

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commercial, economic and other interests of the two countries."

Satisfaction was expressed over the fact that Indo-Nepalese trade had expanded considerably. The two Ministers were confident that the rate of increase in the trade between the two countries would go up further in the years to come. Towards this end each country would try to buy more consumer and manufactured goods from the other.

To help Nepal's industrial development India had agreed "to start with a loan of Rs. 1 crore." It would be utilised for buying capital goods in India "as also for investment and loans to industrial ventures to be established in Nepal."

A Nepalese delegation will visit India to discuss details and execute the loan agreement.

The communique added that India would provide training facilities to Nepalese and hold a trade exhibition and fair in the coming Autumn in Khatmandu.

Development Loan Fully Subscribed:

Radio Nepal announced on February 12 that Nepal's first ever development loan had been subscribed fully.

This public loan amounting to Rs. 1.31 crores was floated 15 days earlier.

Purchases of bonds at the Rashtra Bank in Khatmandu amounted to Rs. 1.2 crores.

The loan carries 6 per cent interest and is repayable in five years.

(*The Times of India* and *The Hindustan Times*, New Delhi)

[Prev. ref. 5484:NEP:E, 5636:NEP:A]

B. Two Steel Bridges Opened: King Mahendra formally opened on February 24 two modern steel bridges—the first of their kind in Nepal.

Traffic between Khatmandu and Trisuli Bazar, the site of the Trisuli hydel project, will be facilitated by these bridges.

Accompanied by Dr. K. L. Rao, India's Minister for Irrigation and Power, and the Indian Ambassador, Mr. H. Dayal, King Mahendra inspected various units of the project where work is in full swing with a complement of 13,000 workers.

Speaking on the occasion, Dr. Rao assured the King that the Trisuli project would be completed by June, 1965 as scheduled.

The Trisuli hydel project, estimated to cost Rs. 15.2 crores, forms part of the Indian aid programme in Nepal and is designed to produce ultimately 21,000 kw of power. In the first phase, to be completed by the middle of 1965, four generating units of 3,000 kw each will be installed. Additional units will be installed as the power requirements increase.

The two bridges lie in idyllic surroundings on the traditional Nepal-Tibet trekking route.

The Tadi Khola bridge on the Tadi river, near the 33rd milestone of the Khatmandu-Trisuli road, is 200 feet long. Constructed at a cost of Rs. 3,90,000, it has replaced a bridge which collapsed two years ago on account of floods.

The 120-foot steel girder bridge over the turbulent Trisuli linking Trisuli Bazar with the Trisuli project colony, has been constructed at a cost of Rs. 6,90,000.

Following the completion in May, 1963 of these two vital links and the improvement of the Khatmandu-Trisuli road by the project authorities, Trisuli has become accessible by road throughout the year.

The construction of the Trisuli-Khatmandu road, originally entrusted to a tripartite road transport organization, was taken over by the Indian authorities early in 1963.

(*The Times of India*, New Delhi)

[Prev. ref. 5350:NEP:B]

C. Supplementary Budget: New taxes totalling Rs. 70,00,000 (Nepalese) and higher allotment to development work were the main features of the Supplementary Budget presented to Nepal's National Panchayat on February 16 by the Vice-Chairman of the Council of Ministers and the Finance Minister, Mr. Surya Bahadur Thapa.

He said Nepal's own contribution to development work would be raised from 31 per cent to 34 per cent during the year, thus reducing dependence on foreign aid.

Foreign aid loans amount to over Rs. 14 crores out of an estimated expenditure of about Rs. 20.05 crores on development projects.

Revised budget estimates show an increased expenditure of Rs. 2.51 crores—about Rs. 60,00,000 more under the general head and nearly Rs. 2 crores on development account.

Of the overall deficit of Rs. 2.20 crores, Mr. Thapa said over Rs. 2 crores would be covered through new taxes and internal development loans, thus leaving a net deficit of a little over Rs. 19,00,000. This would not, however, upset the position since all funds earmarked for development would not be utilized this year.

Increase in investments under the revised estimates is mainly distributed among power (Rs. 73,58,000), industries (Rs. 24,72,000) and communications (Rs. 17,60,000).

(*The Statesman*, New Delhi)

[Prev. ref. 5357:NEP:B]

ASIA OUTSIDE ASIA

A. "Elektron" Space Stations Launched By USSR: At a news conference in Moscow on February 6, the President of the USSR Academy of Sciences, Mr. M. Keldysh, said that the space stations *Elektron I* and *Elektron II* were the first systems by means of which simultaneous measurements in different spots of the Earth's environment were being carried out.

Att the news conference, noted Soviet scientists told journalists about the programme and purpose of the new scientific space experiment.

Mr. Keldysh recalled that one of the most brilliant successes in the chain of outstanding achievements, started by the launching of the world's first artificial Earth satellite in October, 1957, was the discovery of the Earth's radiation belts. The mechanism of their origin is still unknown. The **Elektron** system will help to carry out, according to a single programme, simultaneous observations in different spots of outer space of the entire complex of complicated physical processes, which give rise to the radiation belts.

This programme provides for the study of low and high energy particles occurring in the radiation belts, magnetic fields of the Earth and belts, cosmic rays, chemical composition of the Earth's environment, short-wave radiation of the Sun and radio radiation of the galaxies, and micro-meteorites. "The fact that these experiments are being carried out during the International Year of the Quiet Sun," he stressed, "makes them even more important."

Varied and extensive information is being received from the space stations **Elektron I** and **Elektron II**, said Mr. Sergei Vernov, Corresponding Member of the Academy of Sciences, who received a Lenin Prize for the study of radiation belts in 1960. The data obtained showed that the scientific instrumentation is functioning normally. He explained that the **Sputniks** were to "patrol outer space for a long stretch of time and will permit us to discover rare but extremely interesting phenomena, arising when the Earth enters the corpuscular streams coming from the Sun."

He noted with satisfaction that "the Moscow Treaty on the banning of nuclear tests in outer space gives a chance to study radiation belts without interference."

He added that even now, five years after the discovery of the outer radiation belt, it remained a riddle. His opinion was that the theory explaining the mechanism of the appearance of the inner belt advanced in USSR, and later on in the United States, did not explain the existence of the outer belt. He assumed that some kind of a "cosmic accelerator" of particles was operating at distances of thousands and tens of thousands of kilometres from the Earth. "It is to find an explanation of its nature that we need a system comprising a number of satellites."

The investigations carried out so far have demonstrated, he said, that when the Earth found itself within corpuscular fluxes ejected by the Sun, that is, during magnetic storms and aurorae on the Earth, strong changes occur in the outer radiation belt of the Earth. This meant that just then the "near-terrestrial cosmic accelerator" starts operating.

One of the satellites is used to study the inner radiation belt of the Earth and the "spurs" of the outer radiation belt closest to it. In the meantime the second scientific station pierces the outer belt and goes out into interplanetary space where particles of radiation belts should be absent and cosmic rays are the main type of radiation.

He stressed that due to the identical instrumentation of both satellites, it was possible to draw a picture of the spatial distribution of the radiation belts. A part of the instrumentation is placed within the hermetically-sealed container. These instruments register particles of rather high energies. Particles of lower energy are registered by instruments installed outside the container. The radiation detectors are covered with layers of substance only a few microns thick.

Dr. Konstantin Gringauz spoke on the research in that region of outer space which lies immediately beyond the radiation belts. This region, known as the outer radiation belt of charged particles, was discovered as a result of the research carried out by Soviet Moon probes in 1959.

The magnetic field of the third belt, as proved by subsequent measurements, is changing all the time in size and direction. These data show that the electrons in the belt, which lies at a distance of 50 to 75,000 kilometres from the Earth, are not covered by its magnetic field, and this means that no magnetic trap for charged particles can exist there. Apparently, he surmised, the fluxes of electrons from the outer belt can exercise a very strong influence on the upper strata of the atmosphere when they penetrate into it at high latitudes.

He held that measurements taken by the **Elektron II** station would enrich the available knowledge of the outer belt.

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Repeated measurements of charged particles would give a better idea of the physical properties of the outer belt proper, its shape and its role in different geophysical phenomena.

He noted that the new experiments would give the scientists a chance to answer the question whether the outer radiation belt was closed, that is, whether this belt around the Earth existed in the direction counter to the Earth-Sun direction. He believed that the belt was continuous. The results of observations carried out by the Mars 1 station are also in favour of this hypothesis.

As stated by Mr. Yuri Kalinin, Doctor of Physico-Mathematical Sciences, Soviet scientists have established after experiments with Soviet space rockets and sputniks that a magnetic field of circular electric current, surrounding the Earth far beyond the confines of the ionosphere, is superimposed on the magnetic field of the Earth in the area of the external radiation zone. It was also established that the Moon does not have a noticeable magnetic field.

Noting that the American researchers have also made a valuable contribution to the study of magnetic fields in the outer radiation zone of the Earth, Dr. Kalinin dwelt on the concrete tasks of the experiment which is being carried out with the help of **Elektron II** space station.

The magnetometers, carried by the station, are similar as regards technical potentialities and design to the models applied earlier, but the exactitude of their measurements is much higher.

The **Elektron II** station is intended specially for the study of the outer radiation belt for a long period of time. "This shows that our scientists have started studying magnetic fields in the outer radiation belt with the purpose of establishing *their variations in time.*"

The researchers expect to obtain by the method of direct measurements in space a reply to the question what happens, after all, with the outer radiation zone of the Earth during geomagnetic storms. Until recently it was considered that such storms are a period when the Earth and its magnetic field are stricken by a flux of solar corpuscules—electrons and ions. These fluxes are partially trapped by the Earth's magnetic field and remain in the outer radiation belt. and partially enter the Earth's ionosphere, in its Polar regions.

Elektron II will also help to establish the vertical time variations of the border of the magnetic sphere of the Earth, i.e., the region of the Earth's space environment where the movement of electrically charged particles is controlled by the planet's magnetic field.

Replying to correspondents' questions, Mr. Keldysh explained the choice of the orbit plane of the **Elektron** system which differs from previous launchings. He noted two circumstances which explain the choice—the need for long-lived satellites and the desire to collect full information about the radiation belts.

He said that more than two satellites could be placed into orbits by one booster. Of course, he added, the more satellites there are with different orbits, the more complex is the task technically. "But this is a feasible proposition and, if need be, it will be accomplished."

In view of the fact that **Elektron II** will be for several days beyond the view of Soviet scientific stations from February 5, the question was asked whether it would be expedient to establish co-operation with foreign tracking stations. He pointed out that the Soviet scientists did not need this because the **sputink** had memory mechanisms aboard, which would then transmit to the ground all the accumulated information.

If some foreign stations, he continued, expressed a desire to receive information, he could consider such requests. He added that in doing this it should be taken into account that the solar batteries have a limited power potential, necessary for transmitting information.

He pointed out that one of the purposes of the launching of this system was to study radiation at high altitudes and determine what should be done to safeguard human beings during space flights.

He noted that radiation in outer space increased after the American high-altitude blasts, which greatly alarmed the Soviet scientists. He explained that radiation was particularly stable at such altitudes.

When asked about the aim of the launching of the space stations **Elektron I** and **Elektron II** he said: "For travelling it is necessary to know the conditions in the place where you want to go. And this is what the space stations **Elektron I** and **Elektron II** must find out."

(*Tass*)

[Prev. ref. 5228:AOA:B]

B. ECAFE Activities During 1963: A UN Press release on January 31 said that a growing realization of the need for regional economic co-operation among Asian countries had shaped the activities of the Economic Commission for Asia and the Far East (ECAFE) during 1963.

Trade, it was stressed at ECAFE conferences, was at the root of Asian economic problems and more should, therefore, be done to promote trade with other regions on the basis of regional economic co-operation.

Governments displayed a heightened consciousness that their individual efforts might not be sufficient to shake off the serious economic problems besetting the region. This led to fresh appeals for regional co-operation and stimulated ECAFE to place new emphasis on practical efforts to secure economic betterment.

At the same time, ECAFE was able during the year to build up its advisory services and increase its offers of assistance to its member-countries in a number of economic and social fields. The Commission scheduled no fewer than 38 week-long conferences from March, 1963 to March, 1964 to examine local and regional problems and to plan for future progress.

The Economic Survey for Asia and the Far East, 1962, published in March, 1963 indicated that economic advancement in Asia had not been as rapid as had been hoped. It was mainly this fact—along with the development of regional economic groupings in Europe, Latin America and Africa—which led Governments in the area to place more emphasis in 1963 on regional action.

One manifestation of the interest in regional solutions to regional problems was the request by Australia and New Zealand—formerly ECAFE members from outside the ECAFE region—for regional membership and inclusion within the geographical scope of the Commission. This request was granted at the annual session; and at the same time, Western Samoa was admitted to ECAFE and similarly included in the geographical scope of the Commission.

Members of the Commission are Afghanistan, Australia, Burma, Cambodia, Ceylon, China, France, India, Indonesia, Iran, Japan, Laos, Malaysia, Mongolia, Nepal, Netherlands, New Zealand, Pakistan, Philippines, Republic of Korea, Republic of Viet-Nam, Thailand, USSR, United Kingdom, United States and Western Samoa.

Associate members are Brunei and Hong Kong.

The geographical scope of ECAFE encompasses Afghanistan, Australia, Brunei, Burma, Cambodia, Ceylon, China, Hong Kong, India, Indonesia, Iran, Japan, Laos, Malaysia, Mongolia, Nepal, New Zealand, Pakistan, Philippines, Republic of Korea, Republic of Viet-Nam, Thailand and Western Samoa.

The headquarters of the Commission is at Sala Santitham, Bangkok, Thailand, and the Executive Secretary of the Commission is U Nyun of Burma.

Reacting to the concern expressed at the annual session over unsolved economic problems, and to the general desire for stronger regional efforts, ECAFE placed more weight in 1963 on practical activities and on regional and sub-regional programmes. The Commission's activities underwent a re-appraisal intended to bring them solidly to bear on the most pressing difficulties of the region. Greater emphasis was given to the need for new measures, as well as for research, studies and exchange-of-information meetings such as ECAFE has regularly sponsored in the past.

During the year there were new developments in a number of major ECAFE undertakings which originated some time ago, but which, nevertheless, satisfy these three criteria.

The Mekong River Project entered a new phase with the adoption by the ECAFE annual session of a resolution intended to provide funds for a further 5-year development programme.

The project is aimed at the development of the Lower Mekong River Basin crystallized during the year by the establishment at Bangkok of the Asian Institute for Economic Development, which will start operations on January 1, 1964.

An autonomous body functioning under the aegis of ECAFE, the Institute will train Government officials in development planning, advise Governments on economic matters, and act as a centre for development research.

(*UN Newsletter*)

[Prev. ref. 5191:AOA:D]

C. Asian Countries' Agreements With World Food Programme: It was reported from Rome on February 9 that four Agreements had been signed with Asian countries by the World Food Programme—a joint undertaking of UN and the Food and Agriculture Organization (FAO).

Two of these Agreements concern India. One is aimed at increasing the production of milk, the other at developing poultry farming.

A third Agreement has been concluded with Nepal to establish there a centre for collecting and keeping milk. The fourth provides for irrigation work in Ceylon.

These Agreements brought to 12 the number concluded by the World Food Programme with various countries in Africa, Asia, Latin America and Europe. They amount to an expenditure of $13,340,500, especially in food, cattle feed, insurance, freight and transport expenses.

(*The Times of India*, Bombay)

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INDIA

SUMMARY: Central Budget; Migration Of Hindus And Christians From East Pakistan; Trade Agreement With Yugoslavia; Agricultural Prospects For 1964; State Budgets.

A. Central Budget For 1964-65: Presenting the Central Budget for 1964-65 in the Lok Sabha on February 29, the Finance Minister, Mr. T. T. Krishnamachari, announced that for the coming year, he had budgeted for a total revenue of Rs. 2,095 crores and expenditure of Rs. 2,041 crores at the existing level of taxation. This would lead to a revenue surplus of Rs. 54 crores.

As compared to the revised estimates for the current year, revenue receipts next year would be more by Rs. 181 crores. The four principal heads of revenue account for an improvement of Rs. 92 crores, while interest receipts were expected to go up by another Rs. 32 crores. Following the change in the procedure for the release of assistance under PL 480 on an advance basis, the grants for approved projects were now expected to exceed the current year's provision by Rs. 76 crores. But this would be covered by a corresponding transfer to the Special Development Fund for which the expenditure estimates took a debit. These improvements, however, would be partly offset by a drop of Rs. 12 crores under Emergency Risks Insurance receipts and Rs. 4 crores under the surplus profits of the Reserve Bank accruing to the Government.

In the revenue expenditure for next year, he said, Rs. 718 crores would be for Defence Services and Rs. 1,323 crores for civil purposes.

The Defence requirements debitable to revenue next year showed an increase of Rs. 25 crores over the revised estimates of Rs. 693 crores for the current year, while civil expenditure showed an increase of Rs. 191 crores. The growing volume and cost of public borrowings mainly for development accounted for an increase of Rs. 36 crores under debt charges. A lump provision of Rs. 10 crores had been made on account of the increase in the dearness allowance sanctioned recently with retrospective effect from July 1, 1963. Miscellaneous social and developmental services in the fourth year of the Third Plan were expected to cost Rs. 21 crores more, whereas grants to States both for Plan and non-Plan purposes would exceed the current year's revised estimates by Rs. 53 crores. The self-balancing items of grants under PL 480 deposits and Emergency Risks Insurance receipts together accounted for a net increase of Rs. 64 crores. The State's share of Central excise duties would also show an increase of Rs. 5 crores.

He said that excluding the adjustment for the transfer of loan assistance from USA, which was notionally treated as capital expenditure, capital outlay next year was estimated at Rs. 796 crores. This represented an increase of Rs. 34 crores over the current year's revised estimates. Defence capital requirements next year were placed at Rs. 136 crores, showing an increase of Rs. 20 crores over the current year. Repayment of debt, both external and internal, would be of the order of Rs. 259 crores next year. Loans to parties other than State Governments at Rs. 254 crores would be higher by Rs. 64 crores. So far as States were concerned, the revised estimates included Rs. 101 crores as their share in the market borrowing in the current year. He announced that it had since been decided to resume the practice of separate market operations by the Central and State Governments next year. Excluding the States' share of the combined market loan, loans to States at Rs. 606 crores showed an increase of Rs. 81 crores over the current revised.

In this connexion, he said that the financial position of most of the States had been causing a good deal of concern. The total amount due to the Centre by the States at the end of the current financial year would be of the order of Rs. 3,000 crores. In addition, the States' liability on account of market loans at present amounted to Rs. 656 crores. Both in terms of loans from the Centre and market borrowings, the States had been receiving more than what was originally contemplated in the Plan. Their share of Central taxes and duties had also been increased. Yet, most of them were constantly facing ways and means difficulties of a disturbing nature. The whole position would require careful review in the context of the Fourth Five-Year Plan. "While we should aim at giving the States a good deal of flexibility in allocating their own resources, so far as the Central assistance was concerned, we must also ensure that the major portion of it was related to capital expenditure on identifiable projects which were economically sound and could be expected to generate the resources for repaying their liabilities. Other devices would also have to be thought of." As a first step, he said, it was proposed to set up the Fourth Finance Commission at the beginning of the next financial year so that its report would be available before the shape and size of the Fourth Plan was finalized.

About the outlay for the Plan, he said that provision had been made next year for a total expenditure of Rs. 1,516 crores. Of this, Rs. 253 crores would be on revenue account and the balance as capital outlay including loans. In addition, the Railways were expected to provide Rs. 26 crores, Hindustan Steel Rs. 25 crores and other public sector enterprises Rs. 44 crores from their own resources. These estimates included Rs. 559 crores as assistance to the States. The States were expected to find Rs. 353 crores from their own resources. Thus, the total State Plans next year would be of the order of Rs. 912 crores as against Rs. 750 crores budgeted this year. With the Central outlay of Rs. 957 crores, contribution from public sector enterprises of Rs. 115 crores and State plans of Rs. 912 crores, the total plan outlay in the fourth year of the Plan would amount to Rs. 1,984 crores. This would show a step-up of Rs. 333 crores over the budgeted outlay of Rs. 1,651 crores for the current year. Much of this additional outlay, he emphasized, was to strengthen the agricultural sector as well as to meet the cost of Plan projects which were nearing completion.

Referring to the defence outlay, he said this was a painful necessity. The Defence Budget in the coming year, taking revenue and capital together, was somewhat lower than the budget estimate for the current year. But it showed an increase of Rs. 46 crores over the revised.

Promotion of savings, he said, would have to form a cardinal part of the mobilization of resources. The current year was likely to end with record collections of Rs. 115 crores through small savings. For the coming year, he was assuming net collections of Rs. 125 crores. Even at this rate, the sum of Rs. 600 crores targeted for the Plan was not likely to be reached. Special efforts had to be made to step up the level of savings in the community as a whole. To this end, he said, Government policy in regard to incomes, wages and consumption had to be reoriented. Savings, and as a consequence, investment could only be generated by a margin between consumption and incomes or wages. While efforts to improve the lot of low-income groups should not be neglected, such efforts should be directed more towards social security measures than towards an increase in their expendable income. He said that the Government intended to devote special attention to the task of mobilizing savings and social security measures in the coming year. Suitable administrative arrangements were being made for this purpose.

Budget at a Glance:

(In lakhs of rupees)

	Budget 1963-64	Revised 1963-64	Budget 1964-65
Revenue	1836,18	1913,68	2095,12
			+ 40,27
Expenditure	1852,40	1825,34	2041,31
	— 16,22	+ 88,34	+ 53,81
			+ 40,27

Direct Taxes:

Corporate Sector:

The present tax on corporations of 25 per cent income-tax and 25 per cent super-tax will remain. In substitution of the Super-Profits Tax, it is proposed to levy a surtax on profits of companies.

The capital base for this purpose will consist of equity and preference capital, reserves, debentures, loans from approved financial institutions and loans for 10 years or more from banks or from foreign sources for creating capital assets. The surtax will be at the rate of 40 per cent on the residue of the profits of the tax after deducting 10 per cent on the capital base.

In order to encourage development of certain industries which occupy an important place in our economy, it is proposed to give them a rebate of corporation tax equivalent to 10 per cent of income-tax and super-tax. This rebate will also be applicable in respect of surtax on such profits to the extent of 20 per cent of tax assessed.

In order to discourage the dissipation of the additional resources generated in higher dividends, there will be a tax at the rate of 7.5 per cent on the amounts distributed as dividend on capital other than preference capital. Where dividend has to be compulsorily distributed under the law, such distribution will not attract this tax. New companies will be exempt from this tax to the extent of a dividend of 10 per cent on capital other than preference capital for five years from their first declaration of dividends.

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All inter-corporate dividends will be exempt from super-tax. It is also proposed to remove the provisions in the income-tax law regarding disallowance of expenditure incurred by companies on the remuneration of their Indian employees above Rs. 60,000 per annum for each employee. It is, however, proposed to introduce a new provision in the Act limiting the amount of deduction admissible to companies for expenditure incurred by them in providing perquisites to their employees, whether Indian or foreign, to an amount of 20 per cent of the salary of each employee. Any expenditure in excess of this limit will not be deducted in computing the assessable income of the company. It is also proposed to reduce the deduction of income-tax at source from dividends from 30 per cent to 20 per cent for resident holders of shares.

It is proposed to increase the rate of super-tax of non-resident companies from 38 per cent to 40 per cent in respect of their income other than dividends and also royalties and fees for rendering technical services received from an Indian concern under an agreement approved by the Central Government. The super-tax on incomes from royalties and technical fees will be at the rate of 25 per cent.

The rate of super-tax is to be increased from 25 per cent to 35 per cent of companies other than those in which the public are substantially interested or are wholly subsidiaries of public companies, namely, the group now governed by Section 104 of the Income-tax Act, 1961. Such of those companies as are engaged in specific industries will also be eligible for the proposed rebate equivalent to 10 per cent of the income-tax and super-tax. Income-tax on dividends received from non-resident companies engaged in the specific industries will be reduced from 25 per cent to 15 per cent. It is proposed to exempt such Indian companies as are now governed by *Section 104* of the Income-tax Act and are engaged in the manufacture or processing of goods or mining or generation and distribution of electricity or any other form of power and other classes of companies as may be notified from the existing requirement of compulsory distribution of dividends.

The Income-tax Act provides for allowing as deductible expenditure amounts spent wholly and exclusively for the purpose of business. This provision is being abused in respect of certain types of expenditure. This tendency is responsible in no small measure for the present high cost. A check at least on some of these expenses will have to be put and provision had been included for this purpose in the Finance Bill.

The availability of development rebate in its present form will continue. But its continuance beyond April 1, 1966 should not be assumed. It is in the interest of industrial development that such notice is given.

Non-corporate Sector:

The personal income-tax structure is being regraded. This will provide a revised and simplified schedule of rates in which most of the surcharges will be integrated.

It will also mean a reduction of tax at all levels. With this change, the burden on the incomes in the lower brackets will be lower than at present.

It is proposed to fix the Central surcharge on earned incomes above Rs. 1,00,000 at 10 per cent and on unearned income above Rs. 10,000 at 12½ per cent where such income does not exceed Rs. 25,000 and at 15 per cent where it exceeds Rs. 25,000 but does not exceed Rs. 75,000 and at 17.5 per cent above that amount.

The Compulsory Deposit Scheme will be discontinued.

Further, in respect of income-tax payers in the small income groups, it is proposed to make a retrospective amendment to the relevant provisions of the Finance Act, 1963 to secure to such assessees appropriate marginal relief from the additional surcharge.

Replacing the CDS, it is proposed to introduce an Annuity Deposit Scheme which will operate at the income level above Rs. 15,000 per annum. This deposit will be at the rate of 5 per cent in the case of assessees having incomes between Rs. 15,000 and Rs. 20,000; 7.5 per cent for those with incomes between Rs. 20,000 and Rs. 40,000; 10 per cent of incomes between Rs. 40,000 and Rs. 70,000 and 12.5 per cent for incomes above this amount. The deposit will be compulsory for resident assessees who are citizens of India. It will be allowed as a deduction in computing the total income for the year in which it is made. The deposit will be repayable in 10 annual equated instalments of principal and interest commencing from one complete year after the assessment. The deposits in 1964-65 will earn interest at a rate slightly above 4 per cent per annum compound. Deposits which are repaid from year to year will, however, be assessed as part of the income of the assessee in the year in which it is so repaid.

It is also proposed to extend, on a voluntary basis, the benefit of this arrangement, to actors, artists and authors who, at their option, can deposit a further amount not exceeding 15 per cent of their income under this scheme in order to reduce the taxable income in the year in which it is earned and get it back in instalments over a period of 10 years. This benefit is to be extended to taxable gratuity income also. Persons receiving a gratuity liable to tax can make, at their option, deposit up to 50 per cent of the amount of the gratuity under this Scheme and get the benefit of saving in tax.

Steps For Checking Tax Evasion:

The following are steps for checking tax evasion:

(1) Every tax return will carry an affirmation about its correctness.

(2) The tax due according to the return will have to be deposited within one month of the submission of the return, failing which the assessee will be liable to a substantial penalty.

(3) The existing provision in the Act regarding the levy of penalty for concealment of income will be amended. In the new provision, where the income returned by a person is less than 90 per cent of the assessed income, the assessee should be deemed to have concealed his income unless he proves his **bona fides.**

(4) It is proposed to take extensive powers to search for evaded wealth. The new powers are to be used effectively and this should serve as a warning to persons entering into transactions involving large sums in cash.

(5) It is proposed to do away with the secrecy provision in the Income-tax Act and other similar enactments. It is hoped that the combined effect of all these steps will prove beneficial to collection of revenues as well as to ensure a fairer deal to the honest tax-payer.

Rebate of super-tax will be allowed on contributions to recognized Provident Funds, deposits in the Post Office Cumulative Time Deposit Scheme and premiums on life insurance. But the limit for this purpose will continue to be at Rs. 10,000 per annum. Rebate of income-tax and super-tax will cumulatively be limited to 50 per cent of the payments or deposits qualifying for relief.

As a concession to foreigners working in India, it is proposed to allow to resident assessees who are not citizens of India, a rebate of income-tax and super-tax of a sum on Rs. 2,000 per child up to two children under 21 years of age receiving education outside India. It is also proposed that for foreign technicians, the tax exemption for three years will be available provided approval is obtained within one year of their arrival in India. It is also proposed to extend the concession of exemption from tax to foreign teachers and professors coming to India on approved programmes.

In order to encourage exports, it is necessary to remove the disincentive of tax liability and to extend the scope of exemption from tax on interest on approved foreign lending by bringing within its scope investment in approved securities.

The structure of the tax on capital gains is to be revised. Three changes are proposed:

(1) The tax will be on a graduated scale in future without the present ceiling of 25 per cent.

(2) The scale will be different for house and landed property and will be at the rate of 75 per cent of the appropriate slabs in the income-tax cum super-tax rebate of personal taxation. Other types of property will bear tax at 50 per cent of the average rate of tax on personal income.

(3) An investor in shares after receiving bonus shares will be charged to tax on capital gains accruing to him in respect of such shares in the year in which they have been issued to him with reference to the market value of the bonus shares as on the 31st day from the date of their issue.

Wealth Tax:

It has been decided to re-introduce the rate of 0.5 per cent for Wealth Tax on the first slab of a net wealth of Rs. 4,00,000 but beyond Rs. 1,00,000.

Other slabs will be slightly re-arranged, but their rates will remain the same. It is also proposed to exempt from Wealth Tax the value of a house or part of the house owned or used by the assessee for residential purposes subject to the limit of Rs. 1,00,000 where such a house is situated in a place with a population exceeding 10,000.

Estate Duty And Gift Tax:

It is proposed to replace the existing rates of excise duty by a rate structure in which the rate of 40 per cent will be reached on an estate worth over Rs. 10,00,000, going up to 50 per cent on the next slab of Rs. 5,00,000 and to 85 per cent on the value of the estates over Rs. 20,00,000.

With regard to Gift Tax, the highest rate which is now proposed is 50 per cent which will be applicable to taxable gifts of a value above Rs. 3,45,000. The rate of 40 per cent will apply on gifts between Rs. 1,45,000 and Rs. 3,45,000. The existing exemption limit of Rs. 10,000 will be reduced to Rs. 5,000.

Expenditure Tax:

The Expenditure Tax is to be revived. It will attract tax on all expenditure above Rs. 36,000 per annum no matter from which source the money for expenditure came.

Tax exemptions and exceptions are to be reduced to the minimum. The rates will rise from 5 per cent to 20 per cent on successive slabs of Rs. 12,000. There will be no tax on the first Rs. 36,000. The rate will be 5 per cent on the next Rs. 12,000, 7.5 per cent on the slab of Rs. 12,000 after that and 10 per cent on the next slab of Rs. 12,000. It will be 15 per cent between Rs. 72,000 and Rs. 84,000 and 20 per cent above Rs. 84,000.

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It is also proposed not to apply the highest slab of 20 per cent for the expenditure in the years 1963-64 and 1964-65. A compulsory return for certain categories of persons will be prescribed in order to ensure that evasion is reduced.

As a result of these changes, there will be an additional revenue of Rs. 15 crores to the Centre. The abolition of CDS and the introduction of the Annuity Deposit Scheme will result in a net credit of Rs. 50 crores in the coming year on the capital side after allowing for a drop of Rs. 7 crores in the accretion to the Iron and Steel Equalization Fund.

Indirect Taxes:

Central Excise:

It is proposed to remove the duty on gramophone records, all gases other than carbon dioxide used for the manufacture of aerated waters, low voltage electric motors and all acids other than sulphuric acid.

The Excise Duty on soap manufactured without the aid of power will be withdrawn. An effective duty of Rs. 40 per tonne on sodium silicate which goes into the manufacture of such soap will be levied. In order to encourage the use of bagasse in the manufacture of paper, the duty on paper in the manufacture of which more than 50 per cent bagasse is used will be reduced by 5 naye paise per kilogram. The special excise duty is being abolished on synthetic dyes, glassware, chinaware, porcelainware, cellophane and certain types of writing and printing paper and electric bulbs and reduced on the initial slabs on tyres. The schedule of duty on cigarettes is being revised lowering the duty on one group and slightly raising it on another.

The surcharge on iron and steel which is transferred to the Iron and Steel Equalization Fund is to be abolished. It will be replaced by an increase in the effective rates of excise duty on pig-iron, certain steels and steel products. The effective rates per tonne now proposed are Rs. 30 on pig-iron, Rs. 90 on semi-finished steel and steel bars, rods and structurals, Rs. 110 on all flat products other than skelp and Rs. 150 on skelp.

It is proposed to extend further the process of transferring excise duty from cotton fabrics to yarn as well as to processed cloth. It is also proposed to raise the effective rates of duty by 50 per cent on rayon yarn and about 100 per cent on other, synthetic fibres and yarn and to reduce the special duty on cellulosic staple fibre.

Customs Duties:

In the case of dry fruit, it is proposed to adopt specific instead of *ad valorem* rates based on tariff values for most varieties.

The rate of duty on copra is being raised from 25 per cent to 30 per cent and that on caustic soda from 40 per cent to 80 per cent. In both cases, the preferential rates will be 10 per cent lower.

It is proposed to raise the import duty on high carbon or spring steel wire by 20 per cent to place the indigenous product on a competitive basis. The rate of duty on motor cars will be reduced to 60 per cent from 150 per cent. The export duty on jute will be abolished.

The total gain by the changes in indirect taxes will be a little over Rs. 25 crores in the coming year.

The combined effect of the changes in taxes and deposits will be a net gain to revenue of Rs. 40 crores and to capital of Rs. 50 crores, leaving an overall gap of Rs. 86 crores.

Clarifications:

Two important clarifications with regard to the Budget were made available on March 7.

First, the exemption limit in gift tax is to be Rs. 5,000, as indicated by Mr. Krishnamachari in his Budget speech and not Rs. 10,000, the figure given in the Finance Bill. An official amendment is likely to be moved to give effect to this.

In the matter of development rebate, on the other hand, it is the Bill, not Mr. Krishnamachari's speech, which represents the correct position. In other words, the Government intends not to end the rebate or vary the rate before three years, or April, 1967.

Official Analysis Of Tax Rates:

An official analysis of the tax rates introduced by the Budget said that because of the abolition of the Compulsory Deposit Scheme, the total pay for those earning up to Rs. 15,000 a year would be larger as from April, though the net income after tax would be less in many cases.

The analysis conceded that on earned income the incidence of tax under the new scheme would be higher at income levels of Rs. 6,000, Rs. 9,000, Rs. 10,000, Rs. 11,000, Rs. 14,000 and Rs. 15,000.

In respect of unearned income too, the tax incidence would be higher at all levels between Rs. 11,000 and Rs. 15,000.

This disclosure is at variance with Mr. Krishnamachari's claim in his Budget speech that the revised tax structure would mean a lowering of tax at all levels.

The real beneficiaries of the revised tax structure are the higher income brackets, namely, those in the category of Rs. 20,000 a year and above.

The result is that while a man with an income of Rs. 10,000 a year will, for example, have to pay Rs. 19 more by way of tax, another with Rs. 20,000 would be saving Rs. 525.

An official analysis of indirect taxes said that a net additional revenue of Rs. 25.91 crores is expected from this source next year. Customs duties would account for Rs. 6.37 crores and Central excises Rs. 19.54 crores. Allowing for the payment of Rs. 39,00,000 out of the excise revenues to the States, this would mean a net increase of Rs. 19.15 crores for the Centre.

The latter figure is largely made up by changes in cloth and steel excise duties, the first category contributing Rs. 11.81 crores and the second Rs. 6.95 crores. The steel excise duties are counterbalanced by the abolition of the surcharge. This means there should be no perceptible increase in the prices of steel products generally.

The changes made in the excise structure in respect of cotton textiles follow from the decision to transfer the levies from grey cotton fabrics to yarn. Part of the burden has also been shifted to processed fabrics of superior varieties. Care has been taken to ensure that in regard to the yarn supplied to the handloom section in hanks, the margin of preference already enjoyed is not only retained but in many cases also enlarged.

The total reductions in excise (more than made up by higher levies in other cases) account for reliefs aggregating Rs. 5.84 crores. These are spread over a number of consumer goods such as writing paper, glassware, chinaware and electric bulbs up to 60 watts.

Two important intermediates, namely, acids and gases, qualify for concessions aggregating Rs. 2 crores. This would help cut down the cost of production of certain nitrogenous fertilizers and heavy chemicals like soda ash.

(*The Statesman* and *PIB*, New Delhi)

[Prev. ref. 5123:INI:A]

B. Migration Of Hindus And Christians From East Pakistan—Mrs. Lakshmi Menon's Statement In Parliament: The Minister of State for External Affairs, Mrs. Lakshmi Menon, said in Parliament on March 2 that Hindus and Christians in East Pakistan had been compelled to leave their ancestral homes "due to organized large-scale looting, arson, kidnapping and forcible occupation of their lands by the members of the majority community." The Pakistan police and the Village Defence Corps known as *Ansars* had connived at these things.

In a statement in Parliament on the influx of Hindu and Christian refugees into Garo Hills of Assam, she said that the Government of India had called upon Pakistan to take immediate steps to restore communal harmony in East Pakistan and rehabilitate the minorities. A Note on this subject was delivered to the Pakistan High Commission in New Delhi on February 29.

The following is the text of her statement:

"The House is aware that an unprecedented influx of Hindu and Christian refugees is taking place into Garo Hills district from Mymensingh district of East Pakistan. It is known that this exodus from East Pakistan into Assam began on January 18, 1964, and that the total number of refugee men, women and children who have so far crossed into Assam is about 52,238. Of this number, an estimated 35,000 are Christian families who belong to the Garo tribe. The reason for this exodus is that these Hindu and Christian members of the minority community in East Pakistan have been compelled to leave their ancestral homes due to organized large-scale looting, arson, kidnapping and forcible occupation of their lands by members of the majority community with the connivance of the Pakistan police and the village defence corps known as Ansars.

"The gravity of this mass movement of the minority population from East Pakistan has been brought out clearly by the recent visit by Indian and foreign correspondents to Garo Hills district in Assam where they met refugees and foreign missionaries who are looking after them. Father Buccicri, an Italian missionary, is reported to have told the correspondents that according to the figures he had collected on the basis of identification cards filled up by the refugees themselves, on their arrival in camps, 20,000 of the Garos who had crossed into India were Roman Catholics. Two American Baptist missionaries, the Rev. Julius Downs and the Rev. James Wood stated that 15,000 of the refugees were Baptists. The correspondents also learnt, at first hand, of the East Pakistan Rifles firing on a batch of defenceless Garo refugees fleeing into Assam on February 6, 1964. Dr. M. Hussain, Sub-Divisional Health and Medical Officer of Tura, showed them the bullets taken from the heads of the two children who were killed.

"Dr. Hussain informed the correspondents that seven men, four women and two children were brought to the hospital from the border outpost of Dalu on the night of February 7, and that six of them had bullet injuries and the others had received injuries inflicted by spears and lathi blows. The refugees stated that the total number of persons who were attempting to cross the border was about 3,000 but only 1,500 managed to cross the border near the Indian post of Dalu, 33 miles south-west of Tura. The others who are continuing to cross the border into Assam consist of the Hojong, Banai, Koche, Rajbansi and Dalu tribes. All the refugees who have crossed into Garo Hills district are from the five thanas of Nalta Bari, Sribordi, Halvaghat, Durgapur and

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Kamalakanda in Mymensingh district of East Pakistan.

"The Government of India in its Note dated February 13, 1964, presented to the Pakistan High Commission in New Delhi, protested to the Government of Pakistan at the shooting of the helpless refugees fleeing from persecution in East Pakistan. Though Pakistan has not acknowledged the occurrence of this barbarous act, the Pakistan Foreign Minister has had to contradict the reported statement of Khan A. Sabur Khan, Pakistan's Central Minister of Communications, that 'there is no truth in the Indian Press reports that Christians living in East Pakistan had started fleeing,' by admitting in Dacca, on February 26, that 'some exodus' of Christians from Mymensingh district of East Pakistan into Assam had taken place and regretted on behalf of his Government that this 'unfortunate exodus' is due to 'acts of highhandedness' by Muslims. The President of Pakistan has also admitted the flight of large numbers of Christians from Mymensingh district to India.

"The House will recall that the Government of India in its Note dated February 1, 1964, presented to the Pakistan High Commission in New Delhi, the text of which was placed on the table of the House on February 11, 1964, by the Central Home Minister, had pointed out clearly to Pakistan its responsibilities for the restoration of communal peace and harmony in East Pakistan. If the leaders and the Government of Pakistan had taken heed of our advice, these minorities would not now be pouring across the Pakistan border into India, and Pakistan would not have to speculate whether they would return to their ancestral homes from which they have been forcibly turned out. In a Note dated February 29, 1964, delivered to the Pakistan High Commission in New Delhi, the Government of India has re-iterated that the Pakistan Government should take immediate steps to restore communal harmony in East Pakistan and rehabilitate the minorities."

The Government of India, in its Note dated February 29 to Pakistan, said that vast crowds were continuing to besiege the Deputy High Commission office in Dacca for migration certificates since the serious communal riots in East Pakistan. These members of the minority community were applying for migration in spite of the Press Note issued by the Deputy High Commissioner for India in Dacca to the effect that migration to India had not become unrestricted.

The Note said that the Government of Pakistan must realise that men, women and children would not voluntarily elect to abandon their hearths and homes if they had been enjoying security of their lives and properties in East Pakistan.

It also referred to the exodus of Hindus and Christians into Assam from Mymensingh district of Pakistan and said the Pakistan Government would like it to be believed that the Government of India was encouraging migration by issuing migration certificates, but the influx into India of 50,000 Hindus and Christians did not prove Pakistan's contention.

"These 50,000 men, women and children," the Note said, "have been driven out of their country of domicile, which is Pakistan, by their fellow citizens of the majority community, while the Government of Pakistan remains a disinterested spectator of this inhuman spectacle. These helpless minorities are being left with no alternative but to seek refuge on the soil of India. If the leaders and the Government of Pakistan would effectively ensure communal harmony in East Pakistan, there would be no need for the Deputy High Commissioner for India in Dacca to issue a single migration certificate or for the Hindus and Christians to flee to Assam from Mymensingh district of East Pakistan. All that is needed is to assure the minorities in East Pakistan of security of their lives and property".

(*The Times of India*, New Delhi)

[Prev. ref. 5637:INI:A]

C. Pakistani Incursions On Borders—Mr. Y. B. Chavan's Assurance To Lok Sabha: Amidst cheers from all sides of the Lok Sabha, the Defence Minister, Mr. Y. B. Chavan on February 27 gave "in all sincerity and seriousness" a categorical assurance that India was prepared to face any major attack.

He was taking part in a debate, which was remarkably free from inter-party invectives, on the recent ambush of an Indian patrol by Pakistani troops and Pakistani incursions on the western and eastern borders.

He said that the threat represented by Pakistan was serious and should not be minimized, but at the same time he advised Members not to take an alarmist view of the situation.

One of the suggestions made by several members, including Mr. Nath Pai (P-SP) who initiated the discussion, was that something telling should be done and the Pakistani intruders should be pursued into their territory.

Mr. Chavan disagreed with the view that the intruders should be pursued into their territory as this would create international complications.

He said it was difficult to say what plot the Peking-Rawalpindi axis might have hatched against India during Mr. Chou En-lai's recent visit to Pakistan, but the Government of India was certainly on the alert.

"Our preparedness in this matter is as good as can be reasonably expected." He added parenthetically that he had discussed the matter with top army officers before coming in to reply to the special defence debate.

His assurances as well as his disclosure that over the past 13 months Pakistan had taken more punishment in the shape of a large number of casualties went a long way in assuaging Opposition apprehensions of complacency on the part of the Government even in the face of a series of provocative border incidents created by Pakistan.

He referred to an incident which took place on February 26 in which an intruding Pakistani party was repulsed four miles south-east of Titwal. The raiders fled, leaving three dead.

"Radio Misdirection" Of Aircraft By Pakistan:

In a Note handed on February 27 to the Pakistan High Commissioner by Mr. C. S. Jha, Commonwealth Secretary, India has protested against "radio misdirection" of Indian aircraft by a radio station in Pakistani territory.

The Note gave two specific instances of "radio misdirection" of Indian aircraft searching for the IAF Ilyushin which had been missing over Kashmir since February 17.

According to the Note, an Indian Dakota flying in the Jammu area was given wrong directions "by an unknown ground station" on February 19 and again on February 20. These misdirectons, it pointed out, would have led the Dakota to Chaklada in West Pakistan.

There had also been other instances of "deliberate and mischievous misdirection" of IAF planes from the ground.

Bringing these instances to the notice of the Pakistani authorities, the Government of India asked them to ensure that such cases of "mischievous and dangerous misdirection" from a radio station in Pakistan or Pakistani-controlled territory were not repeated.

(*The Statesman*, New Delhi)

[Prev. ref. 5607:PAK:B]

D. Chinese Stone Cairns To Mark "Line Of Actual Control" —Indian Protest: A protest Note which was laid on the table of Parliament on February 29 by the Minister of State for External Affairs, Mrs. Lakshmi Menon said that the Indian Government had obtained "very definite" information that Chinese troops in Aksaichin in Ladakh were setting up stone cairns to mark the so-called "line of actual control" as unilaterally defined by the Government of China.

The Note said that by this action the Chinese Government was deliberately negativing the Colombo proposals. Acceptance of the proposals, according to the sponsors themselves, was not to prejudice "the position of either of the two Governments as regards its conception of the final alignment of the boundaries."

The Chinese attempt to mark their "line of actual control" was first noticed a few weeks earlier. After the relevant facts were collected, the Chinese Charge d'Affaires, Mr. Chen Chao-yuan was called to the Ministry of External Affairs on February 26 and given the Note of protest.

The stone cairns are being set up mainly along the northern portion of the line reached by the Chinese forces in their offensive in October-November, 1962 in the Western Sector. Most of India's 43 posts over-run during the invasion were located on territory to the east of this stretch of the line. The Chinese attempt to consolidate its territorial gains is thus in respect of a part of the zone to be demilitarized under the Colombo proposals.

India's protest Note said: "The Government of India wishes to make it perfectly clear that if it is imagined that these stone cairns that are now being erected will demonstrate, at some future date, the existence of any demarcated boundary along the so-called 'line of actual control' the Government of China is deceiving no one but itself. The Government of India is perfectly well aware that no such stone cairns have existed before and that they are being set up only now during these last few weeks by the Chinese army of occupation completely illegally and with obvious sinister motives.

"The Government of India wishes to place it on record that these latest moves of the Chinese Government must necessarily add to the existing tensions between the two countries and can in no way help towards a peaceful settlement of the India-China differences, which the Chinese Government has always professed to seek."

The Note mentioned the fact that the Chinese Government took many unilateral steps to subvert the Colombo proposals. In open and wilful contravention of the proposals, China established seven posts in the Western Sector, six of which were located in the demilitarized zone. The posts were largely the creation of the Chinese aggression of 1962. It was obvious that China was seeking to impose a unilateral settlement on India in terms of its own declarations of October 24 and November 21, 1962.

(*The Times of India*, New Delhi)

[Prev. ref. 5545:INI:A]

E. Cultural And Scientific Co-operation Agreement With USSR: A new Agreement providing for greater cultural and scientific co-operation between India and Russia was signed in New Delhi on March 2.

Announcing this at a news conference, Mr. S. K. Romanosky, Chairman of the Soviet Committee for Cultural Relations,

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said that more Indian and Russian scientists would exchange visits this year.

Fifty Indian post-graduate students would be admitted to Soviet institutions.

In the field of literature too, he said, Indo-Soviet ties would be strengthened. A group of artistes from the Soviet republics, ballet dancers, singers, writers and art critics would visit India and Indian writers, editors and librarians would visit Russia.

There would also be an exchange of cinematographers, exhibitions, and broadcasting programmes.

He said that a similar agreement was being discussed with a Chinese delegation in Moscow.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 3560:INI:F]

F. **Trade Agreement With Yugoslavia:** Indo-Yugoslav trade, which is now around Rs. 20 crores each way, will increase to Rs. 50 crores over the next five years, as a result of a new Agreement on trade and economic co-operation concluded in New Delhi on February 26 between the two countries.

Special stress has been laid in the Agreement on diversification of mutual trade and the need to step up exports of manufactured and semi-manufactured industrial goods.

The Agreement, which was signed by Mr. Jeze Brilej, President of the Yugoslav Board for economic relations with foreign countries, and Mr. Manubhai Shah, Indian Minister for International Trade, also envisages collaboration in the setting up of a number of industries.

Besides shipping, these include thermo and hydro-electric plants, food processing, leather and textiles, cement, mining equipment, chemicals and pharmaceuticals, machine tools, aluminium, geological projecting and oil drilling, iron and steel and aluminium.

In regard to shipping, a further meeting will take place between representatives of India and Yugoslavia to determine the type of vessels to be ordered by Indian shipping companies and the terms of repayment.

It was also proposed to avail of Yugoslav help in pushing up the indigenous shipbuilding capacity. The two Governments will also set up joint standing committees in New Delhi and Belgrade to pursue implementation of the Agreement.

Yugoslavia has also agreed to assist India in improving the productivity in the Vizag shipyard.

It has been agreed that in regard to some export items, such as lemongrass oil, sandalwood oil, desi cotton, cigarettes, cheroots, bananas and fruits, special investigations will be made by Yugoslav enterprises for making imports on a long-term basis.

At present, India's exports to Yugoslavia consist of iron and manganese ores, jute goods, shellac and tobacco. Imports from Yugoslavia include fertilizers, machinery, tractors, non-ferrous metals and mercury.

The forthcoming World Trade Conference was also discussed and there was similarity of views. Both the sides agreed that representatives of both the Governments would closely co-operate before and during the Conference for its success.

(*The Financial Express*, Bombay)

[Prev. ref. 5236:INI:R]

G. **New Rumanian Envoy:** Mr. Aurel Ardeleanu has been appointed Rumania's envoy to India.

He presented his letters of credence to the President, Dr. S. Radhakrishnan, at Rashtrapati Bhavan on March 3.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5498:INI:M]

H. **Statutory Control Over Steel Abolished:** The Central Minister for Steel, Mr. C. Subramaniam announced in the Lok Sabha on March 2 that the Government had abolished statutory control over the price and distribution of all but a few categories of steel. The decontrolled categories constitute about two-thirds of the production of steel.

Categories which will continue to be controlled are pig-iron and ingot moulds, bottom plate, billets and tin bars, plates, sheets, widestrips, skelp, tin plates, hoops and their respective defectives.

Everyone will now be free to trade in the decontrolled categories. Regarding other categories, the existing controlled and registered stockists will function as usual for a transitional period after which the distinction between controlled and registered stockists will be abolished.

It has also been decided to discontinue the operations of the Steel Equalization Fund for new transactions, and there will be no new transactions involving payment either to or from the Fund. But accruals to and payments resulting from its previous transactions will continue.

The decision about the Fund means that there will be no longer any distinction between sale prices and retention prices whether in the case of controlled or uncontrolled categories, and therefore no surcharge. Mainly for this reason the excise duties on various categories of steel have been revised.

The decisions have been taken on the basis of the recommendations of the Raj Committee.

Accepting the "principal recommendation" of the Committee, the Government has formed a Joint Plant Committee with representatives of the main producers and the Railways with the Iron and Steel Controller as chairman. Its main function is to plan the production of both controlled and decontrolled categories.

Regarding the decontrolled categories, the Government will not fix prices any longer. But it expects that the Joint Plant Committee will announce and list prices—base prices as well as extras—from time to time. These will be the ex-works prices.

Explaining the implications of the Government's decision to decontrol several categories of steel at a news conference on March 2, Mr. Subramaniam said that the resulting re-organization would involve an average increase of Rs. 30 per tonne in the price of the varieties that would continue to be controlled.

While permitting this increase the Government had taken into account likely increase in costs by a possible rise in the price of fuel.

The changes may also necessitate the levy of a surcharge on imported steel as its price was lower than that of indigenous steel.

(*The Statesman* and *The Times of India*, New Delhi)

[Prev. ref. 5499:INI:L]

I. **Agricultural Prospects For 1964:** The Central Food and Agriculture Minister, Sardar Swaran Singh, said in the Lok Sabha on March 2 that the prospects of improvement in the food situation this year were not very good.

In the course of his reply to a debate on the food situation, he announced that the general crop position except in respect of rice was causing concern to the Government. The position in regard to wheat, pulses and other cereals was not satisfactory, and this necessitated stricter vigilance and more regulatory measures.

He announced a series of measures under the Government's consideration to tide over the difficult situation. One was a review of the rice procurement system with a view to doubling procurement to one million tons this year against half the quantity in 1963.

The second, he said, was to streamline licensing of grain dealers and making conditions more rigid to prevent them from hoarding. Bank credit to dealers had already been squeezed, and there might be further restrictions on such credit.

He observed that the question of progressively taking over rice mills was also engaging the attention of the Government. The Government would also import more wheat and rice under PL 480 to build up an adequate buffer stock of four million tons of wheat and two million tons of rice with a view to minimizing price fluctuations.

Already the Conference of Food Ministers held recently had decided to fix not only floor prices but also maximum prices of foodgrains with a view to ensuring that price variations before and after harvest did not affect the market much.

Long-term measures, he said, were well known as they had been discussed in the House quite often. They included intensification of cultivation in selected districts, increased supply of improved seeds and fertilizers and a greater emphasis on minor irrigation which yielded quicker results.

(*The Financial Express*, Bombay)

[Prev. ref. 5452:INI:I]

J. **Export-Import Advisory Council Meeting:** Inaugurating a two-day meeting of the re-constituted Export-Import Advisory Council in New Delhi on February 26, the Minister for International Trade, Mr. Manubhai Shah, said that the Government proposed to take over trade in certain "highly profitable items" from established importers.

He said the diminishing role of established importers would have to be curtailed further and their quotas "drastically reduced."

State trading organizations and other organized agencies and associations would gradually take over trade in some of the profitable goods, still handled by established importers.

Expansion of State trading in the field of foreign trade, he thought, was not only beneficial but "inevitable".

He however, made it clear that further expansion of the activities of State trading organizations would have to be done with "efficient programming" in respect of selected bulk commodities, which yielded the best results.

He revealed that the volume of State trading had increased over the past few years to an annual rate of Rs. 160 crores, representing nearly 10 per cent of the country's total foreign trade.

He traced at length the achievements on the export front and outlined broadly import policy for 1964-65, to be announced at the end of March.

While export and defence needs would continue to receive priority there might be a "slight liberalization" of imports of plant, equipment, capital goods and basic raw materials and components required by industry.

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He pointed out that the main difficulty in liberalizing imports was the non-availability of foreign exchange resources. Despite higher exports and lower imports and the consequent improvement in the balance of payments position, India was still in a difficult situation as she had to repay in the coming years outstanding debts to friendly countries.

Therefore, unless larger aid was forthcoming after the Paris meeting of the 'Aid-India' Consortium in March it would be difficult to increase the foreign exchange allocation for commercial imports. Further cuts might have to be imposed on items of low priority or where indigenous output had gone up.

He expressed the hope that the Consortium would take into consideration India's increasing foreign exchange needs while deciding the quantum of aid for the rest of the Third Plan period. The outcome of this meeting would have an "important bearing on import policy for the coming year."

Investment In Foreign Countries:

Addressing the Council on February 27, Mr. Manubhai Shah said that Indian investment in foreign countries was "an invisible form of export" and should be given full encouragement.

He also suggested a "modest" export target of Rs. 840 crores for 1964-65. He described a suggestion to raise it to Rs. 1,000 crores next year as "rather impractical".

He extended the Government's full cooperation "in cash or kind" to businessmen to step up exports. To reduce freight costs he suggested the formation of a joint committee (to include shipping interests) to work out a system of parity in freight rates, at least for some selected commodities which have a good foreign market.

He promised to do all he could to solve the difficulties which the Goa business community was reported to be facing. He added, however, that while the Government would offer assistance in regard to their freight difficulties and their needs for essential imports, it would not allow consumer goods to be imported.

He advised the auto-ancillary industry to give the Government a list of its import requirements and promised to do what he could to help them. He pointed out that there was a good export market for their products in various countries and efforts should be made to explore such markets.

He rejected a suggestion by Mr. Kamalnayan Bajaj to set up a consortium or corporation to ensure Indian investments in foreign countries. He felt that such a step could be taken only after these investments had grown to a respectable size. He also felt that an offer of protection went against India's own policy on foreign investment in the country.

Earlier, Mr. Bharat Ram, President of the Federation of the Indian Chambers of Commerce and Industry said that during his visit to Goa he had found businessmen there suffering from a "sense of frustration."

Dr. V. K. R. V. Rao and Mr. T. N. Singh, members of the Planning Commission, expressed the view that investments in foreign countries should be made only at the request of those countries. The initiative should come from them. Proposals to invite foreign capital to India were usually initiated in this country, they pointed out.

Both Mr. Rao and Mr. Singh suggested that the cost of production should be reduced to enable Indian products to compete in the foreign market.

Mr. Rao called for greater efforts at exporting agricultural produce. He also felt that the possibility of collaboration with "outside interests"—like the British—should be explored to increase exports.

(*The Times of India*, New Delhi)

[Prev. ref. 5420:INI:M]

K. National Income: The national income of India (at 1948-49 prices) was Rs. 13,370 crores in 1962-63 and Rs. 13,060 crores in 1961-62 compared to Rs. 12,730 crores in 1960-61 at the beginning of the Third Plan.

The per capita income at 1948-49 prices has been estimated at Rs. 294.7, Rs. 294.3 and Rs. 293.2 in the years 1962-63, 1961-62 and 1960-61, respectively. This was revealed by the 11th issue of the annual White Paper on national income released by the Central Statistical Organization.

The estimates for 1961-62 included in this paper are based on the detailed methods of estimating followed for the earlier years and show an upward revision over the preliminary estimates published last year. These upward revisions, have inter alia, been due to the incorporation, for the first time, of the results of the random sample crop-cutting survey in respect of sugarcane in Punjab.

The estimates for 1962-63, which are still preliminary and based on partial material, have also undergone a slight upward change compared to the 'quick' estimates released in November, 1963 (see page 5527).

As in 1961-62, which recorded a restricted rise of 2.6 per cent in the total national income over the previous year, the year 1962-63 also witnessed a smaller increase of 2.4 per cent in total national income over 1961-62. This was due to a fall of 2.2 per cent in agricultural output in the year 1962-63; the contribution to national income from agriculture in that year being less by Rs. 110 crores compared to the previous year. This fall was, however, more than offset by a total rise of Rs. 420 crores in the contribution made by all other sectors taken together.

	Net national output (in Rs. 100 crores)		Per capita net output (in Rs.)	
	At current prices	At 1948-49 prices	At current prices	At 1948-49 prices
1950-51	95.3	88.5	266.5	247.5
1951-52	99.7	91.0	274.2	250.3
1952-53	98.2	94.6	265.4	255.7
1953-54	104.8	100.3	278.1	266.2
1954-55	96.1	102.8	250.3	267.8
1955-56	99.8	104.8	255.0	267.8
1956-57	113.1	110.0	283.3	275.6
1957-58	113.9	108.9	279.6	267.3
1958-59	126.0	116.5	303.0	280.1
1959-60	129.5	118.6	304.8	279.2
1960-61	141.4	127.3	325.7	293.2
1961-62	148.0	130.6	333.6	294.3
1962-63 (preliminary)	154.0	133.7	339.4	294.7

After adjusting for purely statistical differences between the crop production estimates of 1960-61 and 1961-62 and 1962-63 the increase in national income and per capita income in real terms amounts to five per cent and 0.5 per cent respectively during the first two years of the Third Plan period.

Expressed at current prices the national income was Rs. 15,400 crores and Rs. 14,800 crores in 1962-63 and 1961-62 respectively as against Rs. 14,140 crores in 1960-61. The per capita income at current prices was Rs. 339.4, Rs. 33.6 and Rs. 325.7 in 1962-63, 1961-62 and 1960-61 respectively. The larger increase at current prices than at constant prices was due to increase in prices.

(*The Financial Express*, Bombay)

[Prev. ref. 5527:INI:M]

L. Mr. Shamsuddin Resigns As Prime Minister Of Jammu And Kashmir—Mr. G. M. Sadiq Elected: At a meeting of the National Conference Legislature Party in Jammu on February 27, the Prime Minister of Jammu and Kashmir, Mr. Shamsuddin said he had decided to resign in deference to the wishes of the former Premier, Bakshi Ghulam Mohammed.

On February 28, Mr. G. M Sadiq, whose name was proposed by Bakshi Ghulam Mohammed, was elected unopposed as leader of the Legislature Party.

On February 29, Mr. Sadiq assigned portfolios to his Cabinet colleagues.

Mr. Sadiq will hold the portfolios of general administration, education, planning, information, cultural academy, Ladakh affairs, law and judiciary.

Mr. Mir Qasim became Revenue, Food and Agriculture Minister. He will also look after relief and rehabilitation, supplies and price control, forests and social welfare.

Mr. D. P. Dhar will be in charge of law and order, transport, housing and tourism.

Mr. Trilochan Dutt has been assigned finance, health, industries and local bodies.

Mr. O. N. Dhar has been appointed private secretary to the Premier.

Policy Statement:

Addressing a news conference in Jammu on March 1, Mr. G. M. Sadiq suggested that an eminent jurist of the calibre of Mr. M. C. Chagla be asked to examine the desirability of abrogating or modifying Article 370 of the Constitution which gives a special status to the State.

He said all barriers "which stand in the way of fuller participation by Kashmiris in the broader currents of national life" should be removed. He was personally in favour of modifying Article 370 rather than abrogating it. Its abrogation might lead to difficulties in achieving closer integration of the State with the rest of the country.

"We cannot afford to live in isolation because it breeds backwardness and fosters parochialism."

Replying to a question, he said he was still hopeful that Mr. Shamsuddin, former Premier, would join the new Ministry.

He announced that a Bill seeking to change the nomenclature of Head of State from Sadar-i-Riyasat to Governor and of Premier (of Kashmir) to Chief Minister would shortly be introduced in the State Legislature.

He was in favour of the "Governor" being appointed by the President rather than being elected by the State Legislature.

He stressed the need for bringing the National Conference and the Congress closer "both ideologically and organizationally." It would be his endeavour to bring back those who had defected from the National Conference.

He said it had been decided to release all persons who had been arrested following the disappearance of the holy relic but were not directly involved in the theft.

Replying to a question, he said he did not want to comment on the question of releasing Sheikh Abdullah. "I cannot say anything about the legal aspect of the case...but so far as the political aspect

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of the case is concerned, it should be considered."

He affirmed the Government's determination to enforce law and order. All steps would be taken to ensure fundamental rights. "I solemnly pledge to uphold the honour of the individual against high-handedness and coercion. It will be the earnest endeavour of my Government to ensure the rule of law and respect for rights and liberties of the people."

In this context, he said it was proposed to amend the Detention Act to bring it on a par with the corresponding law in force in the rest of the country. The Press Act would also be similarly amended.

He said the Government would make the utmost effort to root out corruption and favouritism.

The transport policy, especially the issue of route permits, would be re-examined.

He appealed to the people to co-operate with the Government and help it to fulfil the "colossal task" before it.

He endorsed the Central Government's policy towards Pakistan which, he said, should change its anti-Indian posture. He called upon the Pakistan Government to guarantee protection to minorities. This would go a long way in improving the relations between the two countries.

Mr. Shamsuddin Elected Deputy Leader: On March 3, Mr. Shamsuddin was elected Deputy Leader of the National Conference Legislative Assembly Party.

Mr. Dina Nath Mahajan was elected Deputy Leader of the Party in the Upper House and Sardar Kulbir Singh was elected Chief Whip.

(*The Statesman* and *The Times of India*, New Delhi)

[Prev. ref. 5501:INI:T]

M. **Partial Rationing Of Foodgrains In UP:** The Uttar Pradesh Government announced on February 26 partial rationing of foodgrains and took several other measures to tackle the difficult food situation in the State.

Among the other steps to deal with the situation were limitation of the number of guests at any feast to 50, ban on sale by fair price shops of grains supplied by private agencies, permission to roller mills to work on holidays, and opening of fair price shops in every panchayati adalat area.

The State Food and Civil Supplies Minister, Mr. Jagmohan Singh Negi, who outlined these steps at a news conference, disclosed that 1,00,000 tons of imported wheat had been rushed to the State from Bombay and Calcutta.

(*National Herald*, Lucknow)

[Prev. ref. 5237:INI:Z]

N. **Governor's Address To Assam Legislature:** The impact of various problems confronting Assam and measures taken by the State Government featured at length in the Governor's address to the budget session of the Assembly which began in Shillong on February 27.

The Governor, Mr. Vishnu Sahay, hoped that with the help and co-operation of the people, the State would meet the challenge with confidence.

He said: "The State was pre-occupied with the developments consequent on the Chinese attack on our northern borders. Though there has been no armed aggression on our borders during the course of the last year, the situation arising out of the aggression by the Chinese continues to have its effect on our State.

"Various measures, taken to meet the challenge, in the sphere of home guards, civil defence organization, village defence parties and building up the morale of our people have been continued in order to meet any emergency. The Government has kept stocks of essential supplies. I am glad to be able to say that the morale of our civilian population is extremely high".

(*The Statesman*, Calcutta)

[Prev. ref. 5117:INI:G]

O. **Re-shuffle Of Portfolios In Maharashtra Cabinet:** Consequent upon the elevation of Dr. Rafiq Zakaria to the Cabinet rank and the appointment of Mr. D. N. Padvi as the new Deputy Minister, the allotment of portfolios among the State Ministers and Deputy Ministers in the Maharashtra Cabinet has been revised.

The following is the revised distribution of the various portfolios:

Ministers:

Mr. V. P. Naik—Chief Minister, General Administration Department, Revenue and Planning;

Mr. D. S. Desai—Home;

Mr. G. B. Khedkar—Rural Development;

Mr. P. K. Savan—Agriculture;

Mr. Shantilal Shah—Public Health, Law and Judiciary;

Mr. S. K. Wankhede—Finance;

Mr. S. B. Chavan—Irrigation, Power, Buildings and Communications;

Mr. S. G. Barve—Industries and Electricity;

Mr. Homi J. H. Taleyarkhan—Food, Civil Supplies, Housing, Printing Presses, Fisheries, Small Savings and Tourism;

Mr. D. Z. Palaspagar—Prohibition;

Mrs. Nirmala Raje Bhonsle—Social Welfare;

Mr. M. D. Choudhari—Education and Forests;

Mr. K. S. Sonwane—Co-operation;

Mr. N. M. Tidke—Labour;

Dr. Rafiq Zakaria—Urban Development and Waqfs.

The new Deputy Minister, Mr. Digambar Narshi Padvi, will look after Social Welfare and Housing. The portfolios of the remaining Deputy Ministers remain unchanged.

(*The Times of India*, Bombay)

[Prev. ref. 5596:INI:Q]

P. **Governor's Address To Mysore Legislature:** The Mysore Governor, Mr. Jayachamaraj Wadiyar, told the joint session of the State Legislature on February 26 that the financial position of the State in the next two years would be extremely difficult.

But with the co-operation of the people, Plan programmes would have to be implemented and the targets achieved so that the common man might be able to feel the dawn of a better future.

He hoped that the Central Government would recognize the difficulties (of the State) and afford necessary financial assistance in order to supplement the resources.

For the first time in the history of the State Legislature, the Governor addressed the members of the two Houses in Kannada.

(*The Hindu*, Madras)

[Prev. ref. 5172:INI:O]

Q. **Mysore Budget For 1964-65:** The Mysore Finance Minister, Mr. B. D. Jatti, presented in the State Assembly on March 2 a tax-free Budget for 1964-65, with a small surplus of Rs. 7,01,000. Revenue receipts were estimated at Rs. 11,106,03,000 as against an expenditure of Rs. 11,099,02,000.

The Budget envisaged a uniform increase of Rs. 5 per month in the dearness allowance of all the Government employees drawing a basic pay up to Rs. 300 per month. This applied to employees of Government commercial concerns, local bodies and aided educational institutions.

Mr. Jatti announced a grant of Rs. 15 per month as old age pension to those above 70 years, and a five-rupee ad hoc increase in DA for pensioners drawing pensions up to Rs. 100. He also said that the Government would consider grant of family pensions to widows.

He did not include in the Budget the estimated expenditure of Rs. 20,00,000 on old age pension—Rs. 120,00,000 due to increased DA to Government employees and Rs. 2,00,000 on account of increased DA to pensioners. He told the House it would be necessary to find resources to meet the expenditure on the above accounts.

The revised estimates for 1963-64 showed a surplus of Rs. 220,74,000 as against Rs. 109,87,000 surplus anticipated. Revenue was expected to be of the order of Rs. 10,386,09,000 and expenditure Rs. 10,165,35,000, as against the anticipated revenue of Rs. 9,911,52,000 and expenditure of Rs. 9,801,65,000.

An improvement of Rs. 474,54,000 was expected under revenue due to increased collections under State revenue like commercial taxes, State excise and forest, and arrears of allocation of income-tax by the Centre. An increase of Rs. 363,70,000 was anticipated under expenditure mainly due to supplementary grants obtained for additional unforeseen expenditure.

The year (1963-64) was expected to close with a balance of Rs. —272,87,000.

Next year's Budget anticipates an increase in revenue, mainly under sales-tax, other taxes and duties, animal husbandry, industries, forest, the State's share of Central excise duties and grant-in-aid from the Central Government.

The increased expenditure over the revised Budget of 1963-64 is because of a provision for interest on borrowings, larger grants for working expenses of industrial concerns, payments due on account of fee concessions and higher provisions for various departments.

The capital expenditure of 1964-65 is placed at Rs. 3,564,15,000 and the year is expected to close with a balance of Rs. —881,87,000.

Mr. Jatti said the outstanding ways and means advance at the end of 1963-64 on the cover of securities might be Rs. 25 crores and it would be necessary to request the Central Government for temporary accommodation during 1964-65 to cover the overall gap.

(*The Hindu*, Madras)

[Prev. ref. 5173:INI:P]

R. **Gujerat Budget For 1964-65:** The Gujerat Chief Minister, Mr. Balwantrai Mehta, presented in the State Assembly on March 2 the Budget for 1964-65, estimating a revenue surplus of Rs. 5.77 crores.

Revenue receipts were estimated at Rs. 94.15 crores and expenditure at Rs. 88.38 crores. No fresh taxes were proposed in the Budget.

Mr. Mehta, who also holds the Finance portfolio, told the House that while he

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did not propose to levy additional taxes, he had decided to make certain changes, necessitated on grounds of administrative convenience, in the schedules to the Sales-Tax Act.

The Budget revealed an overall deficit of Rs. 3.91 crores and the year 1964-65 was expected to close with a cash balance of Rs. 2.86 crores, in addition to the Treasury bills and long-term investment of Rs. 7.15 crores.

But, on account of the relief proposed in the Budget, the year would now close with the cash balance of Rs. 1.51 crores, in addition to the Treasury bills and the long-term investment.

He announced that Government employees drawing pay up to Rs. 300 per month would get an ad hoc increase of Rs. 5 per month in dearness allowance.

This increase would be admissible to Government staff deputed or transferred to panchayats, as well as to primary school teachers. The municipalities and panchayats would get Government grants if they gave similar increase to their employees.

He also announced an increase in the temporary increase in pension that was at present admissible to low-paid pensioners. Over 28,000 pensioners would be benefited by this.

The Budget proposed reduction in the rate of passenger tax in municipal areas from 5 per cent to one per cent. A grant equal to one-third of the tax on lands and buildings in urban areas collected in a municipal area was proposed to be made to the municipalities concerned.

He made it clear that the revenue surplus of Rs. 5.77 crores did not take into account the extra expenditure of Rs. 1.35 crores on account of the increase in dearness allowance and the expenditure on grant from the tax on lands and buildings in urban areas.

The loss of Rs. 8,00,000 on account of reduction in the rate of passenger tax in municipal areas would be offset by an increase of an equal amount on account of certain changes in the entries in the schedules to the Bombay Sales-Tax Act, 1959.

After taking into account all these items, the revenue surplus would go down to Rs. 4.42 crores. Mr. Mehta gave the estimate of capital expenditure for the next year at Rs. 29.44 crores.

He announced that Section 13 of the Bombay Sales-Tax Act, 1959 would be suitably amended so as to extend the period for the liability for the payment of purchase tax from three to 12 months.

He also announced that the production of the certificate under Section 10-B of the Bombay Sales-Tax Act would be done away with for the purpose of claiming exemption from retail sales-tax in respect of sales made by a licensed dealer to a registered dealer.

Reviewing the progress made during the Third Plan, he said that by the end of the current year the State would have spent Rs. 127.50 crores as against the total Plan allocation of Rs. 236.50 crores.

For the Ukai multi-purpose project, a provision of Rs. 2 crores was being provided in the next year's Budget. The annual provision for the project would be stepped up in the years to come so as to complete it by 1971.

He disclosed that the question of increasing the capacity of Koyali Refinery to 4 million tons was under the active consideration of the Oil and Natural Gas Commission.

He stated that according to the programme fixed for the development of petro-chemical complex near the refinery area, the production of benzene, toluence and aromatics would be undertaken in the first phase. In the second phase, the production of isoprene and poly-isoprene had been proposed.

He disclosed that large deposits of good quality fluorite had come to light in Chhota-Udepur area offering great economic advantage to the State and the country.

(*The Financial Express*, Bombay)

[Prev. ref. 5174:INI:Q]

S. Madras Budget For 1964-65: The Madras Budget for 1964-65 reveals a revenue deficit of Rs. 3.34 crores at current levels of taxation, the receipts and the expenditure standing at Rs. 137.48 crores and Rs. 140.82 crores respectively.

While no fresh taxes have been proposed, the rate of sales-tax on cotton at the point of last purchase and cotton yarn at the point of first sale is being raised from one to two per cent to avoid loss of revenue under Central sales-tax, as also on cotton waste, cotton yarn waste, and artificial silk fibre yarn and staple fibre yarn.

The effect of this adjustment will be lowering the deficit to Rs. 2.34 crores.

Mr. M. Bhaktavatsalam, the State Chief Minister, also in charge of Finance, presenting the Budget in the Assembly on February 29, said that the anticipated revenue deficit coming in the wake of revenue deficit of the same order in the current year called for some remedial action.

The revision of sales-tax as proposed, besides getting increased revenue under general sales-tax, will also yield additional revenue under the Central sales-tax.

He said the Plan outlay for the current year would be Rs. 63 crores as against Rs. 60 crores budgeted. It would be Rs. 70.53 crores for the next year and Rs. 76 crores for the last year of the current Plan.

The total State outlay on the Third Plan will be about Rs. 325 crores. The administrative machinery is now fully geared to the fulfilment of such a plan. Resources gap could best be closed by intensifying small savings and stepping up collections of general revenues.

A major measure proposed in the Budget was free secondary education for all, irrespective of economic status. Other measures included liberalization of the family pension scheme by way of social security to Government employees, grant of a minimum pension of Rs. 20 to all retired Government servants and a promise to expand the old age pension scheme.

(*The Hindu*, Madras)

[Prev. ref. 5174:INI:V]

T. Madhya Pradesh Budget For 1964-65: Presenting a deficit Budget in the Madhya Pradesh Vidhan Sabha on March 2, the State Finance Minister, Mr. S. N. Shukla, proposed fresh taxation measures designed to augment the revenue by Rs. 145,00,000.

At the same time he increased the dearness allowance of Government employees drawing salaries up to Rs. 200 by Rs. 5 a month.

The existing exemption from payment of entertainment tax in respect of admission fees of 12 nP and below has been abolished to bring a revenue of Rs. 20,00,000. It is proposed to levy a tax on urban immovable property.

Exemption of several items from sales-tax has been withdrawn while that on some items has been raised from 5 per cent to 6 per cent.

Mr. Shukla estimated an original overall deficit of Rs. 815,49,000. This, he thought, would go up to Rs. 820,49,000.

In his Budget speech Mr. Shukla said that the revised estimate for the last year was—revenue Rs. 10,307,85,000 and expenditure Rs. 96,98,57,000, thus showing a revenue surplus of Rs. 609,23,000 against an estimated deficit of Rs. 48,61,000.

He estimated the current year's revenue at Rs. 107,72,97,000 and expenditure at Rs. 102,41,20,000.

He said that the implementation of all the steps proposed by him would result in the State producing as its share of resources for the Third Plan for this year Rs. 18.56 crores as against the Planning Commission's target of Rs. 18.50 crores.

During the past seven years since the new Madhya Pradesh was formed, the Budget had been presented by Mr. M. L. Gangwal, now the Development Minister.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5166:INI:U]

U. Kerala Budget For 1964-65: The Kerala Budget for 1964-65, presented in the State Assembly on February 28 by Mr. R. Sankar, the Chief Minister, showed a revenue surplus of Rs. 3.58 crores.

He estimated revenue for the next year at Rs. 79.58 crores and expenditure on revenue account at Rs. 76 crores. The revenue estimate included Rs. 16.93 crores expected from the Centre as the State's share of Central taxes and grants-in-aid.

Mr. Sankar, however, said that there was a deficit in the capital Budget to the extent of Rs. 2.76 crores. The Budget did not envisage any new taxation proposals.

He said that the Government was exploring alternate sources of raising finances to cover the capital Budget deficit. If those efforts did not succeed, "we have to take appropriate steps to ensure that the expenditure does not outstrip the resources available."

He said that he was expecting a loan of Rs. 27.13 crores from the Central Government next year by way of Plan assistance. Kerala's share of small savings collections was fixed at Rs. 5 crores.

Announcing certain welfare measures, he said that the dearness allowance of low-paid Government employees and private school teachers would be enhanced.

(*The Hindu*, Madras)

[Prev. ref. 5173:INI:Q]

JORDAN

A. Ancient Tomb Discovered: The bejewelled skeleton of a woman was found in the richest tomb ever discovered in Jordan.

Ashes from fires that had cooked meals 800 years before Christ were piled in ovens. Grains of wheat were preserved in storage bins.

American archaeologists reported these findings on February 26 while digging in the ruins of a 5,000-year-old lost city in the Jordan river valley.

Bronze vessels unearthed from the ruins, they said, may be the first ever found of the type used in King Solomon's Great Temple. The archaeological team was headed by Mr. James Pritchard of the University of Pennsylvania.

The archaeologists found a thick wall about half-a-mile long running around the Iron Age city, and a spectacular camouflaged stone stairway for use in times of war. The city had been abandoned since about 800 BC.

An Amman message said on February 19 that the remains of a temple dating back to late Bronze Age had been found during the excavations carried out at Deir

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Alla in the Jordan Valley by a Dutch team from the University of Leyden.

According to the Jordan Antiquities Department, the temple was destroyed shortly after 1200 BC by an earthquake which also destroyed the whole city. The earthquake was followed by a fire in which mud bricks were burnt red.

Other discoveries by the same expedition were sugar mills, large mill stones, and potters' workshops where sugar pots were made.

(*The Times*, London)

[Prev. ref. 4900:JOR:A]

LAOS

A. Renewed Clashes: Renewed fighting was reported in the Plain of Jars region in central Laos in the last week of February.

A Vientiane message on February 27 said that key Right-wing military positions commanding the south-eastern gateway to the Plain of Jars had fallen to Pathet Lao forces after a three-day attack.

Laotian military sources expressed fears that the Pathet Lao attacks, coming after two weeks of relative calm, might be a prelude to large clashes in the region.

In April and May, 1962, the Plain, 110 miles north of Vientiane, became a testing ground for the strength of neutralist forces and the attacking Pathet Lao. Although forced to retreat, the neutralists did not abandon the Plain entirely.

General Phoumi Nosavan, Deputy Prime Minister and commander of the pro-Western Right-wing Army, said on February 27 that the Pathet Lao attacks "seriously compromised a chance for a peaceful settlement of the Laotian problem."

An official speaking for General Phoumi Nosavan announced that Right-wing troops had abandoned their positions on Phou Khe mountain, about 10 miles south-east of the Plain and over-looking a Pathet Lao stronghold in Xieng Khouang, after three days of "intense and prolonged" artillery fire. A Right-wing military communique said that the situation in the Plain had become "critical."

Earlier on February 22, the Viet-Nam News Agency quoted the Pathet Lao leader, Prince Souphanouvong, of having said that he could not agree to a request that his troops should cease fire.

It said the Prince in a message to the Prime Minister, Prince Souvanna Phouma, on February 16, said: "It is unjust that the Neo Lao Haksat (political organization of Pathet Lao) armed forces, acting in self-defence, are asked to cease fire while the attackers—Gen. Phoumi Nosavan's troops—continue in wanton disruption and invasion."

The Agency quoted Prince Souphanouvong as saying there could be no relaxation in the "tense situation" in Laos "until US imperialism and Gen. Nosavan stopped their attack and encroachment upon the liberated areas controlled by the Neo Lao Haksat and the neutralist faction."

(*The New York Times*)

[Prev. ref. 5682:LAO:A]

MALAYSIA

A. Indonesia Accused Of Violating Cease-Fire Agreement: Malaysia charged Indonesia on February 22 with violating the month-old cease-fire on the Sabah border.

A Government statement said protests had been sent to Thailand's Foreign Minister, the UN Secretary-General, and the US Attorney-General, who were the interested parties in the truce.

The Malaysian Government said the Defence Ministry had listed six truce violations between January 30 and February 21. Five of the incidents were said to have taken place in Sarawak and one in Sabah.

British military authorities confirmed that a British marine corporal was killed and four other marines were wounded in an Indonesian attack in Sarawak's Lundu district.

The Malaysian Defence Ministry said a police post in the Bau region of Sarawak was "attacked by an unknown number of Indonesian border terrorists." Two Malaysian police officers were reported killed and six others wounded.

The Malaysian Government on February 25 decided to ask Thailand's Foreign Minister to arrange an urgent meeting of Ministers from Indonesia, Malaysia and the Philippines to discuss ways of saving the cease-fire.

A Foreign Ministry spokesman said the decision was reached during an emergency session of the Cabinet. He said it was hoped a meeting could be arranged before this month-end.

But in Bandung, the Philippines Foreign Secretary, Mr. Salvador P. Lopez on a visit to Indonesia along with President Macapagal said moves were under way to call off a new tripartite Ministerial conference and hold a summit conference on Malaysia instead. He indicated the Philippines and Indonesia had agreed that a second round of Ministerial talks would serve no useful purpose.

Indonesian View:

Talking to journalists at Tampaksiring in Bali on February 26, the Foreign Minister of Indonesia, Dr. R. Subandrio said it was hoped that a Malaysia "summit" conference could be arranged after a Foreign Ministers' conference in Bangkok.

He was speaking after a two-hour meeting between President Macapagal and President Sukarno. The two Presidents discussed "all aspects of the Malaysia problem."

Earlier Mr. Salvador Lopez, the Philippines Foreign Minister, said that he and Dr. Subandrio had sent a message to Mr. Thanat Khoman, the Thai Foreign Minister, suggesting that a Foreign Ministers' meeting be held with Malaysia in Bangkok on March 3.

The same day (February 26), President Sukarno said at a rally that Indonesia would continue to "crush Malaysia". "We are happy to have the Filipino people as brothers because they too plan to crush colonialism."

Sukarno-Macapagal Communique:

President Sukarno and President Macapagal in a joint *communique* issued on February 28 proposed an early "summit" meeting with Tengku Abdul Rehman to bring about a peaceful settlement of the Malaysian issue.

The place and date for the "summit" were still to be determined.

The communique said the two leaders agreed that the tripartite ministerial conference should "prepare the necessary groundwork" for the "summit."

It said both Presidents continued to regard the cease-fire "as an important factor in creating the favourable atmosphere necessary" for a "comprehensive and integrated solution of the Malaysia problem."

President Sukarno re-assured President Macapagal that the Indonesian Government would observe the cease-fire and expected the other parties (Malaysia and Britain) to do likewise.

During the visit, both leaders found they shared a similarity of approach and singleness of purpose in forging the "Maphilindo" confederation into a living reality.

The communique also stressed the need for convening a second Afro-Asian Conference of the Bandung type and emphasized their adherence to the doctrine that Asian problems should be solved by Asians themselves.

At a news conference after the signing ceremony, President Macapagal said he was optimistic about a "summit" conference on Malaysia, but added that finding a solution to the complex issue "is not going to be easy."

He hoped Malaysia would go to a "summit" conference regardless of whether the cease-fire problems in North Borneo had been solved.

Possible "summit" sites suggested during his talks with President Sukarno were Bangkok, Pnom Penh and Tokyo.

Commenting on the communique, Tengku Abdul Rehman said any "summit" peace talks should be preceded by agreement at the ministerial level talks. He said that without ministerial talks there was no point in having a "summit" meeting.

British Support Re-affirmed:

Speaking in Glasgow on February 24, the British Prime Minister, Sir Alec Douglas-Home, warned Indonesia: "We stand by Malaysia. We made it clear and our troops are there to do so."

He added: "We must show to the world that countries must cease to threaten each other with war, otherwise we shall end up entering a nuclear exchange."

He said Britain had given the countries of the Malaysian Federation their independence "in the hope and belief that they shall maintain it.... We stand by its independence."

(*The Times*, London, *The New York Times* and *The Malayan Times*, Kuala Lumpur)

[Prev. ref. 5669:MAL:A]

NEPAL

A. Dr. Tulsi Giri Appointed Chairman Of Council Of Ministers: Dr. Tulsi Giri, who resigned from the Council of Ministers two months earlier, has been appointed Chairman of the Council of Ministers.

A Palace announcement on February 27 on the appointment said he would look after palace affairs and general administration.

The Vice-Chairman, Mr. Surya Bahadur Thapa, retained the portfolio of Finance and Planning.

Before his resignation, Dr. Giri also held the Foreign Affairs portfolio.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5615:NEP:A]

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PAKISTAN

A. National Economy—Government And Trade Body's Views: A Rawalpindi message on February 10 said that the Federation of Chambers of Commerce and Industry and the Government differed on the state of the country's economy.

A committee formed by the Federation has, after six months of study, said that Pakistan "is currently in the grip of one of the worst economic recessions with fall in the general consumption level and sharp rise in the stocks of finished goods".

In a rejoinder an unidentified economist of the Pakistan Government said that various economic indices showed remarkable progress in the economy of the country.

The Federation committee's report entitled "Recession and depression" said that the rate of growth in the national and per capita income had declined. The per capita income which stood at Rs. 251 in 1960-61 had risen to Rs. 261 but declined again by Rs. 2 to Rs. 259 in 1962-63. "Prospects for the current year are not bright."

Similarly the national income had shown a downward trend. The rate of growth of industrial production had fallen. A sharp fall in the value of industrial shares had been recorded in the recent past.

The Government economist said the supply of money stood at Rs. 746 crores in December, 1963—showing an increase of Rs. 92 crores over the amount a year ago. The bank deposits and credits were also high.

The foreign exchange position was *"equally satisfactory"* although the country's exports increased only by Rs. 9 crores and the imports rose by Rs. 71 crores. The reason for this was the import of large quantities of raw materials and other essential goods. Substantial foreign aid to Pakistan was also responsible for this gap in the import and export trade.

The economist blamed floods, cyclones and other natural calamities for the decline in the national and per capita incomes.

(*The Statesman*, Calcutta)

[Prev. ref. 5022:PAK:B]

PHILIPPINES

A. President A. Sukarno's Visit: President A. Sukarno of Indonesia visited Manila in the second week of January when he reviewed with President Diosdado Macapagal the developments in regard to Malaysia since they last met and signed the Manila Agreement on July 31, 1963.

A third signatory of the Manila Agreement was Malaya and its successor Federation of Malaysia had since broken off diplomatic relations with both the Philippines and Indonesia. Indonesia continued its "confrontation" policy against Malaysia.

President Sukarno's trip to Manila was officially described as an "official working visit." Dr. Sukarno and the officials who accompanied him on the visit held a series of discussions with Philippine leaders from January 7 to 11.

[Dr. Sukarno's subsequent visit to Japan for talks with Mr. Robert Kennedy and the American mediation efforts resulting in a cease-fire on the Indonesian-Malaysian border were discussed on page 5669].

A joint *communique* issued in Manila on January 11 on the Sukarno-Macapagal talks said:

"The two Presidents re-affirmed their adherence to the principles of the Manila Agreements and re-iterated their faith in Maphilindo as an effective vehicle for devising Asian solutions to Asian problems by Asians themselves.

"Accordingly, the two Presidents considered it essential to strengthen Maphilindo as a living reality, in the firm belief that within its frame-work constructive and equitable solutions can be found for many of the serious problems of the region, including those arising from the formation of the Federation of Malaysia, the promotion of regional security, and the development of regional economic co-operation. Maphilindo as a living reality has helped to prevent a final and irreparable disruption of normal and friendly relations among the three partners, the present difficulties amongst them being temporary in nature.

"The two Presidents noted with regret that the present mushawarah included only two of the three signatories to the Manila Agreements, but expressed the hope that the next mushawarah will witness the participation of all. They made it clear that the present meeting has been devoted to peaceful and constructive ends in an effort to forge anew a lasting unity amongst the three members of Maphilindo.

"In this context, the two Presidents remain convinced that the present crisis over Malaysia can be solved by firm adherence to the spirit and principles of the Manila Agreement. They cherish the hope that a tripartite mushawarah could be convened to resolve existing differences amongst the three signatories to the Agreement.

"President Sukarno elaborated upon the meaning of the Indonesian policy of confrontation as follows:

"It is not a policy of aggression, much less a policy of territorial expansion. Its main purpose is to oppose the neo-colonialist policy of an outside Power which, by distorting the procedures laid down in the Manila Agreement for the ascertainment of the wishes of the peoples concerned regarding the establishment of Malaysia, is bent on wrecking Maphilindo. This divide and rule policy, backed by preponderant military force, can be checked by only a firm defensive policy of confrontation, lest the national independence and security of the countries of this region succumb to foreign domination.

"President Macapagal, bespeaking the sentiments of the Filipino people, expressed the hope that in keeping with the basic purpose of Maphilindo all the signatories to the Manila Agreement, in the face of the present crisis, shall exercise moderation and restraint in order that an early settlement of the differences amongst them may be reached through peaceful means.

"President Sukarno reassured President Macapagal of the support of Indonesia for the Philippine claim to Sabah within the frame-work of the principle of self-determination. President Macapagal expressed appreciation for this reassurance.

"The two Presidents noted with satisfaction that the principles and purposes of Maphilindo are gradually being understood and appreciated by nations outside the Maphilindo area. They share the confident hope that Maphilindo will find ever increasing acceptance amongst the peoples of the region, in line with the world-wide trend towards closer co-operation among neighbouring countries animated by a common desire for peace, prosperity and security under the aegis of freedom and justice.

"In order to strengthen the economic relations between the two countries, discussions were held on problems relating to trade and economic matters, using as a basis the Philippine-Indonesian Trade and Economic Agreements signed in Djakarta on May 27, 1963. Meetings were held to review the implementation thereof. It was agreed to extend the Agreements to the end of 1965.

"Regarding trade, agreement was reached to expand the volume of trade for the year 1964 above the levels previously agreed upon. Problems connected with trade were discussed and obstacles removed, particularly those governing payment arrangements and sea communications.

"Regarding economic co-operation, the conversations explored further and in detail joint co-operation in the exploitation of forestry and fisheries resources. Arrangements were discussed for the processing of raw materials from Indonesia and the Philippines in Philippine and Indonesian industries having unused capacities.

"On scientific and technical co-operation, the two countries agreed to expand the programme for the exchange of trainees, particularly in the fields of agriculture and forestry.

"The remaining administrative difficulties in the Philippines to the granting of limited traffic rights to Garuda Indonesian Airways were also resolved.

"It was agreed that the Philippines-Indonesian Coconut Commission will formally be in operation as of today, January 11, 1964. This Commission, entrusted with the continuing research, development and promotion of the coconut industry, is open to other coconut-producing countries.

"Agreement was also reached to establish the administrative machinery:

(a) For the promotion and expansion of commercial and economic relations between the two countries;

(b) For the preparation of the ground-work for processing arrangements;

(c) For the continued implementation of the provisions of the agreements.

"The two countries agreed on regular consultations with respect to the full implementation of the Philippine-Indonesian Trade and Economic Agreements.

"President Sukarno expressed his deep appreciation for the cordial reception and hospitality extended to him and the members of his party by President Macapagal. The two Presidents noted with gratification the fruitful results of this first mushawarah since the inception of Maphilindo which provided tangible evidence of its validity and its usefulness to its members and to the region as a whole."

(*Information Service Indonesia*)

[Prev. ref. 5669:MAL:A]

B. Trade With India: India and the Philippines signed on February 14 a memorandum on trade relations between the two countries.

The two countries, ending five days of exploratory talks in Manila, expressed belief that there were considerable prospects for expanding trade and for technical and economic co-operation.

The memorandum said India's import restrictions need not stand in the way of expanded trade.

(*The Hindustan Times*, New Delhi)

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TURKEY

A. Attempt To Assassinate Mr. Ismet Inonu: Three shots were fired on February 21 at Mr. Ismet Inonu, the Prime Minister, as he entered his car after leaving his office.

All of them missed. The police later arrested a man who was stated to have said under interrogation that he was an "enemy of the May 27 revolution" and was connected with the banned Democratic Party of the late Mr. A. Menderes, the former Prime Minister. (The May 27 revolution is the name given to the military coup in May, 1960, which overthrew the Menderes regime.)

The arrested man was identified as Mesut Suna (32), an employee of a textile factory in Kayseri, central Turkey. Kayseri is the city where Mr. Celal Bayar, the former President, and other members of the deposed Menderes regime had been imprisoned for the past two years.

Mr. Inonu seemed unmoved by the assassination attempt. He said to Ministers and Deputies who came to congratulate him on his escape: "Don't worry. These things will happen."

Mr. Inonu has been Prime Minister since November, 1961. He was formerly President and before that was Prime Minister under Kemal Ataturk.

According to reports, Mr. Inonu was in the back of the car, ready to go to the Grand National Assembly, when the pistol shots were fired by the gunman, standing on a stone platform near the entrance to the Prime Minister's office.

The shots were fired at a range of 10 feet and the police said that all three hit the car in a group less than 3 inches square. A crowd of about 10 civil servants and bystanders rushed at the assailant and began to hit him. The police and Mr. Inonu's bodyguard rescued him from the threatened lynching.

The chauffeur drove the car off at speed, but Mr. Inonu leant forward and said: "Slow down. We must not give the impression of running away."

In the Assembly he took part in the Budget debate. Later, in a broadcast to the nation, he said that an unknown person had fired at him as he was entering his car, but that the nation was not to worry. "I am continuing my duties. I am still on the job."

He also told members of the Press gallery of the National Assembly, with whom he talked and joked: "My health is good, my nerves are good and my brain is working."

About 1,000 youths and students demonstrated in central Ankara in favour of Mr. Inonu. They sang songs and shouted: "Long live Ismet Pasha".

About 20 arrests had been made in Ankara and in Kayseri, in central Turkey, as a result of the attempt to assassinate Mr. Inonu. Some of those arrested were believed to be members of the Justice Party.

Mesut Suna, an electrician in a Kayseri textile factory, who was arrested immediately after the shots were fired, was alleged to have told the police that he had been led astray by religious preachers. "They told me Inonu was an anti-Muslim and communist." He was also alleged to have said that he was alone in the attempt and had no accomplices. The Justice Party has denied all connexion with the affair.

(*The Times*, London)

[Prev. ref. 5638:TUR:A]

VIET-NAM (DR)

A. French Parliamentary Delegation's Visit: A French Parliamentary delegation, which had visited Peking earlier, arrived in Hanoi in the second week of February.

The leader of the delegation, Mr. Francois-Bernard told newsmen in Hanoi on February 8 that the aim of the visit to North Viet-Nam was to promote economic and cultural exchanges between the two countries.

The Hsinhua news agency quoted him as saying that economic and cultural ties between the two countries would surely develop.

However, the delegation was believed by observers to have a much bigger objective than what was being given out officially. Mr. Francois-Bernard's visit to Hanoi was regarded as exploratory in nature, to probe the reactions of the President, Dr. Ho Chi-Minh to Gen. de Gaulle's scheme for neutralization of the Indo-China peninsula.

(*The Hindu*, Madras)

[Prev. ref. 5652:CHI:A]

VIET-NAM (RVN)

A. New Government: It was officially announced in Saigon on February 9 that the 37-year-old officer who seized power on February 1, Major-General Nguyen Khanh, had become Premier.

Major-General Duong Van Minh, leader of the deposed junta, became Chief of State.

The following is the official Cabinet list:

Head of State—Gen. Duong Van Minh;

Premier—Gen. Nguyen Khanh;

Vice-Premier for Pacification—Nguyen Ton Hoan;

Vice-Premier for Economy and Finance—Nguyen Xuan Oanh;

Vice-Premier for Cultural and Social Affairs—Brig.-Gen. Do Mau;

Commissioner of State without Portfolio—Le Van Hoach;

Foreign Minister—Phan Huy Quat;

Interior Minister—Ha Thuc Ky;

Minister of Works and Communications—Tran Ngoc Oanh;

Minister of Education—Bui Tuong Huan;

Defence Minister—Maj.-Gen. Tran Thien Khiem;

Rural Affairs Minister—Nguyen Cong Hau;

Health Minister—Vuong Quang Truong;

Labour Minister—Dan Sy Hien;

Information Minister—Pham Thai;

Finance Minister—Nguyen Xuan Oanh,

Economy Minister—Au Truong Thanh;

Justice Minister—Nguyen Van Mau;

Secretary for Social Affairs—Tran Quang Thuan; and

Secretary of State at Premier's Office—Nghiem Xuan Hong.

General Minh's decision to join the new regime was seen by observers as a special victory for General Khanh, who had strived to retain the prestige and continuity symbolized by General Minh. Gen. Minh led the junta that overthrew the Government of President Ngo Dinh Diem in November, 1963.

It could not be confirmed what conditions if any, General Minh put on his acceptance. On the day of the coup he refused to go along with General Khanh. He was said to have insisted on the release of the other junta leaders arrested in the coup.

The two Generals appeared side by side at the military ceremony on February 9—General Minh tall and smiling, General Khanh shorter and stern as he read a brief statement of policy.

He said: "The revolutionary Government shall, within a period of one year, do its best to carry out two historic missions: to save the country and to build up the nation.

"To save the country we shall bring forth all our strength to repel the Communist aggression, to bring security to our people, especially those in the countryside.

"To build up the nation we shall establish the basic institutions of the nation, a Constitution and a duly elected Parliament."

(*The New York Times*)

[Prev. ref. 5683:RVN:A]

B. Americans Killed In Bomb Explosion: Three Americans were killed and about 50 injured, including a number of women and children, when a terrorist bomb exploded in the entrance lobby of an American community cinema in Saigon on February 17.

Confusion and indignation spread among American residents of Saigon as investigators probed the facts and motives of the attack, the second bombing in one week, directed against American Servicemen and dependants.

The explosion was heard miles across the city. The dead and injured were taken to an American Navy hospital, where three of the injured men went immediately into the emergency room.

A week before, a bomb exploded under the grandstand of an American softball park, killing two men and injuring 23 other Americans. Earlier, there were bomb explosions in two bars that killed one American and injured eight.

(*The New York Times*)

[Prev. ref. 5683:RVN:A]

C. US Support Re-affirmed: President L. B. Johnson re-affirmed on February 22 American support to South Viet-Nam in its fight against Communist guerrillas.

He was speaking at the University of California where he and President Adolfo Lopez-Mateos of Mexico received honorary degrees.

He said that in foreign affairs new challenges "grow daily" at the White House.

"In South Viet-Nam, terror and violence, directed and supplied by outside enemies, press against the lives and liberties of a people who seek only to be left in peace.

"For 10 years our country has been committed to the support of their freedom, and that commitment we will continue to honour.

"The contest in which South Viet-Nam is now engaged is first and foremost a contest to be won by the Government and people of that country for themselves. But those engaged in external direction and supply would do well to remember that this type of aggression is a deeply dangerous game."

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Russian Criticism:

Russia in an "authorized statement" published by *Tass* on February 25 called on USA to withdraw its military personnel and equipment from South Viet-Nam.

The statement said "intensification of hostilities by the United States and their followers can only complicate the solution of the South Viet-Namese problem".

It said USA should "end its interference in the affairs of South Viet-Nam, withdraw its military personnel and military equipment from that country and give the South Viet-Namese people an opportunity to decide their future themselves".

It added that "the Soviet people cannot remain indifferent to such development ...they follow with profound sympathy the just national liberation struggle of the South Viet-Namese people and will render the necessary assistance and support to this struggle."

Troop Activities:

Meanwhile, Viet-Namese troops launched a large operation in the Cambodian border area 120 miles from Saigon known as "Seven Mountains" on February 25.

Initial contact with the Viet-Cong was reported to be heavy.

Only sketchy reports of the action were available, but it appeared the engagement was the heaviest since the lunar New Year holidays.

The worst case of Viet-Cong train sabotage in several months was also reported on February 25. Using mines and a large ambush force, enemy guerrillas blew up the Da Nang-Saigon passenger train and 50 yards of track and then ambushed a relief force.

The incident occurred 280 miles north-east of Saigon near the town of Phy My, on the main North-South rail line.

(*The New York Times* and *The Hindustan Times*, New Delhi)

[Prev. ref. 5684:RVN:C]

ASIA OUTSIDE ASIA

A. ICAO Activities During 1963: A Press release on February 14 said that the International Civil Aviation Organization (ICAO) during 1963 worked on several items affecting those who use the aeroplane to cross international frontiers. Two of these involved international air law.

The Organization also worked towards enhanced safety and efficiency of transportation.

The first of the items affecting international law was the coming into force in August, between more than 30 States, of an amendment to the Warsaw Convention of 1929. This amendment, drafted by ICAO, raised the maximum amount for which an air carrier was liable in the case of injury or death of a passenger travelling internationally, from $US8,291 to $US16,582.

The second was the drafting of an international law convention covering crimes committed aboard aircraft and acts endangering the safety of the aircraft or of persons or property on board. This convention, drawn up in Tokyo in September, will come into force when it is ratified by 12 States.

As the result of the ICAO Facilitation Division meeting in Mexico City in March, and the subsequent amendment by the ICAO Council of the International Standards and Recommended Practices for Facilitation a thorough modernization was made of the rules governing the passage of an aircraft, its passengers, baggage cargo and mail from country to country. It is expected that these revised standards will result in the establishment of new facilities and services at international airports, and in the further reduction of customs nd immigration formalities, both for passengers and shippers of cargo.

In the technical field, many ICAO meetings prescribed changes necessary because of the rapid development of air navigation. One, covering rules of the air, air traffic services and aircraft operations, recommended major changes to the Rules of the Air and to the regulations governing the supporting air traffic services.

Also in the technical field, ICAO continued its efforts to help its member-States provide the air navigation facilities and services necessary for safe and regular flight.

During the year, ICAO continued to participate in the Expanded Programme of Technical Assistance (EPTA) of United Nations and in the UN Special Fund. Under agreements with the Fund, ICAO is the executing agency for civil aviation training centres in the United Arab Republic, Mexico, Morocco, Lebanon, Thailand and Tunisia, and for an aeronautical research laboratory in India.

ICAO also provides air navigation facilities and a training centre in the Congo (Leopoldville) for the UN Congo operations.

A Flight Safety Foundation "Award for Distinguished Service"—for assistance to aviation throughout the world in the achievement of safer utilization of aircraft—was given on November 7 in Athens to the personnel of the weather ships which man the ICAO's Ocean Station Net-work in the North Atlantic.

During 1963, Jamaica, Algeria, and Trinidad and Tobago became members of ICAO, bringing the total membership to 101.

The net budget of ICAO for 1964 is $US4,705,397.

(*United Nations*)

[Prev. ref. 5518:JAP:A]

B. Tunnel Under English Channel—Agreement Between France And Britain: The British Minister of Transport, Mr. Ernest Marples, said in London on February 6 that Britain and France had agreed to go ahead with plans to build a rail tunnel under the 21-mile English Channel.

An announcement to this effect was also made in Paris.

He told the House of Commons that it was clearly understood that the two Governments would have to have full control of any future operating company. The next step would be to discuss further the legal and financial problems involved.

He said that as a result of joint studies, the British Government and French Government "consider that the construction of a rail-channel tunnel is technically possible and that in economic terms it would represent a sound investment of the resources of the two countries."

In September, 1963, an Anglo-French working group of experts came out in favour of a two-stream rail tunnel.

The tunnel proposal envisages a 32-mile link with 23 miles of tunnel under the sea. It would start at Dover on the English side and Sangatle on the French side.

There would be two separate tunnels, each containing a single rail track and capable of handling car ferry trains, at intervals varying from 5 to 30 minutes. Vehicles would be driven on and off wagons at the two termini.

Estimated cost of the under-water link is about £140 million sterling and it would take about 8 years to complete.

(*The Times*, London)

[Prev. ref. 5096:AOA:I]

C. World Council Of Churches On Ecumenical Movement: The World Council of Churches, which ended a five-day meeting in Odessa (Ukraine) on February 14, said in a statement that Christianity had entered a "new period" in the history of the ecumenical movement.

While welcoming the attention the Roman Catholic Church was devoting to ecumenism (unity of all the Christian churches), the Council's statement stressed that all its member-churches had equal privileges.

Dr. W. A. Visser T'Hooft, General-Secretary of the Council's executive committee, told a news conference that even if some churches—such as the Roman Catholic—felt they could not take part in the Council's work at present, "we still want close relations with them".

Leading delegates to the Council meeting indicated privately that they hoped the Vatican would make some approach to the Council or some of its member-churches this year.

Council sources said the executive committee had sent President Makarios a telegram from Odessa urging him to act "in the spirit of the United Nations Charter" in the Cyprus crisis.

The committee resolved to start a new Africa appeal with an initial target of $1 million to meet special needs arising from recent disturbances there.

Announcing the decision, Dr. Visser T'Hooft referred particularly to refugees from Angola, Mozambique, Sudan and Ruanda.

He said the next meeting of the World Council's Central Committee would be held in Enugu, Nigeria, at the invitation of Sir Francis Ibiam, Governor of the Eastern Region.

The Council issued a statement urging Governments to discuss disarmament together rather than make unilateral proposals.

(*The Times*, London)

[Prev. ref. 4347:INI:B]

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ASIAN RECORDER

March 18—24, 1964

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BURMA

A. Trade Pact With Japan Extended: Documents providing for the extension of a Trade Agreement between Burma and Japan for one year were exchanged in Rangoon on December 27, 1963.

The Agreement, signed first in December, 1963 was originally effective for four years and renewed annually.

(*The Nation*, Rangoon)

[Prev. ref. 4427:BUR:B]

B. Russian Rice Purchase: Representatives of the Agricultural Marketing Board and USSR signed in Rangoon on January 28 an Agreement providing for Russian purchase of 130,500 tons of rice from Burma.

(*The Statesman*, Calcutta)

[Prev. ref. 5182:BUR:A]

CAMBODIA

A. Prince Norodom's Message To Geneva Conference Co-Chairmen: In a message to the co-Chairmen of the Geneva Conference (Britain and the Soviet Union) on February 8, the Head of State, Prince Norodom Sihanouk, alleged continued aggression by South Viet-Nam.

He demanded that American-financed "fixed posts" be set up at critical points along the Cambodian Viet-Namese border.

He called for a reconvening of the Geneva Conference that ended the war in Indo-China in 1954.

He said: "In the absence of such a Conference, Cambodia demands that an international commission establish fixed posts at critical points along the Cambodian frontier with funds provided by USA, which should be responsible for South Viet-Nam's aggressive military actions against Cambodia and for the war in South Viet-Nam."

He also asked the Chairmen to notify the Geneva Conference participating nations of complaints filed by him.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5687:CAM:A]

CEYLON

A. Protest To India On Alleged Violation Of Air-Space: A Press release of the Ministry of Defence and External Affairs in Colombo on February 28 alleged violation of air-space by an Indian military aircraft.

It said the High Commissioner in New Delhi had been instructed to lodge a protest.

It said: "This action has been taken after an investigation into the forced landing of an Indian military aircraft at Ratmalana airport on February 24, 1964.

"The investigation has disclosed that two aircraft took off from the Indian aircraft carrier **INS Vikrant** at 7-30 p.m. on that day. At that time the carrier was about 65 miles south-west of Colombo and the aircraft were within the Colombo flight information region.

"In accordance with accepted international practice air traffic control at Ratmalana should have been informed when the two aircraft took off to enable it to warn other planes in the vicinity. This was not done.

"It has been learnt that about 10 to 15 minutes after take-off the electrical and navigational systems of one of the aircraft failed completely.

"Around 8-50 p.m. air traffic control heard the drone of aircraft and endeavoured to make contact on the available frequencies. There was no immediate response but shortly afterwards an aircraft identifying itself by its call sign Whisky 34 enquired whether an aircraft with the call sign Whisky 21 had landed. No attempt was made by the aircraft (Whisky 34) to inform air traffic control that Whisky 21 was in distress or that it desired to land at Ratmalana. It was Ratmalana air traffic control which had to initiate contact and even then the signals given were evasive. Whisky 34 was hovering over the airport area for about 20 minutes and was in clear violation of Ceylon's air-space.

"Shortly after these circumstances were reported to the authorities, an internal security squad of the army was sent to Ratmalana. When the aircraft landed, the disabled craft and its crew were taken into custody until **bona fides** were established.

"Between 1 a.m. and 2 a.m. on February 25 the Indian High Commission contacted the Ministry of Defence and External Affairs and requested clearance for a third aircraft from the carrier to land at Ratmalana with engineers to repair the damaged aircraft. Clearance was granted at 7-30 a.m. The army guard was withdrawn, and the crew released from custody on the morning of February 25."

Indian Reply:

The Government of India in a Note handed to the Ceylon High Commissioner in New Delhi on March 7 denied that the Indian naval plane from the aircraft carrier *Vikrant* entered Ceylon air-space as had been suggested by the Ceylon Government.

The Government of India expressed its regret that the Ceylon authorities should have subjected the crew of the aircraft, which landed in Ratmalana airport in distress, to severe interrogation.

The following is the text of India's reply:

"The Ministry of External Affairs present their compliments to the Ceylon High Commission and have the honour to say that the matters mentioned in the High Commission's Note dated March 2, 1964 have been enquired into and the following facts have been ascertained from the log book and navigational records of **INS Vikrant** and of the aircraft concerned.

"On the 24th of February 1964, the aircraft carrier, **INS Vikrant**, was in the open seas to the west of Ceylon in passage from Cochin to Port Blair. At about 19-30 hrs. that day when the aircraft carrier was about 65 miles south-west of Colombo, an aircraft IN 206 (call sign Whisky 31) was launched. The **INS Vikrant** lost all communication-contact with it soon after the launching. As the aircraft failed to establish contact the **INS Vikrant** made efforts to contact it on all channels and also asked IN 210 (call sign Whisky 34) which had been launched shortly after IN 206 to try to contact the IN 206. These efforts to establish contact were unsuccessful. The **INS Vikrant** then asked IN 210 to climb to 5,000 feet and from this altitude contact the airport authorities at Ratmalana and enquire whether they had any information about IN 206. This was done, the contact being established at about 21-00 hrs. The airport control authorities at Ratmalana a little later informed IN 210 that IN 206 had landed there.

"It transpired that the electrical and navigational system of IN 206 had failed totally soon after it was launched. Since in such conditions landing back on the aircraft carrier would have been extremely hazardous, the aircraft decided to land at the nearest airport, which happened to be Ratmalana. Since its communications system was not functioning, it could not inform Ratmalana airport of its intention to land there, or seek the necessary permission. They regret that in the circumstances in which the aircraft IN 206 was placed, it had to land at Ratmalana airport without permission, causing inconvenience to the Ceylon authorities.

"It will be seen from the above facts that there was no communication between IN 210 and the aircraft in distress. The former did not know the whereabouts of IN 206 and did not at any stage accompany it. It had therefore no reason to seek permission for IN 206 to land at Ratmalana. Furthermore, IN 210 did not at any time come nearer than 15 miles of the coast of Ceylon. This has been verified from the navigational plot kept by the **INS Vikrant** which had recorded a continuous plot of the tract and position of IN 210 at all times.

"The High Commission's Note under reference mentioned the rules and regulations of the International Civil Aviation Organization. As the Government of Ceylon are doubtless aware, these rules are only applicable to civil aircraft. The **INS Vikrant** had all her aircraft under positive radar control, and in the event of any other aircraft entering this one would give necessary instruction to her aircraft to prevent collision. Thus, in such cases, there is no hazard whatsoever to other aircraft which may happen to be in the same area.

"Since the second aircraft IN 210 did not enter the territorial air-space of Ceylon, the Government of India are unable to appreciate the protest made by the Government of Ceylon in respect of this aircraft.

"The Government of India have been informed that the crew of the disabled aircraft IN 206 were, on landing at Rat-

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malana airport taken into custody and subjected to severe interrogation. The Government of India expresses its disappointment at the treatment meted out to the crew of the aircraft who were servicemen from a fellow Commonwealth and a friendly and neighbouring country. In this connexion the Government of India would like to remind the Ceylon Government that the Government of India has always shown the maximum accommodation in the matter of landing of Ceylonese military aircraft at Indian airports. On one occasion in 1962, a Ceylonese military aircraft landed at Madras without diplomatic clearance even when the aircraft was not in distress. The Indian authorities, nevertheless, gave in a spirit of understanding and friendship towards Ceylon, the normal facilities to such aircraft and crew and refrained from treating the latter other than in a friendly manner. While pointing this out the Government of India also wishes to express its appreciation of the help received by the crew of the Indian naval aircraft from the Ceylon naval and air force authorities.

"The Ministry of External Affairs avail themselves of this opportunity to renew to the Ceylon High Commission the assurances of their highest consideration."

(*The Hindu*, Madras)

B. Ban On Private Practice By Government Doctors: The Government has banned private practice by Government medical specialists from August.

Government medical officers in remote areas in the Island, where private practitioners are not available, will, however, be exempted from this rule.

This decision has been described by the Medical Specialists Association of Ceylon as a "*retrograde step*".

The specialists will be given an option to retire or remain in service without private practice from that date. Those who remain in service will receive an allowance in lieu of private practice.

(*The Hindu*, Madras)

[Prev. ref. 5629:CEY:C]

C. Suspension Of West German Aid: The West German Government told Ceylon on February 19 that its attitude towards the communist *regime* in East Germany had made it impossible to continue with the agreed development aid programme.

The agreement affected was signed by the West German Government in Colombo in November granting Ceylon a DM6 million (about £540,000) long-term development loan. More aid was in prospect.

The Federal Government said that it had learnt "with the greatest dissatisfaction" of the announcement by the Ceylon Foreign Ministry that agreement had been reached with the East German regime to promote the present trade mission in Colombo to a consulate-general.

Bonn has taken this step against the Ceylon Government in accordance with the Hallstein doctrine, which lays down that the Federal Government does not have diplomatic relations with any country, except Russia, which recognizes East Germany. Bonn has not yet been notified that the Ceylon Government has accorded the East German representative there his exaquatur as consul-general. In previous conflicts with other countries Bonn has made the exequatur the sign of according diplomatic recognition, but being content if this is withheld.

During the last 10 years Ceylon had received DM40 million in capital loans from West Germany for various development projects.

(*The Times*, London)

[Prev. ref. 4611:CEY:A]

CHINA

A. Bid To Market Crude Oil In Japan: China, though stated to be short of oil, has launched a campaign to sell its crude oil in Japan.

Trade and Government circles in Japan have two explanations for this development. One is that the cost of coal in China is so cheap compared with that of crude oil that the Chinese are in a position to export crude oil by heavy reliance on coal as the source of industrial energy. According to these quarters the price of coal in China is only about 1,500 yen a ton. This is less than one-sixth of the price in Japan which is about 10,000 yen.

Latest figures of China's coal production are not available in view of the complete official silence in the past five years. However, the production in 1958, at the height of the so-called "great leap forward" campaign was announced as 270 million tons, although actual production is believed to be much lower. This is because it is known that in most instances the claimed production figures under the "great leap forward" reflected more the set targets rather than the real physical achievements.

Nevertheless, the 1957 figure was a realistic 130 million tons and, although, for two or three years after 1958, production fell drastically, there is reason to believe that the position has improved somewhat in the subsequent years. In 1963, China's coal production was estimated at about 220 million tons and this figure is believed to be rising steadily again.

Secondly, in 1960, crude oil production is believed to have totalled six million tons, but this was short of China's requirements by about three million tons and the shortage was made up through imported crude which was refined in the country. It is, therefore, safe to estimate that China has capacity for refining about six to nine million tons of crude oil. After 1960, China was placing more emphasis on indigenous production of more crude oil, rather than on refining facilities in order to achieve self-sufficiency in oil.

It is believed, however, that the total energy resources available in the country —power coal and oil—are short of domestic requirements but the offer to export crude oil seems to be motivated by the desire to expand refining facilities by importing them from Japan. The fact that crude oil is being offered despite an indigenous shortage would suggest that China is making sacrifices in other respects in order to become autonomous in its petroleum requirements and thus be free from reliance on the outside world.

There are unconfirmed reports of new rich oil reserves having been struck in the Chinchow region in former Manchuria in north-east China. How vast these new deposits are is not known, but the reports circulating in Japan suggest that they are very big. Even granting that the deposits are large, the question is one of transporting the oil.

Bid For Japanese Freighters:

Shipbuilders in Japan said on February 24 that China planned to order several Japanese freighters, but the deal was in a preliminary stage.

Hitachi Shipbuilding Company, one of Japan's largest shipbuilders, said China had made inquiries about several freighters of 10,000 and 15,000-ton class.

A spokesman said, however, that the deal was very vague, based on a report from Japanese trade representatives in Peking.

Since Japan has no diplomatic ties with Peking, its trade is conducted on a private basis. The trade officials were dispatched by Japanese firms trading with Peking.

(*The Hindu*, Madras)

[Prev. ref. 5261:JAP:G]

PAKISTAN

SUMMARY: Security Council Meeting On Kashmir Issue; Mr. Chou En-lai's Visit; British Loan.

A. UN Security Council Meeting On Kashmir Issue: The UN Security Council met on February 3 at Pakistan's request to discuss the Kashmir issue.

In a 90-minute speech, Pakistan's Foreign Minister, Mr. Z. A. Bhutto, called for Security Council action to bring about a "speedy and peaceful solution" of the Kashmir problem and at the same time held out an implied threat of resumption of hostilities if no action was taken.

He said his Government could not be expected to remain a spectator "if the people of Kashmir continue to be suppressed by force."

He sought to rebut the argument that conditions in Jammu and Kashmir had changed and warned: "If this change is supposed to operate to the disadvantage of those who had laid down their arms on the pledge given by UN that their rights would be peacefully secured, is it not virtual inducement to them to resume hostilities?"

Mr. Bhutto read from a prepared text from which he departed, though significantly, only in one place when he referred to the situation in Kashmir in 1948 and 1964.

In his text he said: "If it be said that the circumstances have changed they have changed only in this respect, that in 1948 the people of Kashmir and tribesmen were engaged in armed fighting against India in Kashmir and in 1964 they are not." While delivering the speech, he cut out the reference to tribesmen and changed the prepared text about 1964 to read: "They have only recently risen in rebellion."

His speech was built mainly upon the Council resolutions of 1951 and 1957 and alleged that India was violating the resolutions and thus defying the Council.

He put forward the argument about "Indian colonialism" in Kashmir and the plea for self-determination. He also pictured Pakistan as a small State being threatened by a "domineering big neighbour" and, therefore, entitled to sympathy from the Council and UN.

He dwelt at length on conditions in Jammu and Kashmir following the disappearance of the holy relic from the Hazratbal mosque quoting from Anglo-American journals as well as Indian papers to suggest that the Jammu and Kashmir Government had "completely broken down" and the people had "risen in rebellion" demanding a plebiscite.

He also quoted from Sheikh Abdullah's letter to the Indian President, Dr. S. Radhakrishnan calling for a change in the Government's Kashmir policy. Though he quoted extensively from Indian and

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foreign papers about the situation in the State, he also asserted that India had built a "wall of secrecy" and the rest of the world did not know what was happening inside the State because of "censorship" and "police rule."

He also claimed that the situation in East Pakistan had returned to normal, but added: "Nevertheless, the communal situation in the affected areas of both countries remains tense and needs continued vigilance."

He alleged that "rebellion in Jammu and Kashmir" had led to communal riots in the two countries and relations between them had deteriorated.

Mr. M. C. Chagla's Speech:

On February 5, the Indian delegate, Mr. M. C. Chagla addressed the Security Council.

He made it clear that any directive from the Security Council in the shape of another resolution on Kashmir would not be welcome.

In the course of a presentation of India's case, he said such a resolution could only further aggravate feelings. However well drafted, it would not satisfy both parties.

For the record, he told the Council on behalf of India once again that India would not under any circumstances agree to a plebiscite in Kashmir.

He said that the conditions and contingencies which qualified the original offer in this respect had irreversibly changed, first, because Pakistan had never vacated its aggression and secondly because Pakistan had made an irretrievable gift to China of 2,000 square miles from that part of Kashmir illegally occupied by her. Passage of time and other factors, all of them of Pakistan's making, had also made the UN resolutions of 1948 and 1949 obsolete. These resolutions, he declared, were no longer binding on India.

After pointing out how Pakistan was playing the Chinese game of sowing discord and weakening India and how this had become the lodestone of Pakistan's foreign policy ever since she became a nation, he drew the attention of the Council—particularly the UK and USA—to the fact that today it was India alone which was resisting Chinese expansionism southwards and asked it to note the strategic location of Kashmir in West Asia. Point by point, he refuted the arguments and allegations that had been advanced by Mr. Bhutto in his opening speech. He drew special attention to Pakistan's obsession with the two-nation theory and how she sought to give every event in India or Kashmir a communal twist. This was what had coloured Pakistan's version of the Hazratbal incident and communal disturbances in East Bengal and Calcutta which Pakistan had deliberately provoked.

He said: "The two resolutions of the Security Council dealing with plebiscite were conditional and contingent on Pakistan vacating its aggression and the condition has not been complied with. It is really more than a condition. It was the very basis on which these two resolutions were founded and the condition not having been complied with and the basis having disappeared, these resolutions are no longer binding on us. In any case, by the passage of time and various other factors intervening, to which I shall draw attention a little later, they have become obsolete. We cannot possibly contemplate with equanimity the threat to the integration of our country and the danger to our cherished principle of secularism by the holding of a plebiscite in Kashmir. I wish to make it clear on behalf of my Government that under no circumstances can we agree to the holding of a plebiscite in Kashmir."

He indicted Pakistan for its communal policy, its incitement to violence and its treatment of minorities and contrasted these with India's policies and her record in this field.

He said it was Pakistan's animus against India, its hate-India policy and its communal and obscurantist outlook that vitiated relations between the two countries and not the Kashmir issue as had been said sometimes in United Nations and enunciated by Mr. Bhutto.

Re-iterating the Indian view that relations between Kashmir and the Indian Union were purely an internal matter, he said the changes that had taken place between the two since 1947 or were being contemplated were "part of the larger process of the organic growth of the Union of India."

Accusing Pakistan of conspiring with Communist China to make India domestically and internationally weak, he said: "India today is perhaps the only country which can stand up to Chinese expansion and aggression. If India failed, there will be nothing to control China's forward policy. It is therefore not only in the interest of India itself, but also in the interest of peace that India should be strong. We are very grateful for the aid that we have received from friendly countries. But the whole purpose of this would be completely nullified if India becomes domestically weak.

"Pakistan does not want India to be strong: it wants to weaken it both internationally and domestically. Its recent flirtations with China are clear evidence of this fact. In this context, Kashmir assumes great importance."

Dismissing as "baseless and mischievous" the connexion which Pakistan had sought to establish between India and Kashmir and the theft of the holy relic from the Hazratbal shrine, he said Pakistan had tried to give a communal turn to incidents in Kashmir. "To Pakistan, everything is communal. It cannot observe any event except through communal glasses. It cannot understand how Hindus and Muslims can live peacefully in Kashmir and have the best of relations. Its philosophy is that in the very nature of things, Muslims must hate Hindus and Hindus must hate Muslims."

When the relic was stolen, Pakistan expected there would be communal riots in Kashmir. Not only did it expect this, it did its best to incite them.

He then quoted from President Ayub Khan's speech at Sukkur on January 4 and from comments and reports in newspapers abroad—including a sentence of a report in an American newspaper which Mr. Bhutto had failed to cite while quoting earlier portions derogatory to India—and a comment in the **Economist** of London on Mr. Bhutto's "implausible accusation."

Mr. Chagla said that unfortunately for Pakistan, there was not only complete communal amity inside Kashmir—it required a modern, secular, rational outlook to understand this phenomenon—but a further significant fact was that these demonstrations inside Kashmir were not only not aimed against the Indian Government but showed complete confidence in the policies of the Indian Government.

The people of the State appealed to the Indian Government that they, rather than the local administration, should investigate this crime and bring the guilty to book.

"Hindus and Sikhs joined their Muslim brethren in mourning this loss. To the Hindus and Sikhs, the relic was not a Muslim relic, but a relic belonging to Kashmir, indeed to the whole of India. We in India respect each other's religion. Hindus revere Muslim saints and vice versa. We all join in the celebrations of different communities."

After quoting from other newspaper reports about the recovery of the relic and the special **deedar** held on February 3 when the relic was identified by representatives of the Action Committee, he said of demonstrations inside the Valley: "It is true that the demonstrations were aimed at the local administration. But surely it is the fundamental right in a democracy of the people to express their dissatisfaction with their Government. Such demonstrations are not unknown even in more sophisticated societies. The people in a democratic country have the inalienable right not only to show their want of confidence in its Government but to turn out the Government and elect another one.

"Having failed in its evil design to stir up trouble in Kashmir, Pakistan diverted its attention to East Pakistan and serious riots broke out in Khulna and Jessore and Muslims there attacked the Hindu minority.

"There were terrible incidents of looting, arson and stabbing. A large number of members of the frightened minority started a trek towards India which lay just across the frontier.

"It is strange that while in Kashmir itself, the large Muslim majority did not suspect Hindus of having a hand in the theft of the relic, 1,500 miles away, the Muslims of East Pakistan were demonstrating against the Hindus and accusing the Hindu community in Kashmir of anti-Muslim actions."

He quoted from a **New York Times** report on the East Pakistan riots and the "officially approved" processions there and said: "The repercussions of the Khulna riots resulted in riots in Calcutta. Refugees from East Pakistan came to the city with lurid tales of what had happened to their co-religionists on the other side of the frontier. The passions of the Hindus in Calcutta were inflamed and unfortunate incidents took place where Muslim lives were lost and some property burnt down."

Addressing the Security Council on February 9, Mr. Chagla said there was nothing before the Council on which it needed to take action over Kashmir as Pakistan had failed to substantiate any of its charges.

He said: "Pakistan came to the Security Council on two specific charges—that we are trying to integrate Kashmir further into India and that there is a grave situation in Kashmir which calls for some action by the Council. In my submission, the distinguished Minister of Pakistan has failed to substantiate either of these allegations."

Replying to Mr. Bhutto's speech before the Council on February 7, he said: "These recriminations, this unending debate, this making and answering of charges lead us nowhere. We are prepared to discuss all our outstanding differences with Pakistan, including Kashmir, once the bitter feelings and communal passions have subsided.

"Pakistan can help this by eschewing propaganda at home and abroad and by taking every measure to prevent incitement to communal passion in its Press and on its radio.

"I wish to assure the Foreign Minister of Pakistan with all the emphasis at my command that Pakistan has nothing to fear from India. We have no aggressive intentions. We feel that in the prosperity of Pakistan lies the prosperity of the whole sub-continent of India and this prosperity, both of India and Pakistan, depends upon the Hindus and Muslims in both the countries living peacefully side by side.

"Truth is that Pakistan wants Kashmir in support of its two-nation theory and that because the population of Kashmir has a Muslim majority it must necessarily form part of Pakistan."

He added: "Pakistan talks glibly of plebiscite. Does it realise what its consequences might be? In place of peace and quiet we may have bloodshed. If the theft of a sacred relic could be exploited to produce riots 1,500 miles away, stirring of communal passions on a large and massive scale may lead to serious communal

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riots all over India and Pakistan and migrations."

British Support To Pakistan:

On February 10, the British delegate, Sir Patrick Dean, supported Pakistan's stand on Kashmir.

The following are extracts from his speech in the Security Council:

"First, I wish to re-iterate my Government's position on the status of Kashmir and on the question of self-determination. This was made clear most recently by our sponsorship of the resolution adopted by the Security Council on January 24, 1957, which reminded the Governments and authorities concerned of the principle embodied in the Security Council's resolutions of April 21, 1948, June 3, 1948, March 14, 1950, and March 30, 1951, and the United Nations Commission for India and Pakistan resolutions of August 13, 1948 and January 5, 1949, that the final disposition of the State of Jammu and Kashmir will be made in accordance with the will of the people, expressed through the democratic method of a free and impartial plebiscite conducted under the auspices of United Nations. My Government stands firmly by the principles enunciated in that resolution today.

"We consider it unrealistic to consider the status of Kashmir purely in terms of the legal effect of the Maharaja's Instrument of Accession.

"It is impossible to leave out of consideration 15 years of discussion in this Council and the decisions taken by it. In short, my Government does not accept the contention that no dispute now exists, and that there remains, in Kashmir, nothing to be negotiated. Quite the contrary. A dispute does exist, which should be made subject to negotiation with due regard to previous Security Council resolutions and to the wishes of the people most directly concerned, namely, the people of Kashmir.

"I now turn to the action taken by my Government towards trying to find a solution of the Kashmir dispute in the period since the Security Council's last discussion of the matter in 1962. I need not explain to members of the Security Council why my Government has felt compelled to be active in the matter. The Council is well aware of our historical association with the problem and the ties of friendship and Commonwealth with both India and Pakistan, which make the continuing dispute between these two countries so distressing to my Government.

"It will be equally clear to members of this Council and, I trust, to the delegations of India and Pakistan, that a satisfactory, permanent political defence and economic arrangement for the Indian subcontinent can never be reached until there is an agreed Kashmir settlement. My Government is, therefore, bound to regard this as the ultimate objective, and constantly to seek ways and means of moving towards it.

"It was in this spirit, therefore, that my Government warmly welcomed the Joint Statement issued by Mr. Nehru and President Ayub Khan on November 29, 1962 which read as follows:

"'The President of Pakistan and the Prime Minister of India have agreed that a renewed effort should be made to resolve the outstanding differences between their two countries on Kashmir and other related matters, so as to enable India and Pakistan to live side by side in peace and friendship.

"'In consequence, they have decided to start discussions at an early date with the object of reaching an honourable and equitable agreement.

"'These will be conducted initially at the Ministerial level. At the appropriate stage direct talks will be held between Mr. Nehru and President Ayub.'

"We regarded this statement of intention as a major step forward and we followed the course of the Ministerial meetings which were subsequently held with keen anticipation. There were in all six rounds of Ministerial talks. Unfortunately, they came to an end on May 16, 1963, with an announcement that 'no agreement could be reached.'

"The subsequent course of events is familiar to all. Apart from the question of Kashmir, the delegations of Pakistan and of India have touched in their statements to this Council on other subjects of contention between their two Governments; notably communal rioting in East Pakistan and West Bengal, and the problem of population movements between these two areas.

"My delegation is not qualified to comment on the genesis of these communal outbreaks. Equally we have not got sufficient facts which would enable a judgment to be made on the merits of the case relating to population movements.

"To us the most immediate and practical way of handling these sources of tension between countries is by representatives of the Governments getting together around the conference table. We deplore anything that is allowed to stand in the way of negotiations, while men and women are exposed to injury and death.

"My delegation, therefore, welcomes the statement made by the distinguished delegate of India, in the context of these problems, that his Government is prepared to take any and every step in co-operation with Pakistan and that it would welcome a meeting of Ministers from both countries to discuss ways and means.

"My delegation welcomes the attempts being made by certain delegations to work for such a solution and we have no desire to complicate their efforts by laying down rigid lines of action which in our view should be followed.

"However, I should like to suggest that the Security Council should bear two factors in mind. The first is that the authority of this Council which we are all pledged to preserve, and the principles of the Charter require that the decisions taken by the Security Council in the course of the last 15 years should not be lost to view. The second is that the passage of resolutions which are ignored by one of the parties takes us no further forward and has not in the past led to the constructive solution which all members of the Council, so I presume, desire.

"The Security Council's attention should, therefore, be directed in the first instance to searching for common ground between India and Pakistan. The directions in which this common ground might be found appear to my delegation to be as follows:

"First, that both India and Pakistan should restore normal conditions and inter-communal harmony in their two countries and forthwith undertake talks on their communal and related problems with a view to preventing further outbreaks. If the two parties believe that the exercise of good offices in this connexion would be helpful, my delegation suggest that the Security Council should stand ready to discuss this aspect.

"Secondly, India and Pakistan should be prepared to resume negotiations on Kashmir and as necessary, other related matters. In this connexion I must emphasize that my Government's experience of the negotiations undertaken between India and Pakistan in the course of 1962 and 1963 has convinced them that some degree of outside help will be necessary if satisfactory results are to be achieved. It is for this reason that we have favoured mediation as both parties are aware from discussions we have had with them from time to time.

"We realize that neither Government accepted this contention last August, largely on the grounds that the time was not propitious, although our impression was they both agreed that mediation would be helpful at the right time.

"We now put forward for consideration the view that the extreme tension which characterizes Indo-Pakistan relations at the present time, as reflected in the bloodshed of the last few months, renders urgent the need for a bold approach.

"This, however, is a matter which we cannot press if it is not acceptable to both India and Pakistan. We shall content ourselves, therefore, with commending it to the urgent attention of both delegations. We suggest that they consider all possibilities in this regard, including that of engaging the assistance of the Secretary-General of United Nations. In conclusion, Mr. President, I would say that much clearly hangs on the efforts now being made by certain delegations behind the scenes."

US Stand:

The US delegate, Mr. Adlai Stevenson, told the Security Council on February 14 that India and Pakistan should accept mediation and suggested that the good offices of the UN Secretary-General, U Thant, should be used.

He expressed regret that India and Pakistan had been unable to reach a settlement through mechanism set up by the Council "or through bilateral talks."

He said the origin of the dispute was deeply buried in the history of the sub-continent but that both India and Pakistan had agreed to Council resolutions containing a compromise approach.

He said US support of the resolution was based on the principle of self-determination.

He declared that the Chinese aggression on India's frontier provided impetus for USA to urge a solution in 1963 through bilateral negotiations.

"The international community has a right to expect of these two great countries.... a diligent effort to resolve their dispute by peaceful negotiations, taking into account the free expression of the people concerned."

He said they should consider the possibility of the use of good offices to settle their dispute and that the offices of the Secretary-General could assist "in the third party negotiations."

He expressed the "earnest hope" that the two nations might be stimulated into making "a new and earnest" effort to achieve a solution. He declared that "a fresh start must be made" for the sake of humanity and peace.

Meeting Adjourned:

The Security Council adjourned on February 15 to meet again on February 17 to enable Mr. Bhutto to get instructions from his Government.

Though this was the purported reason for the adjournment, informed sources in New York said that the real objective for the adjournment was to enable Pakistan to exert pressure on the Council members to table a draft resolution or give a favourable consensus. Pakistan could later interpret this to mean that the Council wanted Indo-Pakistan negotiations on the basis of the Council's old resolutions.

India has made it clear that while she would be willing to accept as the Council's consensus any appeal for peace and improvement of the atmosphere and direct negotiations, she was not prepared to consider or accept any wording in a consensus which would imply in any way such negotiations and actions.

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Mr. M. C. Chagla opposed India being kept waiting to suit Pakistan's convenience and said that the Council should decide the current exercise if necessary by sitting a couple of days more.

The Soviet Union gave support to India by suggesting that any Council action on adjournment should take note of the convenience of both India and Pakistan.

Though the United States remained silent it was known from American sources that they were opposed to Mr. Bhutto's plea for a short adjournment. An American source said: "We do not want any arm-twisting of us, keeping the Chou En-lai visit in mind."

Mr. Bernardes, the Brazilian President of the Council said that any member of the Council could move that Pakistan's proposal could not be put to vote.

However, the representative of Morocco chose his own motion suggesting that while adjourning the President could make it clear that the item continued on the agenda and the President could convene a meeting after consulting members and the parties concerned.

Debate Postponed Indefinitely:

The Security Council adjourned its Kashmir debate indefinitely on February 17 after Mr. Bhutto had failed to get a short adjournment which would have enabled him to keep the debate alive while he was having talks in Pakistan with the Chinese Prime Minister, Mr. Chou En-lai.

Adjourning the Council on Morocco's motion, the President of the Council, Mr. Bernardes, said that the item continued to remain on the agenda as it had been for many years, and the Council could be reconvened if any member asked for a meeting.

Mr. M. C. Chagla's News Conference:

After the adjournment of the Security Council, Mr. M. C. Chagla told a news conference that Pakistan had failed to "get anything she came to obtain."

He added that Mr. Bhutto was returning to his country empty-handed—"perhaps to spread a red carpet" for Mr. Chou En-lai.

"I don't know whether he wants instructions from Mr. Chou as to how he should conduct the Kashmir affair."

He was critical of the stand taken in the debate by Britain and USA. To a newsman who suggested that India had been unhappy with the statement made by Sir Patrick Dean, he said that was the "understatement of the year."

Noting that he had conferred on the Kashmir problem in London with Sir Alec Douglas-Home on his way to New York, he said: "I expected when I came here that if the UK would not support us it would at least take a fair and impartial attitude between India and Pakistan.

"But I am sorry to say that in our opinion the UK took up a most partisan attitude."

He was surprised that Sir Patrick had stated that to discuss legality of the issues was unrealistic. "I thought Britain believed in the rule of law. After all, we were relying on an Act of Parliament—of the British Parliament. Britain should have stood by a law that Parliament had passed."

What was worse was that Sir Patrick had tried to equate India and Pakistan, forgetting that "we had first come to the Council, that we had complained of Pakistan's aggression."

He told newsmen not to forget that even today large areas of Kashmir were "in the unlawful possession of Pakistan."

There was a third point about the British statement which had "really agitated" Indian public opinion. This was Sir Patrick's attempt to "equate India and Pakistan on the communal riots".

Britain had a High Commissioner in New Delhi. Yet she had not obtained the information on what really happened. Had India called for a holy war? Had India incited communal rioting as Pakistan had done? "Surely this is not impartiality. This is not a high judicial attitude. This is refusing to condemn where condemnation is called for."

He said that he had been "very much disappointed with the US attitude." The Americans had taken the same position as the British except that the American representative's speech was "pitched in a much lower key".

"There again the US representative refused to refer to Pakistan's aggression. It was all 'plebiscite' and none of our arguments were considered.

"I take it that USA did not want a resolution, so I understand, though its representative did talk of the realities of the situation as possibly altering (earlier) resolutions. That is the whole point. It is no good harping back to 1948. We are in 1964, let us face the realities."

Of the Soviet statement, he said that this had emphasized Russia's position that "the people of Kashmir had already decided their future". This was consistent with the Soviet attitude.

Asked about France's intervention in the Council debate, he said: "The French attitude, was much more favourable (than the Anglo-American). It did not emphasize resolutions, plebiscite or self-determination.

"It said France appreciated the point that there had been the passage of time that had brought about changes. What it emphasized was that a settlement could only come about through negotiations between the parties."

The ultimate solution to the problem lay in meeting and settling the question. "But for heaven's sake don't make it difficult for us to meet. That is what I say about the UK and USA. They are making it difficult for us to meet by harking back to the past."

He believed that USA was "conscious of the danger of Chinese aggression" and of the fact "that India must be strong and India alone can resist Chinese aggression." He asked: "Why try and weaken us by supporting Pakistan?"

Asked if he considered that India had "won this round on points", he said: "One should not be jubilant. I would put it negatively. In this round Pakistan has failed to get anything that she came to obtain. One should be modest in victory."

He said that in the discussions about a possible consensus of the Council members, the Indian side had made concessions wherever possible, subject to its fundamental stand. If there was no agreement on a consensus it was not the fault of India.

Summing up the situation, he said: "Pakistan came here with a specific complaint to obtain certain reliefs from this high tribunal, the Security Council. She has obtained no relief. What is more she has not pressed for relief. She is going home with empty hands."

He re-affirmed India's readiness to negotiate. "We are prepared to go more than half-way to meet Pakistan."

Asked when the Council might meet on the subject again, he said he hoped that it would never meet again. Pakistan had come with a complaint that there was "open rebellion" in Kashmir and that India was integrating the State. She had failed to pursue these arguments and they had lapsed. Now there must be a new case "and our only hope is that she will not try to bring about a situation which, in her opinion, would call for a meeting of the Council."

Mr. Z. A. Bhutto's News Conference:

Addressing a news conference in London on February 18, Mr. Z. A. Bhutto said Pakistan would raise the Kashmir issue again in the Security Council in March.

Pakistan, he said, could not accept any formula from the Security Council which did not state that the future negotiations between Pakistan and India over Kashmir should make reference to the wishes of the people of Kashmir. "Until we really grapple with the central issue it is no use taking back a piece of paper in our pockets."

Pakistan wanted future negotiations with India over Kashmir to have "a tangible purpose."

A special negotiating group composed of Brazil, the Ivory Coast, Morocco, and Norway was discussing the norm of a Security Council formula and might make further proposals. This formula could be a consensus of the Council, a resolution, or an appeal to the two countries.

He said he wanted to consult President Ayub Khan and his Government. Pakistan considered the possibility of a consensus from the Council "as an open question."

But he stressed that any such consensus should say that negotiations "should be conducted within the frame-work of a settlement having regard to the wishes of the people."

He said: "I shall see the latest situation in Azad Kashmir as well as in Kashmir. We have got disturbing reports about Indian-occupied Kashmir. The trouble there has not been controlled and cannot be controlled. The trouble is spreading. This (adjournment) will also give me an opportunity to see what the situation is. I can discuss matters further with my Government so that we can come here in another effort...."

Whatever the result of the present debate in the Council, "it has not been finished yet."

While Pakistan was willing for bilateral negotiations with India, these had not borne fruit in the past. If negotiations were to be held, they must give some direction and a settlement must take place in the context of self-determination. There should be provision for mediation or arbitration under the auspices of the UN Secretary-General. He suggested that the Council call for implementation of the UNCIP resolutions.

On Mr. Chagla's remark earlier that Mr. Bhutto was going back empty-handed, he said: "It is better to go back empty-handed than with illusory success."

Asked why Pakistan had found it difficult to get any one to sponsor a resolution, he said the resolution which would have met the situation would have been difficult for historical reasons.

He said that while Pakistan was not happy with the Soviet Union's position (during the debate), "I am not unhappy either."

He made great play on the fact that India had four divisions in Kashmir but had no answer when it was pointed out that seven out of Pakistan's nine divisions were stationed in West Pakistan near Kashmir and the Indian border. He turned round and asked: "Where do you expect us to take our army, to Cyprus?"

It was revealed in New York that Pakistan had attempted to persuade Dr. Frank Graham, UN representative for India and Pakistan to submit a report to the Council. Dr. Graham was reported to have been willing to accede to Pakistan's persuasion, but wiser counsels prevailed and the scheme was given up.

Dr. Graham is still in UN service as representative for India and Pakistan

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and costs the Organization about $40,000 a year.

Before the meeting Pakistan had also approached the Kuomintang Chinese representative on the Council seeking support. According to sources close to the KMT delegation, Pakistan was rebuffed with the statement that many things had altered since 1962.

Mr. Lal Bahadur Shastri's Statement In Indian Parliament:

Intervening in the debate in the Lok Sabha on the Vice-President's Address, the Indian Minister without Portfolio, Mr. Lal Bahadur Shastri, expressed the view that Pakistan and China might hatch up something against India during the visit of the Chinese Premier, Mr. Chou En-lai to Pakistan.

He added: "We need not take an alarmist view of this and we need not feel nervous. We have to be watchful and strong enough to meet any situation."

He made a categorical declaration that India would not accept any intervention from outside to settle the Kashmir dispute.

He made a strong attack on the partial attitude taken by the leader of the British delegation to the Security Council, and declared that the Council meeting had "considerably increased the bitterness" both in India and Pakistan."

He observed, amidst cheers, that while discussing the plebiscite, the Security Council should not forget that it had declared Pakistan as an aggressor and "Pakistan should be first asked to vacate the occupied territory. If there was no vacation of aggression then the question of plebiscite will never arise." If the matter was considered *in this context then he had no doubt the Security Council would be able to arrive* at a correct decision.

He said he did not want to deal with the British delegate's speech as the Security Council debate had adjourned. But considering the matter in a theoretical or philosophical way one could say that there were two main reasons on account of which the UK representative was unable to take a dispassionate view.

The first was that Britain and Pakistan were members of a military alliance, S-EATO. Thus Britain found herself in a position of not taking an independent view. The other reason was that the "present ruling party in the United Kingdom still continues to think in old terms and in old ways. It has always felt that Kashmir should go over to Pakistan. They have been thinking in that way—they may not say it—because they have the feeling that Kashmir State could be easily divided into two. The Muslim majority should go over to Pakistan and the Hindu majority may go over to India. They think that it is an easy division, just a division into two territories.

"But they do not visualise the full consequences of such a step. It is not merely a question of division of two territories. The implications are much more complex."

In spite of the fact that the British showed that they were non-communal and believed in a secular kind of State, he added: "They have never given thought to what has been happening or has happened in Pakistan, how the minorities have been dealt with in that country."

He regretted that the Security Council had not given priority to the question of promoting communal harmony and peace at a time when communal riots were taking place in Pakistan.

The Council discussions on Kashmir, he said, had considerably increased bitterness in India and Pakistan and instead of keeping the peace had led to further trouble. "Maybe Pakistan, which has really no case in Kashmir thought that if some trouble is created in India or in some parts of Pakistan it might lead to repercussions which might go against India."

The Security Council had ultimately taken the right decision to end the debate. The best thing for the Security Council would be not to consider the matter, "because in this matter it is only direct talks which can help in evolving something which will bring about some kind of settlement." But nothing could touch India's sovereignty over the State.

Further, the true facts must be considered by the Security Council. "While they discuss about plebiscite, etc., they are apt to forget that the Security Council itself has declared Pakistan an aggressor. They should first ask Pakistan to vacate the occupied territory."

"Unfortunately they (members of the Security Council) do not do it, perhaps they do not think about it at all, but on the other hand ask us to hold a plebiscite. Plebiscite and vacation in a sense go together. If there is going to be no vacation, the question of plebiscite would never arise.

"If the matter is considered in this context, I have no doubt the Security Council will be able to arrive at a correct decision. But as I said just now, it does not mean that we are not prepared to meet and discuss. But certainly we do not want any kind of intervention from outside.

"We want to make a sincere effort, if possible, if Pakistan agrees, to solve our dispute or problems concerning Kashmir. The success of it depends more or less on direct talks and discussion."

(*The Hindu*, Madras, *The Statesman*, Calcutta and *The Times*, London)

[Prev. ref. 5497:INI:C]

B. Mr. Chou En-lai's Visit: The Chinese Prime Minister, Mr. Chou En-lai, arrived in Karachi on February 18 on a State visit. Accompanying him were Marshal Chen Yi, Vice-Premier and Foreign Minister, and a party of officials.

He was received at the airport by the Finance Minister, Mr. Mohammed Shoaib.

Both at the brief formal reply to the address of welcome from Mr. Shoaib at the airport and later in the evening at the citizens' reception, the dominant theme of Mr. Chou's speeches was the need for an early Afro-Asian conference.

He told the citizens of Karachi: "It is in the interests of Asian-African peoples to bring into full play the Bandung spirit and to strengthen Asian-African solidarity."

"The Pakistan Government and people support the restoration of China's legitimate rights in United Nations and oppose the scheme of creating two Chinas. China's Government and people express their gratitude for this.

"What is of particular importance is the conclusion between our two countries of the historic Sino-Pakistani boundary Agreement as well as the Aviation and Trade Agreements.

"These Agreements not only mark a new development in the friendly relations between China and Pakistan, but also constitute an important contribution to the promotion of Asian-African solidarity and the defence of peace in Asia and the world."

State Banquet:

President Ayub Khan gave a banquet in honour of Mr. Chou En-lai in Rawalpindi on February 20.

In a speech on the occasion, he said: "I am happy to welcome our distinguished guests from the People's Republic of China to the Capital of Pakistan.

"The presence of His Excellency the Prime Minister and Marshal Chen Yi is a source of particular pleasure to us. The Prime Minister comes to us as an old friend, having visited Pakistan seven years ago. At that time, the seat of Government was at Karachi. It will now be our pleasure to show him the new Capital at Islamabad which is coming up a few miles from here.

"The years that have elapsed since your last visit to our country, Mr. Prime Minister, have been marked by much more than a change of Capital. There have been far-reaching changes in many spheres of our national life, brought about with a view to speeding up the pace of our social and economic development so as to provide a better and richer standard of life for our people.

"Recent developments indicate that we are moving in the direction indicated by our history and by the will of our people. The signing of the Pakistan-China Boundary Agreement last year was a notable milestone in this respect as it demonstrated the mutual desire of our two countries to eliminate potential causes of friction and pave the way for the further development of friendly relations.

"I am happy to note that trade between Pakistan and China is growing and that contacts between our peoples through the exchange of cultural and other delegations have also increased. When direct air services will begin between Pakistan and China on the basis of the recently concluded Air Agreement, our countries will come still closer to each other.

"Mr. Prime Minister, the Governments of our two countries are primarily preoccupied with the task of national reconstruction. In order to achieve our objective in this fundamental task we have a vital stake in international peace. Our two countries helped to evolve the 10 principles of peace at Bandung, which have come to be accepted by a growing number of countries of Asia and Africa as a basis of relations between them.

"We share the view that understanding and co-operation between the newly emerged countries of Asia and Africa not only serve their interest but also contribute to the cause of world peace. The age of colonialism is dead. Before long, the last vestiges of this obnoxious system as also of its new manifestations, will vanish from the face of the earth."

Mr. Chou En-lai said in reply: "I visited your country seven years ago, and now having the opportunity of re-visiting our friendly neighbour, I would like to convey to the Government and people of Pakistan the cordial greetings and best wishes of the Government and people of China.

"We are glad to see that Pakistan has scored major achievements on the road of independent development. The Pakistan people have waged unremitting struggles to safeguard their independence and sovereignty. The international status of Pakistan is rising with each passing day.

"In recent years, Pakistan has made valuable efforts and contributions towards the strengthening of its contacts and friendship with Asian-African countries and the promotion of Asian-African solidarity and has thus won the praise of the Asian-African peoples.

"Together with Indonesia and other Asian-African countries, Pakistan has actively called for the holding of a second Asian-African conference so as to strengthen Asian-African solidarity and promote the common cause of Asian-African countries. This is in conformity with the common interests and desire of the Asian-African peoples. The Chinese Government and people firmly support

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this stand and are ready to make our contribution to its early realization.

"The present situation is most favourable to the struggle of the Asian-African peoples and all peace-loving peoples against the imperialist policies of aggression and war and for the defence of world peace.

"We believe that so long as the Asian-African peoples and all peace-loving people strengthen their unity and persevere in struggle, their ideals and aspirations will certainly come true.

"Together with the Pakistan Government and people, the Chinese Government and people, following their consistent stand, will unswervingly work for the strengthening of Sino-Pakistan friendship, the promotion of Asian-African solidarity and the defence of world peace."

Offer Of Mediation Between USA And China—President Ayub Khan's News Conference:

Addressing a news conference in Rawalpindi on February 21, President Ayub Khan said Pakistan was willing to use her good offices to bring about a settlement between China and USA.

Such a settlement, he added, would ensure peace in Asia and also Pakistan's own security.

He said he was absolutely certain of China's willingness to come to the conference table with India for negotiating a border settlement. "We on our part would like to see that peace prevails between China, USA and India".

He said that Mr. Chou En-lai, during the course of talks, had given a clear impression that his country was prepared to be reasonable with all those who were prepared to be reasonable with them. China, he said, had no intention of having a clash with India. China had invited India again and again for talks round a conference table without response. If somebody insisted that his demands must be conceded first what was the need of a conference? He said mutual consultation was the only way to settle disputes and remove misunderstandings.

He sounded a note of caution against the unrestricted flow of arms to India by the Western Powers. "It may suit global interests of America but it is not good at the cost of a friend's security".

India, he said, had already increased her defence Budget from the standing Budget from $500 million to $1,800 million. "Her standing army is more than enough. Further Western aid is bound to create problems".

He said it would be wishful thinking if somebody thought India could intimidate China by her armed strength. "If India cannot use arms against China (which she won't) where shall she use them? Obviously this armed build-up would be ultimately used against smaller neighbours."

Explaining the inherent dangers to peace in the region on account of arms aid to India, he said: "The United States is doing certain things in India which are not good for our security".

The main object of S-EATO and CENTO, he told a correspondent, was to ensure peace in the region. "These are defensive alliances essentially to avoid wars in the regions. If there is peace in the regions the objective of S-EATO and CENTO is achieved."

He said whatever America was doing in India was not even in her own interest either. He also mentioned briefly certain obvious difficulties in bringing China and America closer. The Chinese leaders had, during the course of talks, explained their difficulties and he had briefly expressed American views.

He said the Chinese leaders' view was that at least America should agree to mutual respect of each other's sovereignty, integrity and the principle of non-interference. Secondly, China wanted that America should at least accept, in principle, Taiwan as part of the mainland and should be prepared to vacate the island if agreement was reached.

On the other hand, America, he said, had her own difficulties. America was committed to Taiwan's security and had been carrying out these commitments.

Asked about "solid results" of Mr. Chou's visit he said friendship between the two countries was itself an achievement which needed efforts to sustain it.

A correspondent, who wanted to know if there were any possibilities of a non-aggression pact with China, was told that the objective of establishing friendly relations with neighbours was to secure peace. He saw little utility of non-aggression pacts if good relations prevailed among neighbours.

The two Indian correspondents based in Rawalpindi and covering Mr. Chou En-lai's tour were not invited to the news conference.

In Lahore:

Mr. Chou En-lai arrived in Lahore on February 23.

Before he boarded the plane for Lahore, he told a correspondent: "I am very, very satisfied with my talks with President Ayub."

Replying to a civic address in Lahore on February 23, he said China was convinced that an independent, strong and prosperous Pakistan would make more contributions to the cause of promoting Afro-Asian solidarity and defending world peace.

The Communique:

The following *communique* was issued in Lahore on February 23 at the end of the talks between Mr. Chou En-lai and President Ayub Khan:

"At the invitation of Field-Marshal Mohammad Ayub Khan, President of Pakistan, HE Mr Chou En-lai, Premier of the State Council of the People's Republic of China, paid an official visit to Pakistan. He was accompanied by Marshal Chen Yi, Vice-Premier and Minister of Foreign Affairs and Madame Chen Yi and high officials of the Chinese Government. In the course of this visit, Premier Chou En-lai and his party were accorded a warm reception everywhere.

"The Prime Minister had a friendly exchange of views with the President of Pakistan. Their discussions covered the general international situation and the need for safeguarding world peace and, in that context, the importance of achieving general disarmament, including the total prohibition and destruction of nuclear weapons. They also reviewed recent developments in this region and arrived at a fuller understanding of matters of common interest to the two countries.

"The President and the Prime Minister expressed satisfaction at the fact that the relations between the two countries had developed further since the Prime Minister's last visit to Pakistan in 1956, particularly since the signing of the Pakistan-China Boundary Agreement in March, 1963. They agreed that friendly co-operation between them should continue within the frame-work of the ten principles of peace enunciated at Bandung.

"The President and the Prime Minister were gratified to note that the movement for national independence had made rapid progress in Asia and Africa and that in recent years many countries had achieved freedom and were now well on the road to independent development. They expressed their firm opposition to colonialism, wherever and in whatever form it exists, and hoped that it would soon be eradicated.

"The President and the Prime Minister recalled that the first Asian-African Conference held in Bandung in 1955 had opened new avenues of co-operation among the peoples of Asia and Africa and helped to strengthen the force of national independence in their struggle against colonialism. Since the historic conference, more then 30 new nations had emerged in Asia and Africa and it was, therefore, time that a second conference of Asian and African countries should be convened. Such a conference could make a valuable contribution to the prevention of aggression, the striving for world peace and the development of friendly co-operation among the Asian-African countries.

"The President and the Prime Minister noted with satisfaction the fact that many newly liberated countries of Asia and Africa had been admitted to the United Nations. They believed, however, that United Nations could not be considered to be fully representative of mankind until the rightful place of the People's Republic of China in the Organization was restored. They agreed that, in any event, as the membership of United Nations had more than doubled since its foundation, it was necessary to give more adequate representation to the countries of Asia and Africa in the organs of United Nations and in the specialized agencies.

"The President and the Prime Minister agreed that the border dispute between India and China should and can be resolved peacefully through negotiations.

"They expressed the hope that the Kashmir dispute would be resolved in accordance with the wishes of the people of Kashmir, as pledged to them by India and Pakistan. It would be of no avail to deny the existence of these disputes and to adopt a big-nation chauvinistic attitude of imposing one's will on others. Massive military preparations have never been the answer to international differences. They only create new tensions and bring added burdens to the people. An early settlement of these disputes, they considered, was necessary in the interest of world peace and the well-being of the peoples of Asia.

"On behalf of Chairman Liu Shao-chi and in his own name, Premier Chou En-lai extended an invitation to President Mohammad Ayub Khan to visit the People's Republic of China at a time convenient to him. The President accepted this invitation with pleasure."

The **communique** was signed for China by Marshal Chen Yi, and for Pakistan by the Foreign Minister, Mr. Z. A. Bhutto.

Mr. Chou En-lai's Address To West Pakistan Assembly:

Mr. Chou En-lai addressed the West Pakistan Legislative Assembly on February 24.

Praising Pakistanis, he said that in recent years they had carried out an unremitting struggle to secure victory for national independence and sovereignty. He spoke highly of the successes achieved by Pakistan in its economic and cultural undertakings. He spoke of the profound traditional friendship between China and Pakistan.

He supported the move for the convocation of a second Bandung conference. He said it was entirely possible to settle disputes left over by history among Asian-African countries fairly and reasonably in accordance with the Five Principles of peaceful co-existence and the spirit of the Bandung Conference through friendly consultations. In the settlement of disputes it was impermissible to act truculently and impose one's

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will on others, still less to bully others by relying on outside forces.

He said the new emerging Asian and African countries who had stood up were playing an increasingly important role in international affairs. The imperialists' chauvinistic attitude ignoring the independent will of the Asian and African countries was doomed to failure.

In Dacca:

Mr. Chou En-lai arrived in Dacca on February 24.

Addressing a news conference in Dacca on February 25, he said that his country's position on the Kashmir question was a "fair position".

The Sino-Indian border issue, he said, was a different issue and should not be treated at par with Kashmir. "The border dispute between China and India can be settled only through peaceful negotiations and by no other method."

He paid tribute to the leadership of President Ayub Khan. He said ever since President Ayub Khan started guiding the destinies of Pakistan, relations between China and Pakistan were growing friendlier. Relations of Pakistan and China were so cordial that the Chinese Premier did not feel the necessity of signing a treaty of co-existence between the two countries. Pakistan and China, he asserted, were already pursuing the Five Principles of co-existence.

He declined to offer his explanatory comments on the contents of Pakistan-China joint communique issued at Lahore on the conclusion of his talks with President Ayub. He said he would not offer any further explanation to the joint communique before returning to Peking.

Making a plea for disarmament, he said China's anxiety for disarmament was borne out by the fact that his country's defence budget had been decreasing every year.

He told a correspondent that he had faith in Pakistan's stand in respect of S-EATO and CENTO pacts. The Pakistan Government, he said, had assured him that these were defensive treaties. "We believe what the Pakistan Government says."

However, he was of the view that S-EATO and CENTO pacts were designed by the United States primarily for purposes of aggression and this was quite evident by the acts of sabotage in South-East Asia by Americans, particularly in South Viet-Nam.

He ridiculed the suggestion of a plebiscite in Formosa and asserted that Formosa belonged to China and one day it would become part of the mainland like any other Province of that country.

Repeating President Ayub's statement that the "Chinese people are reasonable with all those who are reasonable with them," he said despite past failures China was still willing to continue talks with America for settlement of the issues. "As events develop with the passage of time a day must come when the United States would withdraw from Taiwan." But, at the same time, he warned Washington that "if America takes this peaceful approach as China's weakness we must tell them that the Chinese people are determined to resist the American designs to the very end."

An American correspondent of Japanese descent had asked if China would agree to the principle of self-determination for settling the Taiwan question as in the case of Kashmir. Mr. Chou En-lai pointed out that Taiwan was essentially a Province of China and the citizens of the Island possessed the same nationality and spoke a dialect similar to that of the mainland.

He refuted the theory of 'two Chinas' and said: "We would like to tell the Americans that their plot would never succeed." He said the entire population of China was opposed to the 'two China' theory. Even Chiang Kai-shek did not support it.

He said the overwhelming majority of the world nations were against the 'two-China' theory including those who had not yet recognized the People's Republic of China.

Answering a question, he said in order to ensure peace in Indo-China the 1954 Geneva Agreement must be fully implemented. The United States military personnel must be withdrawn from South Viet-Nam and Americans should stop their intervention there.

Referring to present strained US-China relations with possibilities of improvement, he said his country had been trying to negotiate with America for the last 8½ years, but Americans were not willing to concede the basic principles. He renunciated two primary conditions for settlement with Washington which he said were: (1) America must accept the principle of co-existence, mutual respect and non-interference, and (2) America must agree to vacate Taiwan in principle. China, he said, had been trying repeatedly to reach an accord with America on these two points since 1955, but without success.

He told another correspondent that his country would not oppose participation of Latin American countries in the second Afro-Asian conference on Bandung style. "Rather we would support it." But he pointed out this question had to be determined finally by a preparatory conference since it was a new issue.

A British correspondent asked if during his coming visit to Ceylon he would discuss the issue of the Sino-Indian border dispute in the light of the six Colombo countries' proposals and whether his views on the Kashmir dispute as embodied in the joint communique would have any repercussions. Mr. Chou En-lai said: "Our position on the Kashmir question is a fair position," and added: "Sino-Indian border issue is another question. It should not be treated at par with the Kashmir issue."

He said that all Afro-Asian countries realised that the Sino-Indian border situation had relaxed and they appreciated China's stand of negotiations with India at the conference table.

He said countries with different social statuses may co-exist on the Five Principles of co-existence. But, he pointed out, if one country occupied the territory of another, it would certainly cause bitterness and the oppressed country would resist it. "There cannot be co-existence between a colonial Power and the oppressed people."

He told a Pakistani correspondent that he was opposed to the idea of Asianism because "we do not exclude friendship with others including Africa, Europe and America, but at the same time we are opposed to policies of imperialism."

Mr. Chou En-lai and his party left Dacca for Colombo on February 26.

US Comment:

A Washington message on February 29 said a hardening of US policy towards China was seen in the wake of the Administration's rejection of Pakistan's offer to mediate between Washington and Peking.

Mr. Dean Rusk, the US Secretary of State, threw cold water on the bid made by President Ayub Khan following the visit of Mr. Chou En-lai to Pakistan.

He also rebuffed Mr. Chou En-lai's own suggestion that "friends" should make an effort to bring USA and China together.

"The most eloquent statement or indication from Peking that it is interested in improving relations with anybody would be to begin compliance with the Geneva accords affecting South-East Asia," Mr. Rusk told a news conference on February 25.

The US State Department on December 11, 1963 had described as "unfortunate" the invitation extended to the Chinese Prime Minister, Mr. Chou En-lai, and the Chinese Foreign Minister, Marshal Chen Yi, to visit Pakistan.

The Department's spokesman had said in reply to questions at a news conference that while the rest of the world had sought to advance the cause of peace, China had continued "to advocate violence in international relations".

(*Dawn*, Karachi and *The Hindu*, Madras)

[Prev. ref. 5183:CHI:A]

C. Pakistan-China Boundary Commission—Documents Signed: The Pakistan-China Boundary Demarcation Commission on February 18 completed the major part of its work, and the chief delegates of the two countries signed agreed documents.

The documents, finalised by the Commission, included a review of the progress made so far and a common working scheme for the joint survey and mapping of the borders to be done during 1964.

Under the programme, the joint survey teams have to go to the borders to erect permanent boundary markers and to carry out other work necessary for the demarcation.

Work on the outstanding items is likely to be completed shortly. Experts of the two sides are awaiting instructions from their respective Governments before finally settling the points which were reported to have emerged as a result of a comparison between the topographical maps and the recent air photographs of the borders.

Pakistan's Ambassador to China, Maj-Gen. N. A. M. Raza, led his country's delegation at the talks.

The Chinese Ambassador to Pakistan, Mr. Ting Kuo-yu was the chief delegate from his country.

The Commission began its session—third in the series—on January 22. After a few meetings it adjourned, entrusting its experts with the job to thrash out some technical points. The experts submitted their report to the Commission the previous week on the basis of which the major part of the programme was finalised on February 18.

(*Dawn*, Karachi)

[Prev. ref. 5446:PAK:G]

D. British Loan: Under an Agreement signed in Karachi on February 25, the British Government has made a loan of $6,280,000 to Pakistan to finance the purchase in Britain of one new ship, jute machinery, equipment for railways, steel billets, tea-making machinery and equipment for tea gardens.

These are required to implement Pakistan's current Five-Year Plan (1960-65).

The Agreement was signed by Mr. Osman Ali, Secretary, Economic Affairs Division, on behalf of the Government of Pakistan, and by Sir Morrice James, the British High Commissioner, on behalf of Britain.

Britain undertook to make this new loan available at the May, 1963 meeting of the Consortium of friendly countries formed by the International Bank to co-ordinate aid to Pakistan. It brought the total of British Government loans to Pakistan to £53.28 million of which the

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contribution to the current Plan totals £33.28 million.

The loan has been made under Section 3 of the Export Guarantees Act, 1949. The repayment period will be 25 years including a grace period of seven years before repayment of principal commences and a waiver of interest for the first seven years of the loan.

The loan of £6.28 million is part of a total of £8 million committed at the meeting of the Consortium of donor countries held in Washington under the auspices of the World Bank on May 2 and 3, 1963. The loan agreement for the other £2 million of the pledge was signed on June 18, 1963.

The total of British Government loans to Pakistan is now £53.28 million. This total is made up of eight loans under Section 3 of the Export Guarantees Act 1949—£10 million made on March 2, 1954; £10 million made on February 27, 1959; £5 million made on December 28, 1960; £3 million made on March 16, 1961; £7 million made on January 8, 1962; £10 million made on November 5, 1962; £2 million made on June 18, 1963; and £6.28 million made on February 25, 1964.

(*Dawn*, Karachi)

[Prev. ref. 5569:PAK:H]

E. **Growing China-Pakistan Ties —US Concern:** The US Under-Secretary of State, Mr. George Ball, said in New York on March 1 that USA was watching Pakistan's growing relations with Communist China "with great concern".

Mr. Ball, who was appearing in a television programme, was subjected to questions by a panel of newsmen on American reactions and attitude to Sino-Pakistani relations.

The panelists cited Pakistan's statements that her main enemy was India and that her purpose in joining the Western alliances was to strengthen herself against India.

All Mr. Ball could say to this was: "But Pakistan also says her enemy is the Soviet Union and that she is a member of alliances which are directed against Communist aggression".

One of the panel suggested that the situation had changed since the time when USA began giving military aid to Pakistan.

Mr. Ball said USA had been watching Sino-Pakistan developments and Mr. Chou En-lai's visit with some concern. He himself had discussed the subject with President Ayub Khan a few months ago.

"We very much hope that he (Ayub) will not carry relations with Red China to the point where it will impair the relations we have with them (Pakistan) and the alliances.

"Up to the present point, what they have discussed are cultural matters, a mutual air service between the two countries and periphery matters. What it reflects in terms of their attitudes is something about which we are very much concerned".

(*The New York Times*)

[Prev. ref. 5622:AOA:B]

F. **Air Agreement With China —Protocol Signed:** The *New China News Agency* reported that Pakistan and China had signed on March 8 a Protocol and related documents on technical and operational arrangements for the air service scheduled to be established between the two countries.

The documents were signed in Peking by the Operations Director of the Pakistan International Airways and the Director of the General Aviation of Communist China.

(*The Hindu*, Madras)

[Prev. ref. 5568:PAK:B]

G. **Loan Of US Submarine:** A news agency quoting well-informed sources in Washington said on March 1 that USA proposed to lend Pakistan a submarine.

Dawn of Karachi also reported that Pakistan would get a submarine from USA.

It would be a small shore submarine, not of recent design, and would be conventionally fuelled. It would be delivered in June. A Pakistan crew was already training on board the vessel.

The loan of the submarine was approved by the US Congress at the end of 1963 as part of the 1963-64 military aid programme.

The US Defence Secretary, Mr. Robert McNamara, expressed doubt at a news conference in Washington on March 6 that there was any US plan to provide Pakistan with a submarine.

He was asked whether Pakistan was to be provided with a submarine under US military aid plans and if the 7th Fleet was to be deployed in the Indian Ocean.

He said in reply that he did not recall in sufficient detail the military assistance programme to Pakistan for the current and coming fiscal years to remember whether a submarine was included. "I do not believe there is any such vessel included."

Statement By US Embassy In Karachi:

However, the US Embassy in Karachi said on March 7 that an American submarine "is still scheduled for delivery to Pakistan this Summer."

The Embassy in a statement quoted Mr. Robert McNamara as saying at his news conference that he did not believe any such vessel was included in the 1964 or 1965 programme of military assistance for Pakistan.

It added: "The Embassy has been authorized to state that while Secretary McNamara was technically correct in saying that the submarine was not included in the military assistance programme for 1964 or 1965, it was in fact programmed for the military assistance programme of 1963 and is still scheduled for delivery to Pakistan this Summer."

(*The Statesman*, Calcutta and *The Hindustan Times*, New Delhi)

[Prev. ref. 5617:PAK:D]

H. **No Direct Elections—Opposition Demand Rejected:** The Law Minister, Mr. Khursheed Ahmed, said in Rawalpindi on March 1 that the next elections to the Legislatures and the office of the President would be by the 80,000 Basic Democrats and not on the basis of adult franchise as recommended by the Franchise Commission and demanded by the Opposition Parties.

He was talking to correspondents after the meetings of the National Assembly's Special Committee which considered the Commission's report.

He said the Committee would meet on March 13 to sign its report.

Though the Opposition had decided at the end of the last series of meetings about a month earlier to boycott the Committee, four of the seven members attended the two-day meeting which ended on March 1.

All the four Opposition members who attended the meetings were from East Pakistan. One of them, Mr. Farid Ahmed, said they decided to attend the meeting to prevent the Government from having its own way.

(*The Statesman*, Calcutta)

[Prev. ref. 5693:PAK:D]

I. **Rehabilitation Of Non-Muslims—Ordinance Promulgated In East Pakistan:** The Government of East Pakistan promulgated on February 17 an Ordinance to provide for rehabilitation of persons affected by the communal disturbances in January and for the protection of the immovable property of the minority community.

The Ordinance, to be known as East Pakistan Disturbed Persons (Rehabilitation) Ordinance, 1964, provides that immovable property of the disturbed person would be restored, through summary eviction by a Magistrate or other authorised officer.

It also provides that if on account of panic any member of the minority community has already transferred his land under coercion, threat, intimidation, undue influence, misrepresentation or fraud, a Magistrate or other authorised officer may refer the case to the District Judge for the cancellation of the Instrument of Transfer and order the restoration of possession to the original owner.

Under the Ordinance no deed of transfer of immovable property of a member of the minority communities will be deemed to be valid and legal unless it has been made with the permission of the Deputy Commissioner.

The Deputy Commissioner, when a person applies to him for transferring his immovable property, shall ascertain whether the proposed transfer has been brought about by coercion, intimidation, undue influence etc., or whether the transfer is in due course of business of the transferer.

(*Dawn*, Karachi)

[Prev. ref. 5670:PAK:A]

PHILIPPINES

A. **President D. Macapagal's Message To Congress:** The Government's domestic and foreign policies were reviewed by President Diosdado Macapagal in his "State of the Nation" message to Congress on January 27.

He said that the nation's conduct in international relations during the past two years had been characterized by a "far more active participation in international affairs, particularly in the affairs of South-East Asia."

"We have willingly accepted the challenge to carry the democratic message in our part of the world, have played a prominent role in Maphilindo, the association of the people of Malay origin (formed last August with Malaya and Indonesia); we have made progress on our claim to Sabah (North Borneo); we have assisted in mediating in disputes between nations."

He said relationships of "lasting importance" had been formed between his country and the United States, "as well as a number of Asian countries including Japan, Indonesia, Thailand and Formosa, the Federal Republic of Germany, Spain,

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Mexico, and the new nations of Africa, particularly Malagasy."

"Without diminishing our historic relations with the United States and other Western countries, and without weakening our commitment to the cause of democracy and human rights, we have sought to expand our role in Asian affairs and thereby promote the stability and security of our region and enhance mutual understanding between the peoples of Asia and the peoples of the West."

On domestic issues, he said: "Our people suffer from the continuing increase of prices and the short supply of rice.

"These price increases are the result no longer of economic decontrol but of subsequent domestic and external pressures.

"The rice insufficiency in the country is aggravated by a world shortage of this commodity."

He asked Congress to "lay aside our political differences and work for the common goal: the good of our people".

He urged among other things the implementation of his programme of economic and social progress, continuing active participation in foreign affairs, increase in tax revenues, solving the problem of rising prices, ensuring an adequate rice supply, attracting and giving assurances to private investments, both domestic and foreign, implementation of a nationwide housing programme, development of tourism, and adoption of electoral reforms to frustrate frauds and exorbitant spending by candidates.

(*The Manila Times* and *The Times of India*, Bombay)

[Prev. ref. 5132:PHI:A]

SAUDI ARABIA

A. Return Of Exiled Princes: A Beirut message on January 21 said that the four self-exiled Saudi Princes, including three brothers of King Saud, had said in a Press statement that they had been wrong in criticizing Saudi Arabian policy while abroad and were returning home.

The Princes—Abdel Mohsen, Badr and Fawaz, brothers of the King, and Prince Saad Ben Fahd—had been in the United Arab Republic and Lebanon since they renounced their titles more than two years ago.

They said in their statement that they were returning home out of conviction and faith, and with admiration for the reforms achieved by the Saudi Prime Minister under King Saud's direction.

The Princes left Beirut for Saudi Arabia on January 22.

(*The Egyptian Gazette*, Cairo)

[Prev. ref 4798:SUA:A]

B. Aramco To Build "Sea Island": A Beirut message on February 5 said that the Arabian American Oil Company (Aramco) would build a $10,000,000 deep water "sea island" off Saudi Arabia that would raise shipping capacity of crude oil by 500,000 barrels daily.

An Aramco Press release said that the new berths would speed loading of supertankers, including the world's largest tanker.

The "sea island" will consist of an operating platform constructed on piles to which two tankers may be berthed simultaneously. Three submarine lines will supply the "sea island."

The new installations will be built offshore about one mile north-east of existing north pier at Ras Tanuras Marine Terminal in a water depth of 85 feet. Construction will start this year, and the project is scheduled for completion by October, 1965.

(*The Egyptian Gazette*, Cairo)

[Prev. ref. 5284:SUA:A]

C. Agricultural Development: It was reported on February 21 that Aramco and the Saudi Ministry of Agriculture would jointly develop as farming land some 12,000 acres of uninhabited desert in the Wadi Sabha area, midway between Hofuf and Riyadh.

The project is to be carried out in two five-year stages and the cost of the first stage is estimated at $13 million of which Aramco will provide some $400,000. This stage will include the establishment of a 100-acre research, demonstration and training centre. The area will eventually grow temperate-zone crops and some forage for livestock and a soil scientist is shortly to begin a series of tests.

The land will be allocated to farmers in lots not exceeding 10 acres, each being required to farm satisfactorily for at least five years before being given title to the land.

(*Middle East Economic Digest*, London)

SYRIA

A. Second Five-Year Plan—Prof. J. Tinbergen's Report: A Damascus message on February 21 said the Bureau des Documentations Syriennes had published a report on Professor J. Tinbergen's discussions with the Syrian Planning Ministry on the preparation of the Second Five-Year Plan (1966-70).

While Prof. Tinbergen favours a target for the rate of growth of national income which will require special effort both by the country itself and in terms of foreign aid, he considers as "too ambitious" the original aim of a compound rate of growth of 7.2 per cent per annum, aimed at doubling the national income in the period 1961-70. He points out that the inclusion of two big projects, the Euphrates dam and the Latakia-Aleppo-Kamishli railway in the Plan would absorb about one-third of the total investment volume without yielding any permanent increase in the national income during the Plan period. It will have to be further investigated whether, even with special efforts such as increased taxation and additional foreign aid, a growth target of 6 to 7 per cent will be feasible.

He considers that the Planning Ministry should give special attention to a more equal distribution of income and to the more rapid development of the poorer regions of the country. In his opinion, a wide range of medium-sized industries should be left in private hands for the time being to give them an opportunity to develop, but that public services should be State controlled from the start. Long-term investment projects form the core of the Plan and should be chosen so as to utilize local industries to complement such products and services which have to be sought abroad. During the Plan period the Government should make efforts to counteract fluctuations in demand, and so keep up production capacity by increasing its investments and by special incentives, such as tax reductions.

Finally, he urges that facilities for the compilation of statistical data should be improved in order to provide a basis for successful planning work and suggests the employment of two Dutch experts from the Central Bureau of Statistics. The establishment of a Planning Institute for the training of specialists not only from Syria, but from neighbouring countries such as Iraq is advocated, the Institute of National Planning in Cairo which is financed by the Ford Foundation being cited as a pattern.

(*Middle East Economic Digest*, London)

[Prev. ref. 5286:SYR:C]

B. Arab League-Sponsored Commercial Accords: Syria signed on February 27 three Arab League-sponsored Agreements providing for the establishment by joint Arab capital of an international Pan-Arab airline, an oil tanker and a maritime company.

An official announcement in Damascus said the Economy Minister, Dr. George Tomeh, had signed the Agreements on Syria's behalf in the presence of an Arab League economic mission in Damascus.

Syria thus became the first Arab country to sign the oil tanker company agreement and the second after Jordan to sign the Pan-Arab airline and the maritime company accords.

The mission was touring Arab countries in a bid to bring into existence the three projected firms with a combined capital of £E98 million.

The two envoys, Arab League Assistant Secretary-General for Economic Affairs, Mr. Aref Zaher, and Jordan's Communications Minister, Mr. Abdelmajid Murtada, left Damascus for Beirut for talks with the Lebanese Government on the three projected firms.

Their talks are also aimed at bringing in more Arab League member-States into a pan-Arab economic union scheduled for proclamation on April 30 with Kuwait, the United Arab Republic, Iraq, Syria and Jordan already as founding members.

According to the official announcement, the oil tanker company will have a capital of £E35 million equally shared by all Arab League member-States. Oil-rich Kuwait will be headquarters of this firm which is designed to handle transportation and marketing of Middle East oil throughout the world.

The projected maritime company with a capital of £E53,300,000 is designed to create an all-Arab commercial navy of passenger and cargo ships with headquarters in the Arab State which contributes the biggest share to the Company's capital. Syria's share is 10 per cent.

The pan-Arab airline will have a capital of £E10,000,000, with Syria contributing five per cent of the capital. Its headquarters will be chosen by its Board of Directors.

All three firms have been approved by the Arab League Economic Council in 1961 and 1963. The current bid to bring them into being followed the January "summit" conference in Cairo of Arab Heads of State.

(*The Egyptian Gazette*, Cairo)

[Prev. ref. 5597:LEB:A]

C. Anti-Government Plot: The Government announced on February 18 that it had crushed an attempted insurrection in the northern oil harbour of Baniyas and had renewed the declaration of Martial Law throughout the country.

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The statement by Dr. Nuruddin Atassi, Minister of the Interior, said several "rioters and provokers" had been arrested in the town, some 150 miles north of Damascus.

He accused an unspecified number of "professional and conventional politicians and tribal leaders" of hatching a plot in the Mediterranean port, which is used by the Iraq Petroleum Company to ship Iraqi oil to Europe.

(*The Times*, London)

[Prev. ref. 5620:SYR:B]

THAILAND

A. Funds For Development Of Mekong Basin: A committee co-ordinating investigation of the lower Mekong Basin announced after its annual session, which ended in Bangkok on January 13, that it had gathered all necessary data and was now seeking funds to start work on four projects.

They are:

(1) A hydro-electric project at Prek Thnot in Cambodia costing $13 million;

(2) A barrage and an irrigation and drainage system near Battambang in Cambodia costing $21 million for the first phase;

(3) A hydro-electric power station and irrigation project on the Nam Ngum river in Laos costing $23 million; and

(4) Improvement of transportation in the Mekong river delta in South Viet-Nam costing about $18 million.

The committee also announced that two power stations would be completed in Laos in three years. One station is at Se Done and the other near Luang Prabang.

France has agreed to lend Laos $600,000 for the two projects and Laotian Government will raise an additional $975,000.

Cambodia has decided to go ahead, alone if necessary, with the construction of the Prek Thnot tributary dam and has allotted $500,000.

The committee directs planning and investigation work on the development of the lower Mekong Basin. It was set up in 1957 by Cambodia, Laos, Thailand and the Republic of Viet-Nam.

At the close of 1963 the resources of the committee stood at $42 million or an increase of $6 million over 1962. The funds were contributed by the four Mekong river countries, 20 other nations including USA, UK, Australia, New Zealand and Japan and many UN agencies and foundations.

(*The Nation*, Rangoon and *Bangkok World*)

[Prev. ref. 5286:THI:B]

TURKEY

A. Budget For 1964: The Budget for 1964 was passed by the Senate on February 10.

Revised figures bring the total to £T14,000 million as against £T12,566 million for the previous year and revenue was forecast at £T13,862 million, leaving a deficit of £T156 million.

Presenting the Budget Bill, the Minister of Finance, Mr. Ferit Melen, disclosed that foreign debts stood at $1,169 million at the end of 1963 and that debt servicing in that year cost $140 million, whilst effective Consortium Aid amounted to $187 million. Provisional figures show that 1963 imports totalled $688 million and exports $368 million, a deficit of $320 million.

(*Middle East Economic Digest*, London)

[Prev. ref. 5314:TUR:E]

YEMEN

A. Ministerial And Army Changes: Following a meeting of the Political Bureau in Sanaa on February 9, President Abdullah Sallal issued several Decrees bringing about Ministerial changes, the establishment of a national organization, formation of joint headquarters, establishment of a Legislative Council and a new Executive Council.

A Presidential Decree was issued for the formation of a popular organization to be called the Progressive Yemeni Union, under the chairmanship of President Sallal. Mr. Mohamed el Zobeiry was appointed its Secretary-General.

The formation of a joint command to be formed from the Sheikhs and the officers of the army organization committee was also decreed by the President. This command comprises Sheikhs Aly Nagy el Koussy, Mote Damaj, Osman Mohgeb, Mohamed Abdullah Mana, Noaman Ibn Ragib, Aly el Rouishan Hussein el Kordai, Ahmed Seif el Shorgaby, and Haza Aly el Badry.

Another Decree was issued for the formation of a Consultative Council, under Mr. Abdul Rahman el Airiany. Sheikh Sanan Abu Luhoum was appointed deputy chairman of this Council.

Mr. Mohamed El Ahnoumy was appointed Chief of Staff of the Army, Mr. Mohamed Abdul Wasi, Director of the Investigation Department, Mr. Kholany, Counsellor at the Presidency, Mr. Mohamed Sabra, Counsellor at the Political Bureau, and Mr. Aly Nasser el Onsy an information advisor.

The Presidential decrees named a number of Deputy Ministers, namely, Mr. Ahmed el Shaly for Local Administration, Mr. Ahmed el Rahmony for the Interior, Mr. Aly el Gafy for Agriculture, Mr. Salam el Zahy for Economy, Mr. Ahmed El Ansy for Defence, Mr. Abdullah el Shamahy for Wakfs, Mr. Kassem Ghaleb for Education and Mr. Ismail el Garify for the Ministry of Foreign Affairs.

(*The Egyptian Gazette*, Cairo)

[Prev. ref. 5662:YEM:A]

B. New Currency: *Sanaa Radio* announced on February 9 that paper currency of one, five and 10 rial denominations had been put into circulation for the first time by the Currency Board, which was established the previous week.

The new paper rial is equivalent in value to one gold rial, whose content is a third of the gold content of an English sovereign.

(*The Times*, London)

[Prev. ref. 5482:YEM:H]

VIET-NAM (DR)

A. American Activities In South Viet-Nam—Note To ITSC: In a message to the International Truce Supervisory Commission (ITSC), the Defence Minister and Commander-in-Chief, Gen. Vo Nguyen Giap, alleged on February 28 a series of new violations of the Geneva Agreement (that ended the war in Indo-China in 1954) by USA.

He declared that "any violation of the territory, air-space and territorial waters of North Viet-Nam by USA or South Viet-Nam would be properly dealt with." "They would have to bear full responsibility for all eventual consequences of their criminal acts."

[Recently there had been some speculation whether USA which is massively supporting South Viet-Nam's war against the Viet-Cong, would carry the war into North Viet-Nam.]

Gen. Giap, who had directed the war against the French leading to the debacle at Dien Bien Phu and the eventual French withdrawal, said in his message that within three weeks of the latest coup in South Viet-Nam, President Lyndon Johnson of USA had declared that his Government intended to step up war against the Viet-Cong. Particularly serious was Mr. Johnson's statement on February 21 at Los Angeles that North Viet-Nam was directing and supplying the guerrillas in South Viet-Nam and thus it was engaged in a sort of aggressive war against South Viet-Nam.

[Evidence of North Viet-Nam's involvement in the guerrilla war in the southern half of the country has been confirmed by the International Truce Supervisory Commission's report signed by India and Canada. It was submitted as early as June, 1962. It said in part: "Having examined the complaints and supporting material sent by the South Viet-Namese Mission, the committee (Legal Committee of the International Commission) has come to the conclusion that in the specific instances, there is evidence to show that armed and unarmed personnel, arms, munitions and other supplies have been sent from the zone in the north (that is, North Viet-Nam) to the zone in the south (South Viet-Nam) with the object of supporting, organizing and carrying out hostile activities, including armed attacks directed against the armed forces and administration of the zone in the south. "These acts are in violation of Articles 10, 19, 24 and 27 of the Agreement on cessation of hostilities in Viet-Nam."]

Chinese Support:

The *New China News Agency* reported on March 5 that the Chinese Foreign Minister, Marshal Chen Yi, had said that "peace-loving people" would not be "intimidated" by the campaign of some American circles for an extension of the Viet-Namese war to North Viet-Nam.

He said this in reply to a letter from the North Viet-Namese Foreign Minister, Mr. Xuan Thuy.

US Stand:

Replying to questions at a news conference in Washington on March 6, the American Secretary of State, Mr. Dean Rusk, said that if North Viet-Nam would leave Laos and South Viet-Nam alone, there could be peace in South-East Asia and the countries there need not be formally allied to any one.

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He made it clear that there was no objection to neutrality, but he insisted that the territorial integrity of South Viet-Nam would have to be restored and "any talk of neutralization which implied that USA should withdraw its support served only to undermine morale."

He was at pains to emphasize the American commitment to South Viet-Nam which he said was undiminished, but the essence of his remarks on the long-term possibility was that if the problem would go away, so would the American troops.

USA had no desire to establish military bases or a military presence in South-East Asia for her own purposes. The present American involvement in Viet-Nam was a direct response to the announcement in 1959 by North Viet-Nam that it was going to try to take over the South. Neither the communists nor USA needed Laos as an ally. The aim was to have those two million people left alone, but the Pathet Lao, supported by Hanoi and Peking, were not honouring solemn agreements.

Earlier on March 1, President Johnson acknowledged that USA faced "a very difficult situation" in Viet-Nam, but deprecated speculative talk about extending the war or neutralizing the area.

In his first "live" televised news conference, watched by people throughout the country, he said that talk that "we are losing the fight in that area or that things have gone to pot there," were not justified. The Viet-Namese situation and the affairs in South-East Asia dominated the conference.

He also announced that he had chosen Mr. William P. Bundy as Assistant Secretary of State for Far Eastern Affairs to succeed Mr. Roger Kilsman, who had resigned.

(*The New York Times* and *The Times of India*, Bombay)

[Prev. ref. 5650:RVN:A]

VIET-NAM (RVN)

A. Warning To French Residents: The Government on March 5 issued a warning, believed to be directed at French residents, that they should "realize that the hospitality granted to them by this country cannot be a one-way business."

In a statement on alleged plots against General Nguyen Khanh, the Prime Minister, the Government said that plots, espionage or action assisting the enemy, such as paying taxes to subversive agents, were regarded as extremely harmful to security. It would be compelled "to take appropriate measures".

On February 28 General Khanh alleged that French agents were plotting to kill him, overthrow his Government, and terrorize Americans in South Viet-Nam.

(*The Times*, London)

[Prev. ref. 5683:RVN:A]

ASIA OUTSIDE ASIA

A. Sir Alec Douglas-Home's Visit To USA—Joint Communique: The US President, Mr. Lyndon Johnson, and the British Prime Minister, Sir Alec Douglas-Home, said in a joint *communique* on February 13 that they considered the "pursuit of peace with security" their primary task and responsibility.

Sir Alec had arrived in Washington on February 12 for talks with President Johnson.

In the **communique** they expressed the hope that Russia would "examine with the greatest seriousness" proposals put forward at the Geneva Disarmament Conference and elsewhere by USA and Britain to bring about effective and controlled disarmament.

They said that each Government recognized that no progress could be made without a strong and united Western alliance prepared to defend its interests against threat and intimidation.

They called for the widest possible political and economic co-operation in Europe within a broad Atlantic partnership. This remained the common aim of US and British policy.

The **communique** did not make any specific mention of the Cuban trade issue over which USA and Britain are known to differ.

It said: "The President stressed his concern at the present situation in the Caribbean area and the subversive and disruptive influence of the present Cuban regime. The Prime Minister fully recognized the importance of the development of Latin America in conditions of freedom and political and economic stability. Both expressed their belief that a valuable contribution can be made by Europe to this end".

It said the two leaders gave special consideration to South-East Asian matters.

Sir Alec re-emphasized British support to the US policy in South Viet-Nam and the President re-affirmed the support of USA for the peaceful national independence of Malaysia.

(*The New York Times*)

[Prev. ref. 5577:AOA:E]

B. *First Joint Space Communications Programme:* The first space communications programme undertaken jointly by the United States, Britain and the Soviet Union began on February 22.

Signals were being bounced off the American balloon satellite **Echo II** between Britain's radio telescope at Jordell Bank and the Soviet Observatory at Gorki, 400 miles east of Moscow. Tass acclaimed the experiment as a success.

The joint programme is designed to make optical measurements and communication tests.

(*Tass*)

[Prev. ref. 5671:AOA:A]

C. British Defence Programme For 1964-65: The British Government announced on February 13 a record peace-time defence programme for 1964-65.

A White Paper on defence policy affirmed the resolve of the Tories to maintain the nation's independent nuclear strike power because: "If there were no Power in Europe capable of inflicting unacceptable damage on a potential enemy he might be tempted—if not now, then at some time in the future—to attack in the mistaken belief that USA would not act unless America herself were attacked."

But Britain now had all the nuclear warheads needed "for the foreseeable future", the document said. Accordingly, production of military plutonium was being ended.

Mr. George Brown, deputy leader of the Labour Party, attacked the Government's programme. In particular he criticized what he called its "ridiculous claim" that Britain's nuclear deterrent was independent.

For the fiscal year beginning on April 1, the nation's defence bill will jump $448 million to $5,595.8 million. The total will be shared about equally by the Navy, Army, Royal Air Force and weapons research and development. From April 1, all the armed forces will be under a single Defence Ministry.

The Government's determination to keep Britain in the nuclear weapons league was spelled out emphatically, almost challengingly, in the White Paper. It noted that 1964 would be the 19th year in which the destructive power of nuclear weapons has ensured peace.

Then, throwing the gauntlet at Socialist and Liberal Party critics who want Britain out of the nuclear arms business, the document added: "In the present state of the world no other realistic policy is apparent."

All this seemed to be in line with the Premier, Sir Alec's avowed intention to make Britain's nuclear role a major electoral issue.

(*The Times*, London)

[Prev. ref. 5395:AOA:L]

D. Discovery Of Rare Atomic Particle: A New York despatch on February 21 said a scientific breakthrough, that some experts believe could bring order to theories of atomic matter in the way that the table of elements did in chemistry, had been made by an international team of 33 scientists.

The breakthrough was the discovery of a rare atomic particle—the Omega Minus—during an experiment with a 33,000-million-volt atom smasher at the Brookhaven National Laboratory, New York.

The discovery was unexpected—but what excited scientists is that its properties fit in with a two-year-old theory for matter called the "eightfold way".

Existence of Omega Minus—one of 80 to 100 such particles discovered in the last 12 years—had been correctly predicted under the theory.

The 'eight-fold way' theory to explain this vast number of particles in the atomic heart was put forward by Dr. Murray Gell-Man, of the California Institute of Technology, and Dr. Yuval Ne'eman of Israel now at the Institute.

The Brookhaven team was led by Mr. Ralph Shutt. Others who contributed to the discovery included Prof. Abdus Salam and Dr. J. C. Ward, of London, and Prof. Y. Ohnuki of Japan.

Dr. Maurice Goldhaber, Director of Brookhaven, said on February 19 that the discovery of the particle "forms the capstone in a building which was so far held together only by the bold imagination of Dr. Gell-Man, and Dr. Ne'eman."

The Omega Minus, which is invisible and has a life of about 10,000 millionths of a second, was found by hurling negative k-mesons at hydrogen protons to produce a shower of particles. These leave a trail that can be photographed by high-speed cameras.

(*The New York Times*)

[Prev. ref. 5624:AOA:L]

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ASIAN RECORDER

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AFGHANISTAN

A. Trade Offices For East And West Pakistan: The Commerce Minister, Mr. Mohammed Sarwar Omar, said in Dacca on March 6 that two trade offices would be set up — one in East Pakistan and the other in West Pakistan—with a view to promoting trade facilities between the two countries.

Speaking at a function arranged by the East Pakistan Chamber of Commerce and Industry in honour of a visiting Afghan trade delegation, he said Afghanistan and Pakistan had strong social, economic and cultural ties from time immemorial.

He added that the people of his country had great respect for the people of Pakistan and they were also very happy at the tremendous progress which had been made there during a short period.

He stressed the need for direct links between Afghanistan and Pakistan in order to develop quicker trade and commerce between the two countries. He made reference to Pakistani commodities and said they were of high standard and superior quality.

(*Dawn*, Karachi)

[Prev. ref. 5384:PAK:D]

BURMA

A. Supervision Of Foreign Aid: The National Planning Ministry on January 11 issued an order appointing a Foreign Aid Utilization Supervision Commission.

The Foreign Minister is the ex-officio Chairman of the Commission.

Its functions are: (1) scrutiny of project-proposals involving use of foreign capital; (2) submission of recommendations to the Government regarding which type of foreign aid is best suited to the needs of which particular project or which particular Government organization; (3) overseeing of talks for foreign aid conducted between Government representatives and officials of aid-giving foreign agencies; (4) making of necessary arrangements to secure use of foreign aid funds to the optimum advantage of the country; (5) supervision over the utilization of these funds to see that they are devoted to the purposes for which they are intended, and that the projects covered by them are carried out in the most effective and economical way and in the shortest possible time; and (6) execution of any other task that the Government may assign to it from time to time in connexion with foreign aid.

(*The Nation*, Rangoon)

[Prev. ref. 5181:BUR:A]

CAMBODIA

A. Normalization Of Relations With USA—Prince Norodom Sihanouk's Letter To Philippine Newspapers: In an open letter to the Filipino Press and Broadcasting Service, the Head of State, Prince Norodom Sihanouk, has offered to normalize relations wtih USA if America will back an agreement that would guarantee his country's neutrality.

He has further denied allegations that his policies have been endangering peace in the region and that he is leading his country to communism.

The letter reads:

"Assertions to the effect that I am endangering peace are made, therefore, with the object of concealing the fact that peace is indeed endangered by others who are in a far better position to do so than I am, and who stop at nothing in their attempts to overthrow our regime, which enjoys the support of practically the entire Khmer people.

"Do the people of the Philippines realise that Thailand and South Viet-Nam, aided and abetted by agents of the American Central Intelligence Agency—a fact proved up to the hilt—deliberately tried, with the assistance of a traitor General, one Dap Chhuon, to stir up civil war in my country, designed to lead to the secession of the border provinces of Siem Reap, Kompong Thom and Battambang?

"Do the people of the Philippines realise that Thai personalities, holding ministerial position, are in the habit of broadcasting appeals to the Khmer people, inciting them to rise up in arms against their lawfully constituted Government? Do they know of the existence of camps in South Viet-Nam, where rebels—self-styled Free Khmers—are being trained to carry out sabotage operations in Cambodian territory? Do they know of the rebel wireless-transmitter, installed in Thailand, which heaps insults on our head three times a day, and exhorts the Khmers to overthrow the regime?

"Do the people of the Philippines realise we have been subjected for the past five years to murderous raids by South Viet-Namese aircraft, and to incursions by South Viet-Namese troops—163 in all —which have resulted in hundreds of casualties among the civilian population, many of them fatal, and principally among that section least able to fend for itself—the women and children? Do they realise that the South-East Asian Treaty Organization (S-EATO), which has its headquarters in Bangkok, has adopted the practice of carrying out manoeuvres in close proximity to our frontier, while their aircraft fly through our air-space and their naval vessels cruise in our territorial waters?

"I do not believe the people of the Philippines are aware of the situation, and this is why I consider it essential they should be informed of the tremendous pressure to which our small and ill-equipped country is being subjected to on the specious pretext that it is 'playing the communist game'.

"Another allegation which is continually being levelled at me, is that of 'appealing to the Chinese for assistance.' But I should like to point out that not one single Chinese, or North Viet-Namese soldier is to be found on Cambodian soil. Indeed, the only foreign soldiers in Cambodia are some officers, lent us by France —a Western Power, which is both a member of S-EATO and of NATO—for the purpose of training our army. Finally, no foreign bases exist in my country.

"Indeed, our deep love of peace—a condition which fulfils our deepest aspirations—coupled with our desire to remain neutral, have led us to propose that the International Control Commission (ICC), set up under the terms of the Geneva Agreements of 1954, should be empowered to exercise general control over our national territory for an indefinite period, and should set up posts at 'trouble spots', where the Reds are alleged to be in the habit of crossing the frontier either into Cambodian, or South Viet-Namese territory—a proposal calculated in our opinion to put a stop to further accusations, or threats formulated by our neighbours. Furthermore, we suggested that the entire responsibility for ensuring the success of this operation should be vested in the ICC, itself, the members of which would be empowered to search our villages, our forests and even our homes without prior reference to the local authorities. The impairment of national sovereignty implicit in these proposals, even if freely conceded, is a bitter pill for a proud people, like the Khmers, to swallow. But we were prepared to make this sacrifice in order to live in peace.

"But our proposals, which seemed to meet the demands of the Americans and their allies fully, have been received in very reticent fashion; and, by rejecting our demand for the convening of a conference to discuss their implementation, the Americans have left us isolated, and in no position to defend ourselves against our traditional enemies. What other course of action is open to us, therefore, but to ally ourselves with 'the enemies of our enemies'—or in other words with the Chinese, who have long shown us a consideration and respect which we have looked for in vain from the West?

"Nevertheless, whenever the possibility of a defensive alliance with China is mooted, the Americans and the pro-Americans react in violent fashion, threaten us with reprisals and accuse us of war-mongering. Faced with the rejection of our request for an international guarantee of our neutral status, despite our readiness to accept international supervision of our territory, and perplexed by the violent reaction aroused by any suggestion that we might be contemplating seeking support where support is available, we may ask ourselves what is required of us. Can it be that we are expected to range ourselves under the American banner? But the attacks and humiliations we have been subjected to absolutely excludes such a possibility.

"Make no mistake about it—my dear Filipino brothers and friends—we are not criticizing those who have chosen of their own free will to ally themselves with the West, nor do we question the right of those who have made such a decision to accept the presence of American or English troops in their midst, and to permit foreign bases to be established on their soil. But we merely wish to point out that it is quite illogical to refuse to allow us to exercise a similar right when —the object of adverse criticism, false accusations and threats and unable to ensure respect of our neutral status—we find ourselves reduced to considering the possibility of seeking allies in the other camp.

"Some days ago, I resolved to make a

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final attempt to preserve our neutral status and proposed that a quadripartite conference should meet in Pnom Penh, a proposal which had the advantage of sparing most of the delegates the long journey to Geneva. The task before this conference, attended by representatives of Cambodia, the United States, South Viet-Nam and Thailand respectively, would be to discuss, and decide upon, the terms of an agreement under which Cambodia's neutral status would be guaranteed by the signatories, who would likewise formally recognize the intangible nature of the national frontiers.

"In the event of such an agreement being signed, I for my part am prepared to place our relations with the United States on a normal footing, as your eminent President would like us to do, and to re-establish diplomatic relations with Thailand and political relations with South Viet-Nam. Surely this is proof enough that I have left no stone unturned in my endeavours to avoid a rupture with your American friends and their allies. And do you really believe that, if Cambodians were as "Red" as certain newspapers insist they are, we would have welcomed to Cambodia, with transports of joy, such firm friends of the West as your distinguished leader and the Prime Minister of Malaysia?"

British Stand Criticized:

On March 2, Cambodia denounced as a "diversionary manoeuvre" the British Government's reply of February 27 to the Soviet proposal that an international conference to guarantee Cambodia's neutrality be held in Geneva in April.

The Soviet Government had proposed that Britain and the Soviet Union, co-Chairmen of the 1954 Geneva Conference *on Indo-China, should jointly issue invitations for an April conference on Cambodia.*

The British reply published implicitly rejected the Soviet proposal, but welcomed the proposal of Prince Norodom Sihanouk for a four-Power conference in Pnom Penh between Cambodia, USA, Thailand and South Viet-Nam.

In a communique issued by the Khmer Press Agency, the Cambodian Government said the projected four-Power conference in Pnom Penh could not take the place of an international conference in Geneva on Cambodia's neutrality.

British Note To Soviet Union:

In the Note despatched to Moscow on February 27, Britain rejected a Russian charge that British attitude had contributed to the trouble on the frontier between Cambodia and South Viet-Nam.

The Note asserted that it had done its utmost to prevent tension on Cambodia's borders.

It said: "Her Majesty's Government have noted with regret the Soviet Government's suggestion that the inability of Her Majesty's Government to accept all the suggestions made to them in the past by the Soviet Government could in any way have contributed to the present state of tension on Cambodia's borders."

The Note described this tension as "a situation which Her Majesty's Government have throughout done their utmost to eliminate by the exercise of such influence as they possess with all the Governments concerned."

The Soviet Note had drawn attention to a complaint from Prince Norodom Sihanouk alleging South Viet-Namese incursions into Cambodian territory.

The British reply agreed that Prince Norodom's complaint be circulated to participants in the 1954 Geneva Conference and suggested it should be accompanied by the published explanation in which South Viet-Nam denied any deliberate border violation.

The British Note said: "Circulation of both documents would thus ensure that the members of the Geneva Conference were aware of the views expressed by both parties concerned in this extremely regrettable incident..."

Background:

Earlier on November 24, 1963, Cambodia had sent similar messages to the British and Soviet Foreign Ministers as co-Chairmen of the Geneva Agreement of 1954 on Cambodia, proposing a conference of the nine participants in the 1954 Conference—Britain, France, USA, Russia, China, Cambodia, Laos and North and South Viet-Nam.

It was proposed that the conference should be held in Indonesia or Burma.

On December 14, 1963, the Cambodian Government announced the withdrawal of its Embassy personnel from London and Washington. The withdrawal of Embassy staff did not, however, amount to a severance of diplomatic relations. The Cambodian Government indicated that its London Embassy was being closed for reasons of economy and assured the British Ambassador in Pnom Penh that his presence continued to be most welcome. The announcement of the withdrawal of the Embassy staff from Washington followed an American complaint regarding the manner in which the assassination of President Kennedy was announced over the Cambodian Radio. The form in which this complaint was made was objected to by Cambodia, which subsequently demanded an apology for statements attributed to a US official and for the withdrawal of an American request for an inquiry into the matter.

On December 20, 1963 the British Government announced that it had told the Cambodian and Soviet Governments that Britain supported a conference on Cambodia in principle. Such a conference presented difficulties, but Britain was trying to achieve conditions which would make possible the holding of a conference with constructive results acceptable to all Governments concerned. Britain also called upon the Governments concerned to exercise the utmost restraint in the present situation. The British communication took the form of messages from the British Foreign Secretary, in his capacity as co-Chairman of the Geneva Conference, to the Cambodian Foreign Secretary and to the Soviet Foreign Minister. It was noted in London that, despite the closing of the Cambodian Embassy in London, the position of the British Ambassador in Cambodia was unchanged. The British Ambassador in Cambodia was not only the representative of Her Majesty's Government but also the representative of the Secretary of State for Foreign Affairs as co-Chairman of the Geneva Conference.

On December 29, 1963, Prince Norodom declared that, if the West refused to guarantee Cambodia's neutrality, his country would sign a formal alliance with China. He again accused Britain and the USA of attempting to prevent a conference on Cambodian neutrality. Whilst the Western Powers continued to consider the desirability of holding a conference on Cambodia's neutrality, it was announced in Saigon that South Viet-Nam would not attend such a conference, since it would be exploited by the Communists and would not, in fact, guarantee Cambodian safety.

Prince Norodom Sihanouk had meanwhile denied that his rejection of US aid was a move towards communism. He indicated that, after the United States had gone, France would continue to have administrative and military technicians in Cambodia.

On January, 2, 1964 Mr. P. Messmer, French Minister of the Armed Forces, left Paris for Cambodia accompanied by Admiral Cabanier, Chief of the Naval Staff, to negotiate a military aid agreement. On January 6, it was announced that France had offered military aid including a complete squadron of 18 tanks, 100 lorries, and 12 fighter and 8 transport aircraft. France had also offered to increase greatly the number of teachers sent to Cambodia and to establish high schools, an agricultural college and a teacher-training college. France would also consider granting a low-interest loan to build a railway line from Pnom Penh to Sihanoukville.

At the end of Mr. Messmer's visit, Prince Sihanouk said: "We are happy to note that, after a very long silence, France seems determined to play in Asia the role imposed on her by the past... France is perhaps today the only Power capable of throwing a solid bridge between East and West." Mr. Messmer, in reply to Prince Norodom Sihanouk, indicated that France had an "unreserved adherence" to Cambodian neutrality.

On January 15 Britain noted that the Prince had welcomed a British draft declaration on Cambodian neutrality as "closely inspired by Cambodian requirements". The draft declaration, together with a protocol suggesting arrangements to supervise any agreement on Cambodian neutrality that might be reached, had earlier been presented to the Cambodian Government and to the Soviet Foreign Minister as co-Chairman of the 1954 Geneva Conference. At the same time, the views of certain other countries were being sought by Britain to see whether the draft declaration and protocol might provide a generally acceptable basis for convening a conference.

The Soviet Government on January 21 proposed to Britain that the 14 nations which took part in the 1954 Geneva Conference on Indo-China, should meet in Geneva in April, 1964 at a conference that would guarantee Cambodian neutrality. The Soviet Government indicated that its proposal would be issued to the other Governments concerned if agreed to by Britain as co-Chairman of the Geneva Conference.

Though a number of countries had shown willingness to attend a conference on Cambodian neutrality, the attitude of the United States to the proposal remained unclarified. It was believed that the United States was apprehensive, like their Viet-Namese and Thai allies, that a conference on Cambodian neutrality might be used by the communists as a forum for attacking the United States and for discussing neutrality for South-East Asia generally. According to American Press reports the United States was in favour of the principle of guaranteeing Cambodian neutrality but believed that a signed declaration by the Geneva Powers would be an adequate substitute for a conference. Cambodia, on the other hand, had made it clear that bilateral talks and a signed guarantee to guarantee its neutrality would not be considered an adequate safeguard and that it would only be satisfied if a neutrality conference took place, in order that the details of a neutrality declaration could be worked out. At the same time relations between USA and Cambodia continued to be under strain on account of the unresolved dispute concerning the American representations on the form of the Cambodian radio announcement of President Kennedy's death and Prince Norodom Sihanouk's demand for an American apology on this matter. The Government of the Philippines had agreed to try to reach a solution to the dispute, and Prince Norodom had indicated that, if the Philippines Government could succeed in effecting a reconciliation, the Cambodian Ambassador would remain in Washington.

On January 27, the British Secretary of State for Foreign Affairs, when questioned in the House of Commons as to what reply had been given to the Cambodian

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Government's request for the summoning of a conference on Cambodian neutrality, stated that as co-Chairman of the Geneva Conference he had prepared drafts of documents on Cambodian neutrality such as a conference might agree to. These had been put to the Soviet Government and the Cambodian Government, and the comments of other Governments concerned had been asked for. The Prince had welcomed the drafts, and the Soviet Government had published its proposal that the co-Chairmen should issue invitations for a Geneva conference in April. The British Government was considering its reply in the light of its own attempts, through normal diplomatic channels, to prepare a generally acceptable basis for such a conference.

In reply to a supplementary question, Mr. Butler emphasized that it was the aim of the British Government to do its utmost, and his own aim as co-Chairman with the Soviet representative, to do his best to maintain Cambodian neutrality.

On January 28 in an aide memoire delivered to the Soviet Government, the British Government proposed that Britain and Russia, as co-Chairmen of the Geneva Conference, should defer sending a formal message to other Governments on convening a conference on Cambodia until agreement had been reached on the tasks to be achieved. The aide memoire noted the Soviet proposal of January 21 that the co-Chairmen should send a message to the Governments which took part in the 1961-62 Laos Conference calling for the convening of a Cambodian conference in April in Geneva, and stated that the British Government would itself have no objection to the place and composition of the proposed conference. The aide memoire also indicated that Britain was glad that the Soviet Government shared the view that advance preparation was important and envisaged a suitable interval for this purpose. Under such circumstances, however, Britain considered it unnecessary for the two co-Chairmen to attempt to decide on an actual date or to issue a formal invitation so far in advance.

The aide memoire pointed out that all the Governments concerned were well aware that a conference might be required and noted that consultations were actively proceeding with many of them. Such proceedings would, in Britain's view, offer the definite advantage of permitting prior agreement to be reached on the draft texts of the proposed declarations and protocol concerning Cambodian neutrality, and, until this was done, Britain foresaw difficulty in securing the agreement of all the Governments concerned to attend. Britain also considered that fixing the date of a conference so far ahead might actually discourage some of the Governments concerned from continuing to seek agreement in the meantime. Britain accordingly proposed that the co-Chairmen should defer their decision on sending a formal message to other Governments and that, in the meantime, the co-Chairmen should actively pursue their informal discussions with a view to reaching agreement on the tasks to be achieved by the conference. Without such agreement beforehand among the parties principally concerned, the co-Chairmen would be unable to convene a representative and effective conference, which would be in the best interests of Indo-China and of the peace of South-East Asia.

(*The New York Times, The Times*, London and *BIS*)

[Prev. ref. 5663:CAM:A]

CEYLON

A. State Of Emergency Declared: A State of Emergency was declared throughout Ceylon in the second week of March following a spate of strikes.

Among those who had struck were doctors who, however, resumed duties after the declaration of the Emergency.

The Government armed itself with wide powers by declaring 11 different fields, including the supply of food, fuel, power, transport and the maintenance of railways, air, drainage and port services, production units and plantation estates and other commercial enterprises as essential under the Emergency.

Press censorship was imposed.

(*The Statesman*, Calcutta)

CHINA

A. Mr. Chou En-lai On Chinese Aims: In a television interview released on March 2 in Britain, the Chinese Premier, Mr. Chou En-lai, said that China would never provoke a war.

The interviewer was Felix Greene, journalist and traveller, who visited China and filmed a three-part series of television programmes for Associated Television. It was the third of the series "China Now" on the commercial network.

He said that "US imperialism" had rejected peaceful co-existence with China and maintained a "position of hostility to the Chinese people." "China wants peaceful co-existence with every country in the world, including USA, on the basis of the Five Principles."

He accused "imperialists" of slandering China by calling his country belligerent and asserting that China was willing to lose half her population in a war.

"China will never provoke a war", he said. "But should imperialism impose war on us we would have no alternative but to resist firmly, and, whatever the cost, we would never surrender".

He said that China stood unswervingly for the complete prohibition and destruction of nuclear weapons because "we are perfectly clear that a nuclear war would cause enormous havoc to mankind."

Turning to other subjects, he said that imperialism was doing its utmost to drive a wedge between China and Russia. "Whatever happens the fraternal Chinese and Soviet people will stand together in any storm that breaks out in the world arena".

Of the domestic scene, he said: "It is, of course, a difficult task to build socialism in a country as large and economically backward as China. There have been some shortcomings and mistakes in our practical work, and this was something that cannot be avoided entirely.

"Some tuition fee must be paid to learn how to build socialism."

Asked about rural communes, he said: "The people's communes were, and remain, a form of socialist collectivist ownership. In the process of developing and consolidating this collective economy, we have readjusted and developed some specific measures as circumstances required. This has put the people's communes on a more solid footing. There are no grounds for saying that they are a 'failure' or 'exist in name only'".

On the problem of population, he said the issue was not food production being able to keep up with the rate of population increase, but the social system. China's population increased at the rate of 2 per cent annually.

"But our population is not too big considering our natural conditions, our large territory and rich resources, and considering our great task of socialist construction. We are now advocating planned parenthood because it will help steady improvement in the living standards of the people, the health of the mothers and the care and education of the new generation".

Referring to China's foreign aid programme, he said: "We have given such aid as we could to some newly-independent countries without attaching any strings or asking for privileges. We have done so to help them develop independent national economies and not to make them dependent on us."

China had no feeling of political isolation, he said, adding: "Our friends are growing in number because we consistently pursue a foreign policy of peace and because we firmly support the just struggles of the oppressed nations and oppressed people everywhere."

(*The Statesman*, Calcutta)

[Prev. ref. 5591:CHI:A]

B. Move For Seat In WHO Fails: The World Health Assembly rejected on March 3 a French proposal to seat Peking in place of Formosa.

The Credentials Committee's report was adopted with 51 votes in favour, 21 against and 22 abstentions.

The Committee had said that Formosa was the "sole representative of the Chinese people".

France voted against the report. The USA, South Viet-Nam and South Korea voted in favour. Sweden, Norway, Yugoslavia and the Malagasy Republic were among those who abstained.

The French demand was rejected by Mr. Nathaniel McKitterick, leader of the US delegation, who said: "China is represented rightfully in this Assembly."

He said the last UN General Assembly had decided that the Formosa regime should represent China in UN.

He added: "In these essentially political matters, let us not here and now challenge the authority of the General Assembly either for innocent reasons or for propaganda purposes."

In Washington, the State Department made it clear that USA would continue to oppose China's admission to UN and all organizations associated with the world Organization.

The spokesman of the French Foreign Ministry made it clear in Paris the same day (March 3) that France would advocate admission of China to all international organizations. France's attitude, he pointed out, was "normal and logical."

(*The Times*, London)

[Prev. ref. 5652:CHI:A]

INDIA

SUMMARY: Pakistani Activities In Border Areas; Changes In Central Portfolios; FICCI Annual Session; Increase In Coal Prices; State Budgets.

A. Pakistani Activities In Border Areas—Mr. Y. B. Chavan's Statements In Parliament: The Defence Minister, Mr. Y. B. Chavan, confirmed in the Lok Sabha on March 4 that Pakistanis had been digging in on the Jammu and Kashmir international frontier and the cease-fire line and along the Feni river on the Tripura-East Pakistan border.

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Information had also been received about "some movement of armed personnel and military vehicles" on the Pakistani side of the cease-fire line. He assured members that the situation "is being carefully watched" and measures to guard the frontiers were being taken.

Mr. Chavan, who was making a brief statement on a calling attention motion standing in the names of Mr. Hem Barua (F-SP) and 11 others, cited two specific instances where Pakistanis had dug in the Jammu and Kashmir sector.

In one instance Pakistanis tried to occupy a graveyard area about 20 miles south of Jammu on the international border. Indian police moved forward to prevent encroachment on the area and a complaint was lodged with UN observers.

The UN observers intervened, but no final solution had yet been reached. "Pakistanis are still in occupation of a small portion of the graveyard and are constructing bunkers and digging trenches in the neighbourhood".

The other instance, mentioned by him in the House the previous week, related to an attempt to blow up a wooden bridge about five miles south of Tithwal on February 23. The attempt, he said, was unsuccessful. Only minor damage was caused to the planks.

When an Indian police patrol went to investigate three days later, it was fired upon by Pakistanis. The fire was returned and the Pakistanis retreated leaving behind three bodies and some spent ammunition. "In this area also Pakistanis are digging in opposite the wooden bridge".

As regards the Tripura-East Pakistan border, not only were Pakistanis digging trenches, but their outposts in various areas had been re-inforced.

Anxious questions from several Members elicited the information that the *Government knew that Pakistanis were being trained by Chinese experts and tacticians.*

Mr. Chavan informed the Rajya Sabha on March 10 that exchange of fire between Indian and Pakistani forces in the Jammu area, which began on March 5, was continuing.

In reply to a supplementary by Mr. A. M. Tariq, he said that the Pakistanis were using heavy mortars in addition to other arms.

He replied in the affirmative when asked whether India had asked for more UN observers to supervise the cease-fire in view of the increase in the number of cease-fire violations by Pakistanis in recent times.

"On the morning of March 5," he said, "Pakistani armed forces opened fire in the area of a graveyard located approximately 20 miles south of Jammu on our side of the international border.

"After a flag meeting between Indian and Pakistani company commanders Pakistani troops opened fire at our post opposite the graveyard, on the pretext of blowing up a blind grenade. The same evening they opened fire on two of our other posts in the same area. This firing continued intermittently on the morning of March 6 and 7. It was resumed by the Pakistanis on March 9 and was continuing this morning.

"There were no casualties on our side on March 5, 6 and 7. On March 9 two of our civilians were killed and one child was wounded. Pakistani casualties were not known.

"Our troops returned fire on each occasion. We have also lodged a complaint with the UN military observers."

Two temples in the border villages of Bannuchak and Hartal were damaged as a result of continuous shelling by the Pakistanis.

Temporary Cease-fire In Jammu Area:

A temporary cease-fire was observed in the Jammu area on March 11 at the request of UN military observers to enable them to visit the spot which had been the scene of Pakistani firing for nearly a week.

The Indian side, which had been returning the fire, accepted the UN team's request. It was understood that Pakistan too agreed to abide by it and no information was available in New Delhi about any fresh outburst of firing since the cease-fire began.

(*The Hindustan Times* and *The Statesman*, New Delhi)

[Prev. ref. 5687: INI:A]

B. India's Right To Move Troops To MacMahon Line—Mr. Lal Bahadur Shastri's Assurance: India's right to move her troops up to the MacMahon Line in N-EFA was re-iterated by Mr. Lal Bahadur Shastri, Minister without Portfolio, in a letter to Mr. M. R. Masani, General Secretary of the Swatantra Party.

The letters exchanged by them on the reported assurance given by the Ceylon Premier, Mrs. S. Bandaranaike, to the Chinese Premier, Mr. Chou En-lai that India did not intend to advance her forces up to the MacMahon Line again were released for publication on March 5 by Mr. Masani with Mr. Shastri's permission to clarify the Indian position.

Soon after the Bangalore convention of the Swatantra Party, Mr. Masani sent a copy of the letter dated March 7, 1963, which Mrs. Bandaranaike wrote to Mr. Chou conveying an assurance given by Mr. Nehru that "it was not his intention to advance his forces to the MacMahon Line." Mrs. Bandaranaike had mentioned in that letter that Mr. Aly Sabri, UAR Premier, and Mr. Nehru gave this assurance and also authorized her to convey it to Mr. Chou.

In his reply to Mr. Masani, Mr. Shastri explained that Mr. Nehru in his confidential exchanges with Mrs. Bandaranaike and her colleagues in Delhi on January 13, 1963, on the implications of the Colombo proposals, had stated that "India will not accept any restrictions on the deployment of her forces in N-EFA though, on that date, the Government of India did not, while extending the civil administration right up to the MacMahon Line, intend to move Indian troops right up to that Line."

"This statement of the intentions of the Government of India as on January 13, 1963," Mr. Shastri pointed out, "was made at a time when the question of acceptance of the Colombo proposals by India and China was under consideration."

Since then, several developments had taken place, more particularly China's refusal to accept the Colombo proposals without reservation. "There is, therefore, no bar to the movement of Indian military forces to any point in N-EFA within the cease-fire line as recommended in the Colombo proposals."

Mr. Shastri, however, took care to qualify the Indian position with a cautious note that "this is a matter to be decided by the Indian military authorities purely on strategic and defence considerations."

Mr. Masani, in his letter, had drawn Mr. Shastri's attention to the fact that on November 11, 1963 the External Affairs Ministry had flatly contradicted the despatch of the Hong Kong correspondent of **The Times of India**, which disclosed for the first time that Mrs. Bandaranaike had written to Mr. Chou that Mr. Nehru had assured her that India did not intend to move her troops up to the MacMahon Line. He also pointed out that the External Affairs Ministry had again denied that such an assurance had been given by Mr. Nehru when he referred to this subject to the Swatantra Party convention.

Mr. Masani, who had received a copy of Mrs. Bandaranaike's letter from a friend abroad, called upon Mr. Shastri to consult Mr. Nehru and take the necessary steps "to clear the contradiction between the position taken by Mrs. Bandaranaike on the one hand and our Ministry of External Affairs on the other."

Mr. Shastri's reply disclosed that after the contradiction of **The Times of India** story by the External Affairs Ministry, the Ceylon Government itself took the initiative to clear up the misunderstanding. And the Government of India took the opportunity to re-iterate the Indian position.

Heavy Chinese Military Build-up:

The Defence Minister, Mr. Y. B. Chavan told the Rajya Sabha on March 10 that the Chinese military build-up all along the Sino-Indian border was now heavier than during 1962, and that it certainly posed a threat to India.

He told Mr. R. S. Khandekar that while the Chinese military build-up all along our borders and in the areas occupied by them continued, "no unusual digging activity has come to our notice."

Mr. Khandekar asked what according to Mr. Chavan was considered "usual activity by the Chinese."

Mr. Chavan replied: "By usual activity, I meant that the build-up activity by the Chinese was going on for some time and hence it was not considered unusual."

Mr. Vajpayee asked: "Is it not a fact that the Chinese build-up now is heavier than before?"

Mr. Chavan said that the Chinese build-up was heavier and it certainly posed a threat.

(*The Hindustan Times* and *The Times of India*, New Delhi)

[Prev. ref. 5547: INI:A]

C. Changes In Central Cabinet Portfolios: A Press Note issued on March 8 said that the President, on the advice of the Prime Minister, had directed Mr. J. L. Hathi, Minister of Supply in charge of the Department of Supply and the Department of Technical Development, to be Minister of State in the Ministry of Home Affairs.

Mr. R. M. Hajarnavis, Minister of State in the Ministry of Home Affairs, was appointed Minister of Supply in charge of the Department of Supply and the Department of Technical Development.

(*The Times of India*, New Delhi)

[Prev. ref. 5665: INI:E]

D. Aid To Tibetan Revolution—Dalai Lama's Appeal: The Dalai Lama has appealed to freedom-loving countries "not to be misled by the propaganda of the Communist Government of China but to continue to help the unfortunate people of Tibet".

In a statement on the fifth anniversary of the Tibetan uprising, the Dalai Lama said that the free nations of the world had rightly condemned the suppression of the coloured people in South Africa, "but the form of oppression and persecution which the Chinese invaders have adopted

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against the people of Tibet is a thousand times worse than the system of apartheid".

Nowhere in the world, "even under colonialism of the worst type", he said, had a Government ever used public torture as a political deterrent "as the Chinese have done and are still doing in Tibet".

He said that the Tibetans were a distinct people, speaking a language unrelated to Chinese and possessing a religion and culture of their own. Before the Chinese invasion, the Tibetans had remained free and independent for decades.

Recalling the Tibetan struggle against the Chinese, he said thousands of Tibetans had been massacred, thousands had been rendered homeless and thousands of others had escaped to neighbouring States. "But the barbarous atrocities, even to the extent of exterminating the race and the religious belief of the Tibetans, still continue, and the struggle of the people still goes on.

"Today, which marks the fifth anniversary of the spontaneous uprising of my people, we must pay our humble tribute to all those stalwart champions of liberty and faith who have fallen victims to the armed might of the Communist Government of China.

"Today I send my special blessings to all those who are engaged in the bitter campaign against the enemy. I congratulate all my people on their courage and determination in their struggle for political and religious freedom and pray for their success. Our way may be a hard and long one, but I believe that truth and faith must ultimately prevail".

Referring to Tibetan refugees in India, he said: "With the ready assistance of the Government of India and other friendly countries, we have been able to solve their difficulties to a large extent. However, a great deal still remains to be done, particularly for the unfortunate children, who have been deprived of the love and care of their parents.

"I hope and trust that with the help and encouragement of many of our friends here in India and elsewhere we shall be able to arrange for their proper education and upbringing".

(*The Statesman*, New Delhi)

[Prev. ref. 5136:INI:F]

E. Dalai Lama's Tour Abroad —Government Of India's Advice: The Dalai Lama, who wants to go abroad to propagate the cause of Tibetan freedom, has been advised by the Government of India that no useful purpose would be served by such a mission at this stage.

Mr. Gyalo Thondup, brother of the Dalai Lama, saw the Foreign Secretary, Mr. Y. D. Gundevia, on March 5. He requested that the necessary facilities be permitted to the Dalai Lama to visit a number of Buddhist and other countries.

Mr. Gundevia was reported to have explained that, while in the normal course the Government of India would be happy to extend such facilities, it did not think that in the present circumstances the cause of the Tibetan people would be served in any way by the Dalai Lama undertaking a tour abroad.

According to political observers in New Delhi, the Dalai Lama wanted to visit Ceylon, Burma and Cambodia two or three years ago to mobilize Buddhist opinion in support of Tibetan freedom, but none of the countries wanted him to undertake such a tour. These countries evidently did not want to risk an open rift with China by permitting such a visit.

It was also argued by some observers that if the Dalai Lama were to tour the West openly campaigning for Tibetan independence or self-determination, it might unnecessarily provoke the Soviet Union and other Communist countries which are otherwise unfriendly to China to come out openly in support of the Chinese occupation of Tibet.

(*The Times of India* and *The Statesman*, New Delhi)

[Prev. ref. 5136:INI:F]

F. FICCI Annual Session: Inaugurating the 37th annual session of the Federation of Indian Chambers of Commerce and Industry (FICCI) in New Delhi on March 7, the Central Home Minister, Mr. Gulzari Lal Nanda underlined the need for changes in the process of production and economic development as well as in the prevailing pattern of distribution of wealth.

He pointed out that this was necessary if the plight of the masses in India was to be ameliorated. Without such amelioration there would be unrest, he warned.

Mr. Nanda, who was replying to the Federation President's criticism, particularly of the demand for nationalization of banks and trade in foodgrains, referred to the rise in prices in recent weeks. "We shall have to revive the spirit of sacrifice and self-regulation that was in evidence among the business community just after the emergency."

He effectively defended the Government's economic policies. At the same time he conceded that failures and weaknesses were not the monopoly of the private sector. State undertakings too had a great deal to explain. As far as procedural delays were concerned, the Government was aware of the bottlenecks and was doing its best to eliminate them.

The underlying theme of his observations was also commended by the Prime Minister, Mr. Nehru, who in a message to the FICCI President, Mr. Bharat Ram regretted his inability to be present at the session and expressed the hope that the largest good of the nation would be kept in mind during the deliberations.

Mr. Nanda pointed out that the biggest problem confronting democracy, which had come in the country in the wake of a mass struggle, was how to eradicate the back-breaking poverty of the masses. The nation, in other words, had moved into the era of the common man.

There could, under the circumstances, be no conflict between the private and the public sectors: both had to serve a common social and economic purpose, which had been outlined in the Constitution. There was no question of limiting the functions of the State as it served the common objective. The private sector too had to function effectively in pursuit of the same goal.

Explaining the philosophy of the resolution passed at the Bhuvaneswar session of the Congress, he said these only codified the yearnings of our people for more than four decades. The great bulk of the population lived on the fringe of subsistence. It had been calculated that at the present rate of growth, it would take 70 years to ensure a minimum per capita income of Rs. 20 a month.

Obviously, nobody was going to wait that long for this "modest millenium." And if nothing was done about it now there would be unrest on a large scale. Radical changes had, therefore, to be accepted in the process of production and development and in the pattern of distribution of income.

He said he did not believe in regimentation. His basic faith was freedom, but this was no one-way street. The demand for freedom from controls and regulations had to be balanced by freedom from poverty, from exploitation and from enforced idleness. If the present stalemate on the social and economic fronts was to end many changes would have to be brought about.

With a measure of individual and group discipline, many of the existing economic restraints could be done away with. He drew pointed attention to the fact that even a small shortfall in production led to an "exaggerated" rise in prices. There was need for the Government and the Federation to come togethr to devise measures to keep prices in check.

Referring to Mr. Bharat Ram's complaint about Government thinking being dominated by a psychology of scarcity of resources, he said the private sector could help much by reducing its dependence on imported components and raw materials. The Government was keen to help the industry. The very existence of public sector undertakings was of direct assistance to consumer industries. The Government's fiscal policies too were directed towards this goal.

Controls were neither excessive nor rigid. Recently price regulation had been ended in 16 key industries. A number of measures to stimulate production in these and other important industries had been announced in the Budget. There were so many demands on the limited resources that the Government had to take steps to guide investment into priority items.

The Budget also imposed restraints on comparatively well-to-do people, but under a socialistic pattern this was inevitable. A commission would soon be set up to study the problem of concentration of wealth and economic power. Mr. Nanda hoped the industry would cooperate with the Government in checking such concentration.

He concluded with an appeal to businessmen and industrialists to consider favourably applications for employment from retired armed forces officers. These men, he said, gave up active service at a comparatively young age and were excellent human material. During the past seven years only a few had found private employment. He hoped the situation would improve.

Mr. Bharat Ram's Presidential Address: In his Presidential address, Mr. Bharat Ram pointed out the difficulties and objections of industry to the policies and procedures adopted by the Government.

He began by criticising what he termed the psychology of scarce resources, which had come to dominate official thinking. Because of this industrial progress in particular sectors had to be halted as some of the economic infra-structures like power or coal had failed to come up to scratch.

He also appealed for the rationalization or elimination of controls. The demand for nationalization of a wide sector of commerce following the Bhuvaneshwar session was, in his opinion, a retrograde step because "democracy, whether socialistic or otherwise, which curbs individual effort, stifles itself."

The problem of agricultural production which lay at the root of India's economic difficulties, could not be tackled by the existing plethora of authorities without any apparent co-ordination of functions. "What is required is concentrated attention and concerted effort by the best people in the administration at all levels. Also, responsibility must be clearly specified, infringement punished and performance rewarded." The only way of stabilizing the price level was to step up production.

Referring to the Budget, Mr. Bharat Ram said the Finance Minister, Mr. T. T. Krishnamachari had declared that the cardinal principle of his taxation policy was to encourage growth. But some of his proposals were at cross-purposes with this objective. He referred particularly to the powers taken by the Government with the object of checking tax evasion,

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and said these would expose honest assessees also to unprecedented embarrassment and harassment.

He announced that the 20th congress of International Chambers of Commerce would take place in New Delhi in February, 1965. The meeting, which had been sponsored by the Federation, would be attended by over 1,000 delegates from more than 50 countries. It would have as its theme 'World Progress through Partnership'.

Resolutions:

On March 8, FICCI passed a resolution opposing nationalization of banks and extension of the co-operative sector to agriculture, small-scale and processing industries, and wholesale and retail trade.

It attributed the "fall" in the country's economic growth mainly to the fiscal policy pursued by the Government over the years, and said the level of taxation and the type of taxes levied had "substantially reduced the capacity of the people to save and invest".

It demanded the reshaping of the fiscal policy in such a way as "to encourage savings, reward effort, stimulate investment, protect honest taxpayers and create a climate of confidence in the Government".

Mr. Tulsidas Kilachand (Bombay) set the keynote by saying that the business community, which was well organized with membership reaching down to the smallest town and village, should play a bigger role in public life and help build for itself a better public image. "Even if a Minister wants to do something for the business community, he will not be able to do so without public support".

Mr. S. L. Kirloskar (Poona) wanted the business community to send "deserving people" to Parliament, while Mr. Ramakrishna Bajaj (Bombay) said that those people in the Congress who were opposed to the spread of "Communist ideology" should be helped with election funds.

Moving the principal resolution on "Democracy, economic welfare and fiscal policy", Mr. Tulsidas said the business community as a whole should realize immediately its responsibility to perform certain duties without which there would be no salvation for it.

He said the voice of the businessman should be better heard to prevent people from believing all the evil things that were said of the businessman "in the papers".

"We have to win the respect of the people, and convince them that we are not merely for exploiting them but are there to better the conditions of the country".

He said businessmen were not afraid of "socialism" and would in fact work for the achievement of a new social order if socialism was not confused as an end but regarded as a means to bring about the economic welfare of the people.

Fiscal Policies:

The following is the text of the resolution on democracy, economic welfare and fiscal policies:

"The Federation has always held the view that the ultimate end of economic policy is to promote economic welfare and improve the standards of living of the people, which can be accomplished only by increasing production and productivity. The Federation is of the opinion that this end should be the principal consideration in choosing the means, provided the means selected are democratic in form and spirit.

"The Constitution of India, too, enjoins upon the State 'to promote the welfare of the people by securing and protecting, as effectively as it may, a social order in which justice, economic and political, shall inform all the institutions of national life. It wisely refrains from giving any particular description to the social order, but favours the development of the economic system in such wise that it subserves the common good and avoids common detriment.

"The Federation regrets to note that certain sections of political opinion are assiduously propagating the adoption of means which will not result in economic welfare or in promoting the democratic way of life, and worse still, are commending the pursuit of these means as if they were ends in themselves.

"This confusion between ends and means seems to be the prime reason for the advocacy of nationalization of industry, trade, finance and other economic activity. Of serious concern in this respect is the demand in certain quarters for nationalizing the remaining joint stock banks so that, along with the State Bank and its subsidiaries, the entire field of banking may become a Government monopoly.

"In the opinion of the Federation, nationalization of joint stock banks would not only eliminate competition, resulting in the lowering of standards of service to depositors, but also supplant the present flexibility of the banking system by a bureaucratic rigidity, and open up avenues for political interference, leading to slowing down of growth in the large-scale as well as small-scale industry and trade, in which free enterprise predominates, and thus retarding the rate of growth of the economy and the realisation of the ultimate end of economic welfare.

"The Federation also cautions the public against the view in favour of indiscriminate extension of the co-operative form of organization in the fields of agriculture, small-scale and processing industries and wholesale and retail trade. The country's experience so far does not indicate the advisability of an extension of the co-operative sector without considering the effects on overall production and productivity.

"It is a matter of utmost concern to the Federation that the doctrinaire approach of the Government's fiscal policy, pursued over a period of years now, is chiefly responsible for the fall in the rate of economic growth. The savings of the public are not only diverted to the exchequer—not all of which are productively used—but also the level of taxation and the types of taxes levied have substantially reduced the capacity of the people to save and invest.

"Another matter of great anxiety to the Federation is the powers assumed by the executive in excess of requirements, thereby placing honest assessees in a vulnerable position without the protection of law against avoidable harassment.

"The Federation urges upon the authorities to take immediate steps to reshape fiscal policy, as also the administrative procedures, so as to encourage savings, reward effort, stimulate investment, protect honest taxpayers, and create a climate of confidence in Government policy as well as its implementation."

State Trading:

The following is the resolution on the role of the trading community:

"The Federation views with great concern the serious plight of those engaged in the trade of the country in recent years, on account of the diminution in the area of their activity, diminution brought about by a variety of factors, not all of which are unavoidable or desirable.

"There have been incursions by the State and State-supported co-operative societies into the field of normal trade channels. On account of import restrictions, flowing from paucity of foreign exchange, those in the import trade have also been affected.

"Over and above this, it is distressing to find that the traders, covering the entire gamut of wholesale and semi-wholesale distribution and retail trade, are subjected to unfair criticism and chastised for situations over which they have no direct control. Virtually a Damocles' sword hangs over the heads of the trading community, and every now and then it is threatened with extinction.

"The record of newer agencies like that of the State and co-operative societies—most of which indeed are not genuine ones in terms of their counterparts in other democratic countries—has been far from favourable, judged by reference to their service to the consumer and fair commercial practices.

"In the circumstances, it is a matter, not only of surprise but also disappointment, that faith should be reposed in these newer agencies and the view propagated that their multiplication and expansion are in the interests of the country.

"The Federation appeals to the authorities and the public to take a dispassionate view of the important role of the trading community in our national life. As indispensable links between producers and consumers, traders have to discharge vital economic, financial and social functions. Belonging, as most of them do, to the middle class, they constitute the very back-bone of democracy.

"At the same time the Federation would like to call upon the trading community to undertake their difficult functions with keener zest by way of acquiring technical skills and 'know-how' to handle new products and with a greater sense of discipline, so that their part can be better appreciated by the authorities and the public.

"Organized industry should help the traders, to the fullest extent possible not only by refraining from directly entering the trade, but also in guiding and organizing the trade to fulfil effectively its new role. Any attempt at disturbing the regular and uninterrupted functioning of the normal trade channels cannot but have deleterious consequences on the economy of the country in general".

Population:

The following is the resolution on the growth of population:

"The Federation feels compelled to point out that hitherto sufficient attention has not been given to the problem of the rapid increase in population in India in recent years, in relation to its effect on economic progress and the standard of living of the people. It is estimated that if the present fertility rate continues, the level of population in 1971 will be 555 million and in 1981, 719 million as compared to 439 million in 1961.

"In the view of the Federation, the present rate of increase in population cannot be sustained by our economy, not withstanding accelerated programmes of development. Greater investment outlay may well result only in maintaining, to some extent, the per capita flow of production and consumption. This will minimise the benefits of the development accruing to the society and to individuals.

"The Federation, therefore, is convinced that limitation on population is a pre-condition to better and quicker social and economic progress, and:

"(i) Calls upon business organizations, trade unions, co-operative societies, associations, forums of farmers and the authorities to consider this issue more purposively, so as to impress upon the people the necessity of family planning, and create conditions in which this will be more acceptable;

"(ii) Suggests the study and adoption of methods followed in other countries so as to devise and implement appropriate policies to achieve the goal;

"(iii) Urges the spread of consciousness of limiting the family to a smaller

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number in rural areas and among the uneducated and poorer classes of society which, at present, are almost wholly unreached by any such schemes;

"(iv) Commends that the allocation of funds for family planning be speedily and purposively utilized;

"(v) Recommends that larger funds should be allocated to this programme in the remaining years of the Third Plan and in the succeeding Plans to make the efforts fruitful in the shortest time;

"(vi) Believes that the authorities, in particular, should take a more urgent interest in the problem."

Farm Production:

The following is the resolution on farm production and productivity:

"The Federation notes with great anxiety the tardy progress in agriculture. This has affected the overall growth of the economy, it feels.

"The importance of agriculture cannot be over-emphasized, in that nearly 70 per cent of the population depend on it for their livelihood. Our major consumer industries also rely on agriculture for their raw materials. Even the fluctuations in our national income from year to year are determined by agricultural production more than any other factor.

"However, while imports of foodgrains have to be continued, the poor rise in the production of commercial crops is affecting the expansion programmes of these industries which depend on them and reducing their capacity to earn additional foreign exchange. The dimension of the problem is painfully sharpened on account of the increase in population, and is reflected in the low standards of health and nutrition.

"This serious situation must be speedily remedied. There is enough data, as also experience, to indicate the areas where specific action has to be taken. The Federation would, however, re-iterate the following, and, while doing so, emphasize the necessity for immediate action, rather than a fresh burst of enquiries into the problem:

"(i) Production must be increased not only by bringing more land into cultivation, but mainly through increasing productivity per acre;

"(ii) The problem of yield of cash crops must be resolved to increase our competitive capacity in international markets;

"(iii) The price policy for our agricultural commodities must be such as to encourage production and increase the income of the producers;

"(iv) A stock-piling programme must be simultaneously implemented;

"(v) Intensive and improved methods of cultivation must be encouraged by making available requisite facilities such as fertilizers, insecticides and pesticides, and credit facilities should be given to the producers;

"(vi) Optimum utilization of available land resources through extension of multiple cropping and the introduction of improved cropping patterns must be effected;

"(vii) Provision for irrigation and water facilities and a proper system of drainage and reclamation of land must be made;

"(viii) Knowledge of soil conservation, utilization of water, the use of better seeds, improved implements and other equipment must be imparted to those on the land;

"(ix) Short-term courses in technical fields for those who are dependent on agriculture and who are likely to continue in it must be established;

"(x) Organized industry also must take positive interest in agriculture, and help the running of agricultural farms as an industrial unit so that agriculture comes to be looked upon and operated as an industry; and

"(xi) The authorities, whether Central or State, must put their best men at all levels to look after agriculture, and in this regard evolve appropriate co-ordination in administrative procedures, which seems to be lacking at present."

World Trade Conference:

The resolution on the forthcoming World Trade Conference said:

"The Federation welcomes the forthcoming World Trade and Development Conference, because it will provide an occasion to look at the trade problems of the developing countries in relation to world economic development.

"By its very nature, unless the content and direction of international trade reflect the changes in the growth of national economies, both the quality of world trade and the development of less developed countries will suffer.

"The terms of world trade have hitherto gone against developing countries, and that can be redressed only if the more developed countries adopt such commercial policies as will help the entry into the international market of processed, semi-manufactured and manufactured goods emerging from the developing nations.

"For this purpose, it is necessary for the advanced countries to accept the principle of preferential treatment for these goods, as also the removal of restrictions on both agricultural products and manufactures of all types, exported by developing nations.

"It is also the expectation of the Federation that the Conference will evolve a satisfactory scheme to ensure greater stability and predictability in the total availability of foreign exchange resources to developing countries.

"At the same time, the Federation hopes that the developing countries, among themselves, will reach a greater degree of harmony, co-operation and like-mindedness in the course of the forthcoming Conference. This co-operative approach must be not only for the purpose of the Conference, but also for the evolution of regional co-operation in investment projects and in the wide objectives of export promotion."

New Office-bearers:

The unopposed election of Mr. K. P. Goenka as the new President of FICCI was announced on March 8.

The following have been elected to the committee of the Federation: Mr. L. N. Birla, Mr. Bharat Ram, Mr. S. L. Kirloskar, Mr. K. N. Mookerjee, and Mr. P. Mathuradas (representing industry); Mr. D. C. Kothari, Mr. Babubhai Chinai, Mr. Pravinchandra Gandhi, Mr. B. B. Singh, and Mr. Satya Paul (representing trade); and Mr. K. K. Birla, Mr. R. N. Bangur, Mr. G. N. Khaitan, Mr. N. L. Kanoria, and Mr. S. M. Dahanukar (associate members).

(*The Times of India*, New Delhi and *The Financial Express*, Bombay)

[Prev. ref. 5161:INI:C]

G. Expansion Of Neyveli Thermal Station—Contract With USSR Signed: A contract was signed in New Delhi on March 9 between the Neyveli Lignite Corporation and Technopromexport of USSR for the supply of equipment, machinery and materials, worth Rs. 7.75 crores, for the expansion of the capacity of the Neyveli thermal station from 250 mw to 400 mw.

The contract also provides for Soviet technical assistance for erecting and putting into operation the equipment delivered.

It will be financed out of the rouble credit extended by USSR to India under the Indo-Soviet Agreement of February, 1960.

The Neyveli Lignite Corporation, a Central Government Undertaking, is at present putting up, with Soviet assistance, a 250-mw thermal power station comprising five units of 50 mw each. Of the five units, four are already in operation and the fifth will be commissioned within a month or two.

Under the latest contract, the delivery of equipment for the sixth 50-mw unit, which will raise the capacity to 300 mw, will begin during the second quarter and be completed in the third quarter of 1964.

The total cost of the expansion of the thermal station, including the rupee expenditure to be incurred on civil works etc., is likely to be of the order of Rs. 18 crores.

The contract was signed by Mr. Chhedi Lal, Joint Secretary, Department of Mines and Metals and Director of the Neyveli Lignite Corporation, and Mr. N. M. Siloulanov, Counsellor for Economic Affairs at the USSR Embassy, Mr. N. C. Shrivastava, Secretary, Department of Mines and Metals, and Mr. I. A. Benediktov, the USSR Ambassador to India, were also present.

(*The Financial Express*, Bombay)

[Prev. ref. 4762:INI:K]

H. Working Of Government Industrial And Commercial Concerns During 1962-63: An overall assessment of the working of 49 industrial and commercial concerns of the Central Government other than departmentally-run undertakings and financial institutions for 1962-63—the second year of the Third Plan—was presented to Parliament on March 10.

According to the assessment, 27 of the 29 running concerns, other than Hindustan Steel Ltd., owned by the Central Government earned net profits of Rs. 15.20 crores in 1962-63.

While the Hindustan Steel—the biggest Government-owned undertaking involving an investment of Rs. 724 crores—incurred a loss of Rs. 23.9 crores, there were substantial increases in the net profits of the Fertilizer Corporation of India (Rs. 146,00,000), Air India (Rs. 96,00,000), Hindustan Machine Tools (Rs. 88,00,000) and National Coal Development Corporation (Rs. 114,00,000) over the previous year.

Nine concerns showed decline in profitability in varying degree. The net profit for 1962-63 earned by these concerns amounted to Rs. 14.83 crores as against Rs. 8.37 crores the previous year.

In terms of percentage of paid-up capital there was an increase in net profits from 4.5 per cent to 7.6 per cent. Eleven of these concerns declared dividends varying from 10 to 2 per cent totalling Rs. 2.09 crores which works out to six per cent of the aggregate paid-up capital of these concerns.

The retained surpluses of different concerns amounting to Rs. 10.91 crores were appropriated by them to the various reserves which stood at Rs. 43.2 crores (including Rs. 13.3 crores on account of development rebate reserve) at the close of the year.

The investment by way of equity and capital loans in the 29 running concerns was Rs. 314 crores, representing 23 per cent of the total investment in Government-owned companies.

The value of sales/business transacted

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by these concerns during the period under review rose to Rs. 264 crores from Rs. 212 crores the previous year—an increase of about 25 per cent. However, the total expenses increased by 21 per cent.

After providing for depreciation amounting to nearly Rs. 16 crores the gross profit for the year was Rs. 24.7 crores—an increase of Rs. 10 crores over the previous year.

These concerns also paid or provided for interest charges amounting to Rs. 3.2 crores on capital loans. The provision on account of tax liability increased by Rs. 2.4 crores—from Rs. 3.7 crores to Rs. 6.1 crores for the year under review.

The total investment in all the 49 industrial and commercial concerns as at the end of 1962-63 was Rs. 1,372 crores.

(*The Financial Express*, Bombay)

[Prev. ref. 5462:INI:L]

I. Increase In Coal Prices: It was announced in Parliament on March 4 by the Central Minister for Steel, Mines and Heavy Engineering, Mr. C. Subramaniam, that the Government of India had raised the prices of superior grades of coking and non-coking coal.

He said the Government had accepted in principle the recommendation of an official study group that incentives were necessary to encourage production of superior grades of coal which were in demand.

Accordingly a price increase of Rs. 1.25 per tonne has been allowed in the case of non-coking coal of selected 'A' and 'B' grades in West Bengal and Bihar and "selected grade" in the outlying fields.

In respect of coking coal, every colliery owner will be paid, in addition to the existing prices, two different scales of *increase in respect of the coal supplied by him.*

The increase allowed in the case of any of the grades of coking coal 'A' to 'E' (conforming to old grades selected 'A' and 'B') is Rs. 1.25 per tonne and in the case of any of the grades of coking coal 'F', 'G' and 'H' (conforming to old grade I) is 75 nP per tonne.

(*The Times of India*, New Delhi)

[Prev. ref. 5171:INI:F]

J. New Governors Of States: The appointment of Hafiz Mohammad Ibrahim, former Irrigation and Power Minister, as Governor of Punjab was announced on March 8 in a Press *communique* issued from Rashtrapati Bhavan.

He will succeed Mr. Pattom A. Thanu Pillai who has been appointed Governor of Andhra.

The communique also announced the transfer of the present Andhra Governor, Mr. S. M. Shrinagesh, to Mysore and the Mysore Governor, Mr. Jaya Chamaraja Wadiyar Bahadur, to Madras. The present Madras Governor, Mr. Bishnuram Medhi, is retiring.

(*The Times of India*, New Delhi)

[Prev. ref. 5057:INI:O]

K. Assam Budget For 1964-65: An overall deficit of Rs. 5.7 crores and additional taxation proposals to reduce the gap were the highlights of the Assam Budget for 1964-65, presented to the Assembly on March 7.

The total revenue receipts for the year were estimated at Rs. 61,78,35,000.

The State Finance Minister, Mr. Fakhruddin Ali Ahmed, said the deficit was largely due to the reduction by the Planning Commission of the outlay on the State's Plan "which the State Government has not found it possible to accept."

He said it was necessary that the Centre and the Planning Commission should provide the financial means to enable the Government to carry out a Plan of "the size and magnitude recognized as reasonable and legitimate by the Planning Commission."

The new taxation measures, which are expected to yield Rs. 85,90,000, are: (1) An increase in the general sales-tax from four to five per cent; (2) An increase in sales-tax from four to 10 per cent on a wide range of goods, including thermos flasks, coloured electroplated nickel, silver, german silver or stainless steel articles, upholstered and iron and steel furniture, ivory and ivory-inlaid articles; (3) Sales-tax on coal, coke and coal gas at two per cent; (4) A levy on the consumption of electrical energy at the rate of 2 nP per unit; (5) Excise duty on liquor; and (6) An increase in the rates of agricultural income-tax.

He said the financial implications of the pay committee's recommendations, expected to cost the exchequer about Rs. 2 crores, had not been taken into account in the Budget.

(*The Statesman*, Calcutta)

[Prev. ref. 5165:INI:Q]

L. Nagaland Budget For 1964-65: The Nagaland Budget for 1964-65 was presented in the Assembly on March 9 by the State Finance Minister, Mr. Hokishe Sema.

The total receipts were estimated at Rs. 1,055,000, which includes Rs. 250,00,000 as statutory grant and Rs. 626,00,000 as grants-in-aid and Rs. 155,00,000 as loans from the Government of India. Revenue receipts of the State were estimated at Rs. 25,00,000.

The total gross expenditure is estimated at Rs. 1,172,50,000. Out of this Rs. 146,42,000 have been set apart for the district of Tuensang.

A provision of Rs. 1,50,000 has been made in the Budget for relief schemes, which include financial assistance in deserving cases for rehabilitation of such of the hostiles who come overground and surrender with the intention of living a normal life as peaceful and law-abiding citizens.

Commenting on the development activities of the State, Mr. Hokishe said that in the field of development, in spite of heavy odds making orderly efforts almost impossible, the progress achieved was not insignificant. The development expenditure had been showing a progressively rising trend.

(*The Statesman*, Calcutta)

[Prev. ref. 5453:INI:L]

M. Manipur Budget For 1964-65: The Finance Minister of Manipur, Mr. Adhiko Daiho, presented the Budget for 1964-65 in the State Legislative Assembly on March 3.

There was no fresh taxation proposal. The estimated receipts were Rs. 9,508,000 and the estimated expenditure Rs. 937,53,000.

He said that the net revenue expenditure was thus estimated at Rs. 633,62,000, against the revenue receipts amounting to Rs. 95,08,000, leaving thereby a deficit of Rs. 538,54,000.

He said after deducting the expenditure of Rs. 4,87,000 to be met directly by the Central Government for the schemes sponsored by it, grants-in-aid payable by the Centre during 1964-65 would be reduced to Rs. 533,67,000.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5533:INI:M]

N. Rajasthan Budget For 1964-65: The Rajasthan Finance Minister, Mr. Balkrishna Kaul, announced in his Budget estimates for 1964-65 in the State Assembly on March 6 an old age pension scheme under which destitutes and people aged 65 and above having no means of livelihood or supporters would get a monthly pension of Rs. 20.

He estimated the revenue receipts for 1964-65 at Rs. 72.19 crores and a revenue expenditure of Rs. 72.81 crores, besides a further capital deficit of Rs. 1.38 crores.

He announced an ad hoc increase of Rs. 5 in dearness allowance to Government employees getting Rs. 300 a month provided the pay plus dearness allowance does not exceed Rs. 320.

He also announced the grant of city compensatory allowance equal to 5 per cent of pay with a minimum of Rs. 5 and a maximum of Rs. 10 to the low-paid Government employees posted at Jaipur.

He proposed to levy a tax on such vacant land in all towns with a population of 10,000 and above as has been lying vacant for two years and more from the date it first passed into private ownership or remained vacant for this period henceafter. The measure, which covers both existing and future holdings, is expected to yield Rs. 10,00,000.

Sales-tax on bullion and ornaments has been raised from ½ per cent to 2 per cent, on tractor tyres and tubes from 2 per cent to 6 per cent, while on plastics it has been fixed at 7 per cent.

An export duty of 2 per cent has been imposed on dressed hides and skins. One per cent sales-tax on yarn export from Rajasthan has been imposed.

Sales-tax on Indian-made foreign liquor has been raised.

The additional taxes and other measures are expected to yield Rs. 58,00,000. He left a gap of Rs. 85,00,000 uncovered in his Rs. 2-crore deficit Budget. He expected to narrow the gap by effecting further economy, by stricter control on expenditure and better recoveries from minor sources of revenue.

He also announced that the State Government proposed to float a public loan of Rs. 5 crores during the budget year because the Central Government had decided to give up the policy of centralized borrowing adopted in 1963.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5174:INI:X]

O. Himachal Pradesh Budget For 1964-65: Presenting the Budget for 1964-65 to the Himachal Pradesh Vidhan Sabha on March 10, the Chief Minister, Dr. Y. S. Parmar, disclosed a deficit of Rs. 7.35 crores, revenue being Rs. 6.50 crores against an expenditure of Rs. 13.85 crores.

The revenue deficit was proposed to be met by grants-in-aid from the Central Government.

Rs. 4.56 crores of the deficit related to Plan expenditure and Rs. 2.79 crores to non-Plan revenue expenditure. He did not propose new taxes.

He said the income had increased by Rs. 1.18 crores over the revised estimates for 1963-64. The main increase was from Forest (Rs. 48,50,000), Road and Water Transport Schemes (Rs. 43,53,000), State Excise Duties (Rs. 10,76,000), Electricity (Rs. 7,45,000), Agriculture (Rs. 3,000), other taxes and duties (Rs. 2,76,000).

He said the Central Government was aware of Himachal's backwardness and was helping it to raise the standards of living of the people. Koncn and Chandni dams which would have evicted many

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people had been abandoned. But the Central Government was anxious to help Himachal generate electricity on a commercial basis.

Himachal's power potential had been estimated at four million kilowatts. The services of an experienced chief engineer had been obtained to draw up schemes for power generation and implement them.

He disclosed that work on the Giri Project was subject to technical approval. It would yield an income of Rs. 3 crores a year. Taming the waters of the Markanda would also save the people from annual floods in the plains of Punjab.

(*The Statesman*, New Delhi)

[Prev. ref. 5518:INI:G]

P. **Madras Land Reforms Act Declared Unconstitutional By Supreme Court:** The Madras Land Reforms Fixation of Ceiling on Land Act, 1961 was declared unconstitutional by the Supreme Court by a judgment delivered on March 9 by Mr. Justice Wanchoo.

The Court held that the operative provisions of the Act violated the fundamental right to equality before the law and as such contravened Article 14 of the Constitution. In consequence the six writ petitions filed by Mr. A. P. Krishnaswamy Naidu and five other landowners against the State of Madras were allowed and the Act was declared void and inoperative.

The main object of the Act was to provide for a ceiling on land holdings to determine the area of surplus land which could be acquired by the Government subject to the payment of compensation.

The provisions of Section 5 defined the ceiling in different cases and Section 50 read with Schedule III governed the calculation of compensation.

The petitioners challenged the constitutional validity of Sections 5 and 50 and urged that they discriminated between persons in the same circumstances.

Mr. Justice Wanchoo referred to the judgment of the Court in the case of Karimbil Kunhikaman in which Section 58 of the Kerala Agrarian Relations Act 1961 had been declared unconstitutional. He said that the impugned provisions in this case suffered from the same defects as the provisions of the Kerala Act. They discriminated between persons equally placed and had fixed a double standard for land ceilings. The provisions regarding compensation were also discriminatory.

According to the Court, Sections 5 and 50, which were unconstitutional, were pivotal provisions for the working of the entire Act, and if these were bad the whole Act had to be struck down.

The petitions were heard by the Chief Justice, Mr. Justice Wanchoo, Mr. Justice Shah, Mr. Justice Ayyangar and Mr. Justice Sikri.

(*The Statesman*, New Delhi)

[Prev. ref. 4254:INI:T]

Q. **IAF Plane Crash:** An IAF "Fairchild Packet" exploded in flight and plunged into the Hooghly River near Gandhi Ghat, Barrackpore, immediately after take-off from the IAF base nearby on March 4.

The plane had 22 men, including a crew of five on board and was on its way from Barrackpore to a field area. There were no survivors.

Hundreds of people living at the Barrackpore police base saw the plane crash. They were attracted by the unusual noise from a low flying plane. It crashed only a few feet from the riverside TB Ward Office of the Brigade Police Hospital.

A Press Note issued by the Defence Ministry in New Delhi said that the dead included three Air Force officers, 17 airmen and two civilian IAF employees.

The five members of the crew were: Squadron Leader A. V. D'Lemos, Flying Officer S. N. Ghosh, Pilot Officer T. P. Pathak, Warrant Officer V. Ramakrishnan (flight engineer) and Sergeant H. K. Shukla (signaller).

Besides the crew, the others killed were: Flt/Sergeant K. K. Sen Gupta, Corporal Jagdish Prasad Jaiswal, Corporal Manik Chandra Sachan, Pritham Singh Sandhu, Roy Ashim Ranjan, C. Mridul, Opendar Kumar Kapani, Daljit Singh, Madhukar Thrumbak Jadav, Amal Krishna Biswas (all aircraftsmen), Corporal J. P. Dikshit, Aircraftsman Kirit Kumar Chandulal Patel, Corporal T. G. Narayana Murthy, Corporal Ballaj Verma, Aircraftsman Ashoke Kumar Sengupta, Subodh Das (a waiter) and S. K. Aktar (laskar).

The Press Note said a court of inquiry had been constituted to go into the cause of the accident.

(*The Statesman*, Calcutta)

[Prev. ref. 5580:INI:A]

R. **Train Disaster:** Twenty-two persons were killed and 34 seriously injured when the Calcutta-bound Express train from Madras ran into a goods train at Baudpur station, on the South-Eastern Railway, about 70 miles from Cuttack on March 8.

Most of the casualties were in the composite third class passenger-cum-luggage compartment which had telescoped into the engine of the Express train.

The bogie and the engine were badly damaged. The locomotive and four wagons of the goods train were also damaged.

Making a statement in Parliament on March 9 on the head-on collision, the Deputy Minister for Railways, Mr. Shah Nawaz Khan, admitted that the accident represented a "serious failure" on the part of the Railways.

(*The Statesman*, Calcutta)

[Prev. ref. 5219:INI:I]

IRAN

A. **Mr. A. Alam Resigns Premiership—Mr. H. A. Mansour Appointed:** Official sources in Tehran said on March 7 that Mr. Hasan Ali Mansour had been appointed the new Premier following the resignation of Mr. Assadullah Alam.

Mr. Alam told newsmen after submitting his resignation to the Shah: "I am leaving the way open for fresher people to rule."

Mr. Mansour, a former Governor of Azerbaijan, headed the Government for a brief period in 1950. He is the Secretary-General of the newly-formed Irano Novin (New Iran) Party. The Party now controls 150 out of the 197 seats in the Iranian Assembly. He is a specialist in economic problems.

(*Tehran Radio*)

[Prev. ref. 5146:IRN:A]

B. **Petro-Chemical Agreement With French Institute:** A London message on February 21 said that an Agreement had been signed between the Managing Director of the Plan Organization and the Chief of the French Oil Institute for the establishment of a petro-chemical industry in Iran.

Work on the plant will begin within thirty months and it is to be ready for production within 48 months. The industry will cost about $116 million which is to be provided out of the 300-million-franc French credit granted in December, 1963 with the balance to be met from Development Plan funds.

The Agreement also provides for the training of technical personnel, which will be carried out while the plant is being constructed.

(*Middle East Economic Digest*, London)

[Prev. ref. 5563:IRN:C]

IRAQ

A. **Kurdish Problem—Failure To Surrender Arms:** A Baghdad message on March 1 said that according to the Kurdish leader, Mullah Mustapha Barzani, all fighting against the Kurds in Northern Iraq had stopped, but the Kurdish guerrillas had not laid down or surrendered their arms to the Iraqi Army.

He said in an interview in the mountain village of Raniyah that the Cease-fire Agreement announced on February 10 was not the only agreement between the Kurds and the Iraqi Government.

"There is a further written agreement which contains secret clauses," he said and these clauses contained conditions to be resolved in later talks.

He said he had been asked to visit Baghdad but had declined, and had asked the Prime Minister and the Interior Minister to come to Raniyah for talks instead. They had agreed, but the date for the visit had not yet been arranged.

He said that President G. A. Nasser of UAR had offered to mediate between the two sides, but before he could accept this offer "the first overture for peace arrived from the Iraqi Government".

He said that during the peace talks he had demanded that future discussions should be attended by envoys from USA, Russia and the United Arab Republic.

Mullah Mustapha Barzani's Assurance:

Mullah Barzani told a group of foreign correspondents that he would gradually disperse the strong Kurdish armed forces, as the agreement he had signed with the Iraqi Government on February 10 was progressively implemented.

He said the Kurdish forces had been built up as a response to injustices suffered by their people in the area, and was simply "normal self-defence." Since an Agreement with the Government had been signed, it was no longer necessary to keep a Kurdish armed force on a war footing.

He said he felt the present Iraqi Government had good intentions and should be allowed to do whatever would be in the interests of the people and the Kurdish zone in general.

He stressed that he had no intention of hampering the Government in its implementation of the Agreement he had signed.

He said that in his negotiations with the Iraqi Government he had stressed two

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points—recognition of national rights for the Kurdish zone, and a general amnesty.

He said he had insisted that the Iraqi soldiers who had deserted to join his troops should be allowed to take up their service in the Iraqi Army again without prejudice.

He stressed several times that the Kurds were not seeking independence or were not trying to secede. "We are not separatists," he said firmly. He said his party had abandoned many of the concessions it had first demanded in 1963.

Asked if he was prepared to dissolve his party if national unity required it, he said his party was headed by a Central Committee which made decisions and spoke for all of them. But if the authorities decided to dissolve the party, he would be ready to co-operate in carrying out the order.

(*The Egyptian Gazette*, Cario and *The Statesman*, Calcutta)

[Prev. ref. 5706:IRQ:C]

B. Baghdad Education Conference—Arab Ministers Initial Cultural Pact: Arab Ministers of Education initialled on February 29 a Cultural Union Charter and the constitution of the Arab Education, Science and Culture Organization (ARESCO).

The signing took place at the final session of the second Conference of Arab Ministers of Education at the premises of the National Revolutionary Council in Baghdad.

The Conference opened in Baghdad on February 22, attended by the 13 member-States of the Arab League, as well as representatives of Qatar, Oman, the Arab League and the Arab Teachers' Federation.

About 40 recommendations were adopted by it, including the Cultural Union Charter and the Constitution of ARESCO.

Baghdad Radio said the Cultural Union Charter, to replace the 1954 Cultural Agreement, would be effective as soon as it is ratified by three member-States.

The Charter provides for the establishment of ARESCO, and the establishment of a University Education Higher Council as well as co-operation with UNESCO.

The constitution of the organization will be effective as soon as the Charter is ratified. It will provide for co-ordination of Arab cultural activity and education.

Mr. Sayed Yussef, the United Arab Republic's Education Minister who presided over the closing meeting of the Conference declared that the resolutions were truly expressive of the concerted will of the Arab nation, and that the spirit which prevailed throughout the Conference reflected the feeling of brotherhood, which surged from the Arab Summit Conference.

He paid tribute to President Abdul Salam Aref for his great service to his people and to the entire Arab nation.

In messages to Arab Kings and Presidents on behalf of the Conference, Mr. Mohammed Nasser, Iraqi Education Minister and Chairman of the Conference, said: "The Conference of Arab Education Ministers is happy to inform you that, inspired by the 'Summit' Conference, they have laid the foundation for union of thought in the Arab homeland in the Cultural Union Charter and the charter of the Arab Education, Science and Culture Organization."

The nucleus of the Organization will be the Arab League's Culture Administration. Each Arab country will have a representative at the Organization, which will set up an Arab office with UNESCO to co-operate with it.

One of the chief recommendations passed by the Conference was to draw up a plan for the education of the children of refugees and to set up a committee to assess their educational requirements. A report will be drawn up on the question by the Arab Science, Education and Culture Organization for submission to the third Arab Education Ministers' Conference.

A reference work on Palestine will be compiled under a recommendation which also called for counter-action to be taken against "Zionist propaganda activities which are distorting the facts about the Arabs."

The Conference also urged the promotion of education facilities provided for Arab women, and that an Arab joint stock company be founded for financing the construction of school buildings in the Arab countries.

Special recommendations were passed providing for aid to be rendered to Algeria, Yemen and Oman in meeting their educational needs.

A cultural development fund will be established and placed under the supervision of the Arab Education, Science, and Culture Organization.

The issue of a simplified Arabic reader for the benefit of foreigners studying Arabic was urged. A commission of experts would be entrusted with compiling the material for the book.

The contribution of 350,000 dinars by the Arab countries towards the rebuilding of the Algiers Library and the holding of a drive for the collection of donations for the cause was also recommended.

(*The Egyptian Gazette*, Cairo)

[Prev. ref. 3893:UAR:A]

ISRAEL

A. "Summit" Conference Of Arab Rulers And Heads Of State—Talks On Jordan Waters Issue: The "summit" meeting of Arab rulers and Heads of State to discuss the Jordan river waters issue opened in Cairo on January 13 and went into formal session behind closed doors.

The public meeting ceremony lasted only a few minutes, after which all those not members of the 13 Arab delegations were asked to leave. The closed door session ended at 9 p.m.

The opening ceremony started with President Abdul Salam Arif of Iraq in the chair. He declared the meeting open with a brief speech, after which the Secretary-General of the Arab League, Mr. Abdul Khalek Hassouna delivered the inaugural address.

President G. A. Nasser welcomed the delegations.

President Nasser had a meeting on January 14 with King Hassan of Morocco, President Ahmed Ben Bella of Algeria, and President Arif of Iraq.

He also received President Habib Bourguiba of Tunisia. The meeting was attended by the UAR Vice-President, Field-Marshal Abdul Hakim Amer.

The Communique:

An official *communique* on the second session of the "Summit" Conference held on January 14 said:

"The Council of the Arab Kings and Heads of the Arab League member-States opened its second session on January 14, 1964, at 10-30 a.m. The meeting was presided over by President Abdul Salam Arif of Iraq.

"The meeting started by reviewing the messages received by the Council, foremost among which were the messages of King Idris el Senussi of Libya, the Imam of Oman and that of the Vice-President and Prime Minister of the People's Republic of China. The Chairman of the Council sent messages in reply expressing gratitude and appreciation.

"The Council heard the proposals made by the some of the Arab Heads dealing with the Palestine cause in general and the question of the diversion of the River Jordan in particular.

"The Council also heard the statement of the representative of the Arab Technical Authority for the River Jordan Waters.

"The meeting ended at 1-40 p.m."

The Statement:

At the close of the first session of the "Summit" Conference on January 16, the Kings and Heads of State issued a statement in which they emphasized that the Arabs, adopting a just and defensive stand, would regulate their political and economic relations with other countries according to the stands of these countries against "Zionist designs" in the Arab world.

The following is the statement:

"The Council of Kings and Heads of State of the Arab League in its first session held at the Arab League premises in Cairo from January 13 to 16, 1964, upon the suggestion of President Gamal Abdul Nasser, President of the United Arab Republic:

"Having studied the threats, and the continuous acts of aggression practised by Israel, since it evicted the Arab Palestine people from their home and since it established an occupying imperialist force on their territory, practising racial discrimination against the Arab minority adopting the policy of aggression and accomplished facts as its base, and insisting on ignoring the resolutions of United Nations which assure the natural right of these people to return to their home, belittling the repeated condemnations recorded to its account by the organs of the international Organization;

"Having examined the dangerous new aggression about to be mounted by Israel against Arab waters, by diverting the course of the River Jordan, and the grievous damage done to the rights of Arabs benefiting from these waters with the object of realizing Zionist expansionist policies by bringing in more aggressive forces, and setting up further centres of aggression against the security of progress of Arab countries and world peace;

"And in pursuance of the legitimate right of self-defence;

"Fully persuaded of the sacred right of the Palestinian Arab people to self-determination and emancipation from the Zionist colonialization of their nation, and that Arab solidarity is the means to off-set avaricious imperialist designs and to realize equitable, joint, Arab interests, and to raise the standard of living of the majority, and implement construction and rehabilitation programmes;

"Has adopted the practical resolutions essential to ward off the imminent Zionist menace whether in the defensive or technical domains, or in the field of organizing the people of Palestine and enabling them to play their role in liberating their fatherland and attaining self-determination.

"The Council meetings also resulted in the Kings and Heads of State unanimously agreeing to settle all differences, to clear the Arab atmosphere of all blemishes, to suspend all campaigns by information media, to consolidate relations between the Arab sister-States, to ensure collec-

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tive co-operative reconstruction and to ward off the aggressive expansionist designs menacing all Arabs alike.

"The Council also considered that the convening of more of these meetings at the highest levels is a matter necessitated by supreme Arab interests.

"The Council decided that the Kings and Heads of State meet at least once a year, and that the next meeting be held in Alexandria in the month of August, 1964.

"The Arab Kings and Heads of State declare that the Arab nation calls upon those nations and peoples of the world which cherish the rights of individuals in their homelands, and the rights of peoples to utilize their resources, and to self-determination, to extend to it the staunchest support in repelling the new Israeli agreement.

"They affirm that, adopting this just and defensive stand, they will regulate their political and economic relations with other countries according to the stands of these countries towards the Arabs' legitimate struggle against Zionist designs in the Arab world.

"The Arab Kings and Heads of State also hope that these Afro-Asian countries which placed their faith in the Bandung principles and committed themselves to the Addis Ababa Charter, which sacrificed a great deal in fighting imperialism, which fought racial discrimination and which have been and are still being subjected to the Zionist imperialist dangers and designs—particularly in Africa—all these countries will extend their true support and assistance to the Arabs in their just struggle.

"They also look forward to the support of all free nations which believe in peace established on justice.

"The Arab Kings and Heads of State further affirm their conviction in the justice of the Arab struggle and in the need of supporting this struggle against imperialism in the occupied Yemeni South and in Oman, as well as their belief in the justice of the national struggle in Angola, South Africa and in every part in the world, for the causes of liberty and justice are integral and indivisible.

"They confirm their faith in solving world problems through peaceful means in accordance with the United Nations Charter and their belief in the principle of peaceful co-existence among nations and in the policy of non-alignment.

"Inspired by this conviction, the Arab countries welcomed the partial nuclear test ban Treaty of Moscow and hastened to sign it. They support the rapid efforts made towards achieving total and complete disarmament in ways that can safeguard world peace.

"Inspired by their steadfastness to the principles of peace based on equity and justice, and their determination to participate in the economic development of the world, and in the elimination of economic and social under-development, the Arab countries carried out a major role in the Conference of Economic Development held in Cairo in the Spring of 1963 in addition to bringing the same spirit and determination to the World Conference of Development and Trade which will be held this year.

"The Kings and Heads of State welcome the African Unity Charter, for they see in it a new hope for peace, freedom and equality in Africa and the world;

"Moreover, they affirm their determination to consolidate Afro-Asian co-operation, which began particularly from the Bandung Conference in 1955.

"In this, the Arab Kings and Heads of State express their steadfastness to duty towards their Arab nation, and towards the dignity of the human family and in the service of peace and prosperity in the world."

Plan For Joint Arab Command:

According to informed sources in Cairo, the Conference agreed in principle to set up a joint military command for defensive purposes to prevent any Israeli intervention if the Arabs tried to divert the waters of rivers rising in Lebanon and Syria.

It was generally accepted that any single Arab country was not in a position to thwart an Israeli intervention and therefore the formation of a permanent joint military command to deal with such a situation was necessary.

There was general satisfaction that several feuding Heads of State showed a spirit of compromise in settling their long-standing internal differences.

UAR And Jordan Resume Ties:

The UAR and Jordan have announced resumption of diplomatic relations.

The decision to re-establish diplomatic relations was made "as a result of the cordial contacts" between King Hussein of Jordan and President Nasser of UAR, at the "Summit" Conference.

President Sallal of Yemen made a plea before the Conference for recognition of his republican regime by those Arab States which have not recognized it so far.

Meanwhile, high-level contacts were in progress to bring about a meeting between King Saud of Saudi Arabia and President Sallal which might lead to a major break-through in the Yemeni impasse.

Jordan was understood to have agreed to withdraw all its officers and men numbering about 30 who are at present training the Imam's troops against the republican regime.

The Conference also discussed the question of raising funds to strengthen the Jordanian Army with arms and equipment.

Observers noted that King Hussein's suggestion to refer certain issues to special committees was overruled as it was felt that such committees achieved little.

Armament Budget:

It was learnt in Cairo on January 16 that the Arab "Summit" had set aside £15 million as armament budget for one year to boost military preparedness of Jordan, Syria and Lebanon.

Kuwait will contribute £5 million, Saudi Arabia and UAR £3 million each, and Iraq £1.5 million. The remainder will be met by all other Arab States.

Nothing has been provided for UAR as it was felt that it was already in a state of armament and military trim.

General Ali Amer has been charged by the "Summit" to regulate and co-ordinate Arab armies, build up adequate military strength and armaments and be militarily prepared for any emergency. He has also been appointed overall Commander of the Unified Arab Command.

The Command will also formulate plans whereby Arab countries surrounding Israel will be enabled to complete their military preparedness.

Israel To Go Ahead With Jordan River Plan:

The Israeli Cabinet unanimously approved on January 19 an official statement, according to which Israel is determined to carry out its plans for using the waters of the Jordan River and will not be deterred by "Arab threats".

A reply to the "threats and mis-statements" about Israel's National Water Plan uttered at the Cairo "Summit" Conference was given by the Israeli Prime Minister, Mr. Levi Eshkol, in the Knesset on January 20. He re-affirmed Israel's intention to proceed with her project and protect her vital rights.

The following is a summary of Mr. Eshkol's statement:

"We find ourselves confronted with a doctrine of international relations to which there is no parallel in our generation. It is contrary to all law and morality. It makes a mockery of the repeated declarations by the Egyptian President and his colleagues of their devotion to peace and world disarmament. It runs contrary to the mainstream of international thought in our days—which has as its central objective the relaxation of tensions and the strengthening of peace.

"While it is not yet clear what the practical results of the Cairo Conference will be, it has already brought out into the clear light of day aggressive and destructive aims that should shock the conscience of every lover of peace. Thirteen Heads of State were moved to assemble and deliberate together. How deplorable it is that the purpose of their meeting was not the social and economic advancement of their tens of millions of people. How horrifying that the only aim that could bring them together under one roof was their lust for aggression against a neighbouring State.

"The Cairo Conference has clearly revealed a general posture of hostility to Israel; but the main subject with which it dealt was our country's National Water Scheme. Here the Conference arrived at a dual conclusion; it painted a distorted picture of our legal and constructive enterprise; and it proclaimed a plan of sabotage, which is based entirely on negation and envy, violation of law and deliberate aggression.

"Eleven years ago the Arab States and Israel agreed to the mediation of the President of the United States, who sent the late Ambassador Eric Johnston to this part of the world as his special envoy to work out an agreed regional plan for the utilization of the waters of the Jordan, the Yarmuk and their tributaries. At the opening of the negotiations, the Arab countries on the one hand and Israel on the other submitted separate plans for the allocation of the Jordan and the Yarmuk waters.

"For almost three years Ambassador Johnston conducted parallel and co-ordinated negotiations with the Arab Governments and with Israel.

"After prolonged and exhaustive discussions, in which Arab, Israeli and international engineers took part, Mr. Johnston produced a unified regional plan which was based upon accepted rules and principles of international law and procedure. This plan assured Syria and Lebanon of all the quantities of water demanded by them in the Arab plan without any cuts whatsoever. The unified plan allocated to the Kingdom of Jordan all the waters required by it for the irrigation of its irrigable areas.

"This allocation was based on a detailed objective survey. In other words, the needs of Jordan, Syria and Lebanon were fully satisfied by the unified plan. And indeed, as Ambassador Johnston testified in an article published in the New York Times on August 10, 1958, the Arab countries and Israel agreed to the unified plan from every point of view connected with its technical and other merits. In October, 1958, however, the Arab League decided against ratification of the plan, not for any reasons pertaining to the plan, but on the deliberate principle of opposing any co-operation—even indirect—the Israel.

"This, then, is the situation. The Arab countries are utilizing the Jordan-Yarmuk system to meet all their needs, while they seek to prevent Israel drawing her share from this net-work. They believe, apparently, that what is permissible to them should be forbidden to Israel. Their

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aim is to injure Israel—even at the cost of injury to themselves. They wish to convince the world that, in the name of hostility to Israel, they are entitled to prevent the flow of the Jordan headwaters in their natural channels in Israel's territory. I note with satisfaction that the world in general has not been convinced by this theory of hostility and hatred. It is becoming clearer and clearer to the world that the arguments of the Arab countries have nothing to do with water, but are meant to deny Israel's right to exist.

"In closing, I wish to clarify the position of the Government of Israel.

"Israel will draw water from Lake Kinneret within the limits of the quantities laid down in the unified plan.

"Israel will oppose unilateral and illegal measures by the Arab States and will act to protect her vital rights.

"We believe that world public opinion will not be misled by malicious misstatements and will reject the campaign of incitements and threats against a legitimate and constructive development project. This area needs the benefits that will flow from the waters, and not incitement to bloodshed; it needs economic development, not barren strife; cooperation, not envious hostility; the utilization—not the waste—of its water resources; the advancement of peace and not the fomenting of war.

"The more firmly world public opinion rejects hostility and aggression, and encourages useful and constructive development, the more it will help the Arab Governments to abandon a policy of reckless adventurism, and will help our area to advance along the road of progress, constructive endeavour and peace."

Background:

The following is a background to the Jordan river waters issue:

Three tributaries, the rivers Hisbani (rising in Lebanon), Banias (main sources in Syria) and Dan (main sources in Syria, some in Israel), unite inside Israel to form the Jordan, which flows south through the Hula Valley (Lake Hula was drained in 1958) and on through Lake Tiberias (the Sea of Galilee). For five miles south of Tiberias it flows through Israel territory or through the demilitarized zones on the border between Israel and Syria. It is then joined from the east by its largest tributary, the Yarmuk (which is almost all in Arab territory dividing Syria and Jordan).

For the next 20 miles the west bank of the river Jordan is in Israel and the east bank in Jordan. For the last 40 miles, until it empties into the Dead Sea, the River Jordan passes through Jordanian territory.

Jordan and Israel are, therefore, the principal riparian States, but Lebanon and Syria have claims to a share in the control and use of the water, which is essential for economic development in an area based on agriculture and dependent on irrigation.

The total flow of the Jordan River watershed is 1,800 million cubic metres, of which 77 per cent originates in Arab territory, and 23 per cent in Israel. At present, only a seventh of the waters is used; the rest evaporates or flows into the Dead Sea.

1952-53: The United Nations Relief and Works Agency (UNRWA) prepared a plan for use of the Jordan waters on which Mr. Eric Johnston negotiated as President Eisenhower's special representative.

1953-54: After discussions on the technical level a broad measure of agreement on a much revised "Johnston plan", giving the Arab States about three-fifths of the annual flow of water, and Israel the rest. The United States Government offered to pay two-thirds of the cost, but the Arab States refused, as agreement implied recognition of Israel.

Meanwhile, Israel had begun projects in Israel territory—one of them to carry water to the Negev from the River Jordan, with offtake just south of Lake Hula, in a demilitarized zone. Syria complained to the Security Council that this altered the status quo in a demilitarized zone, and therefore, violated Article 5 of the Armistice Agreement between Israel and the Arab States. After a Security Council resolution of 1953 calling upon Israel to stop, the work was suspended.

The present Israel plan is to pump water from Lake Tiberias at a point outside any demilitarized zone and carry it through Israel to the Negev by canal, tunnel, and pipe.

Arab objectives are variously stated, but they appear to be:

(i) The Israel scheme violates Article 5 of the Armistice Agreement, and defies the Security Council resolution of 1953. But Article 5 and the resolution concern the demilitarized zones; the present scheme pumps water at a point well away from any demilitarized zone. Work done in 1953 in a demilitarized zone has not been resumed.

(ii) Irrigation of the Negev will enable millions of immigrants to settle in Israel —a threat to the Arab world. There is, no doubt, a genuine fear of the results of population pressure in Israel, but the scheme would make little difference in this respect. It would enable the present Israelis (2,250,000) to absorb better the large number of additional immigrants—possible one million—which, given adequate investment, could easily be maintained within the present boundaries of Israel.

(iii) The scheme violates legal rights. But each of the riparian States has a prima facie right to an equitable proportion of the water, though upstream States should not interfere with reasonable use of the water by downstream States. There are no universally accepted principles of international law to govern division of river water. Division can, therefore, only be made saistfactorily by international agreement. Failing agreement (which the Arabs have refused), Israel will be acting unilaterally and, it may be said, illegally and provocatively. But she appears to have allowed, so far as quantity is concerned, for reasonable use by other States, as the present plans seem broadly consistent with the division proposed in the Johnston plan.

(iv) The Jordan south of the diversion will become too saline for irrigation. This is difficult to assess. Some increase in salinity will occur, but so it will from the Jordanian Yarmuk scheme.

The Johnston plan offered a rational solution, but no agreement between the Arab States and Israel is politically practicable. Israel should show that she is keeping within reasonable limits arrived at by negotiations (not necessarily with formal governmental approval). If the Arab States refuse agreement—and therefore any control over the amount of water withdrawn and then undertake action to interfere with Israel's reasonable use of water —Israel's position over her present plan is likely to be strengthened.

The Israel plan is now expected to come into operation, with a test pumping by one pump only, early in 1964. This cannot possibly pump more than the Johnston plan permitted. Under the full plan, three pumps are expected to be used. The Israelis claim that they, too, will not exceed the Johnston plan limits. But this will certainly be disputed.

(*The Times*, London, *The Egyptian Gazette*, Cairo and *The Hindustan Times*, New Delhi)

[Prev. ref. 4494:ISR:B]

SPORT

A. East Zone Davis Cup: India took a winning 3-0 lead over Ceylon in their East Zone Davis Cup match in Hyderabad on March 1 when Premjit Lall and S. P. Misra beat Fernando and B. Pinto 6-4, 3-6, 6-4, 6-3. India will now meet Pakistan at Lahore.

The Ceylonese visitors gave a better performance on the second day. Pinto in particular was deadly accurate with his fast services, but his poor backhand was exploited to the full by Lall. In his first appearance for the Indian side, the young local player, Shiv Prakash Misra, gave a good account of himself. Though he looked nervous and erred in the beginning, he recovered and proved himself a valuable partner to Lall.

The Ceylonese shared the service games with India till 3-3, in the first set. India broke through in the seventh game on Fernando's service, and after dropping one more game won the set.

The Ceylonese jumped into a 3-0 lead in the second set mainly due to the faults of the Indian pair. Lall and Misra ended many a rally by driving into the net. This enabled the visitors to win the set at 6-3.

Ceylon's chances looked bright as they once again led by three games in the third set. But thereafter the Indian pair found their touch and won four games in a row to take a four-three lead. Conceding one more game they claimed the set. In the fourth set, India took a 5-2 lead and as the fatigued visitors ran around the court, they won the set and match at 6-3.

(*The Hindu*, Madras)

[Prev. ref. 5024:SPO:A]

B. National And Northern India Lawn Tennis Championship: Ramanathan Krishnan won the open singles final of the National and Northern India Lawn Tennis Championship in New Delhi on February 22. He defeated Britain's fifth-ranked A. R. Mills 6-1, 6-3, 6-4.

This was the seventh time Krishnan had claimed the national title. He had been figuring in the final during the past 11 years and had never lost to a fellow-countryman.

The results were:

Men's Singles (final): R. Krishnan beat A. R. Mills 6-1, 6-3, 6-4.

Junior Doubles (final): Balram and Ajit Grewal beat S. Minotra and Vijay Khanna 8-6, 6-3.

Women's Doubles: Begum Khan and Mrs. A. R. Mills beat J. A. Bone and L. Shantamalla 6-2, 6-2.

Men's Doubles: Jaideep Mukherjea and Premjit Lall won the men's doubles title, defeating R. Krishnan and Naresh Kumar 2-6, 6-3, 6-3, 3-6, 8-6.

Women's Singles: Mrs. A. R. Mills won the women's singles title defeating Lakshmi Mahadevan 6-3, 4-6, 6-2.

(*The Times of India*, New Delhi)

[Prev. ref. 5216:SPO:D]

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ASIAN RECORDER

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AFGHANISTAN

A. Trade Pact With Pakistan Extended: Pakistan and Afghanistan signed a joint *communique* on March 9 embodying the agreement reached for a transit trade pact between the two countries.

The following is the text of the Press Note issued on March 9:

"The negotiations for the new Transit Trade Agreement between Afghanistan and Pakistan which commenced in Rawalpindi on February 26, 1964, ended in Karachi today. A joint communique embodying the agreement reached between the two delegations was signed at Karachi at 10 p.m. today and will be released simultaneously in the two countries on the evening of March 11, 1964."

Mr. Wahiduzzaman, Pakistan's Commerce Minister, signed the joint communique on behalf of Pakistan, while Mr. Mohammad Sarwar Omer, the Afghan Commerce Minister, signed for Afghanistan at a ceremony at the State Guest House.

It was announced in Rawalpindi on March 11 that in the absence of agreement on certain new facilities asked for by the Afghan delegation for transit trade, Kabul and Rawalpindi had decided to extend the life of the current arrangements for another year.

The joint communique issued on conclusion of the talks between the Commerce Ministers of Pakistan and Afghanistan said "both delegations felt the proposals and suggestions for inclusion in a fresh agreement needed further careful study."

The present Transit Trade Agreement expires on April 20.

The week-long talks between Pakistan's Commerce Minister, Mr. Wahiduzzaman and his Afghan counterpart, Mr. Mohammad Sarwar Omer failed to bring about an agreement on additional facilities demanded by Afghanistan. Kabul suggested only Afghan trucks should handle the goods from Torkham to Kabul and also demanded certain exclusive facilities at Karachi Port for Afghan nationals for loading and unloading the export goods.

According to informed sources, Pakistan is willing to grant additional facilities, but on the basis of reciprocity benefiting both nations.

(*Dawn*, Karachi)

[Prev. ref. 5001:AFG:A, 5384:PAK:D]

BURMA

A. Mr. Chou En-lai's Visit: The Chinese Premier, Mr. Chou En-lai, paid a visit to Burma from February 14 to 18.

[The visit came after his tour of Africa lasting 55 days. Later, he visited Pakistan and Ceylon.]

A joint *communique* issued at the end of the visit said China and Burma were glad to note that the situation along the Sino-Indian border had eased.

The communique expressed the hope that both China and India would find it possible to enter into direct negotiations on the basis of the Colombo proposals "so as to remove progressively differences between them and finally achieve a friendly settlement of the Sino-Indian boundary question."

It said China and Burma hailed the establishment of diplomatic relations between China and France as "another important event favourable to the achievement of peaceful co-existence among nations with different social systems and to the cause of peace."

It pledged support to the peoples of Asia and Africa in their struggle for independence.

It noted with satisfaction the strengthening of relations between China and Burma.

It re-iterated Burma's belief that the admission of China to UN would not only enhance the effectiveness of the world Organization but would also facilitate settlement of international problems by peaceful means.

Mr. Chou pledged to respect and support Burma's policy of peace and neutrality.

The communique also said the Chairman of the Revolutionary Council, General Ne Win, had accepted an invitation to visit China at a date convenient to both sides.

Indian Reaction:

Commenting on the reference to the Sino-Indian border dispute in the *communique*, a spokesman of the Indian External Affairs Ministry said in New Delhi on February 19: "We are prepared to enter into talks with China only when China accepted the Colombo proposals *in toto* and without any reservations".

He said that Burma had always been consistently supporting the Colombo proposals.

Asked whether the communique, as had been reported in the Press, could be interpreted to mean that India and China should meet and discuss the differences between them in regard to the Colombo proposals, the spokesman re-iterated that talks could take place only after China accepted the Colombo proposals in full.

As for the comment in the communique that the situation in regard to cease-fire had eased, the spokesman said: "Consolidation of the cease-fire line can be discussed and finalised only after the negotiations start on the basis of China accepting in toto the Colombo proposals."

He pointed out that it was China who attacked first and unilaterally declared cease-fire and withdrew. "They could attack us at any time."

(*The Nation*, Rangoon and *The Statesman*, Calcutta)

[Prev. ref. 5327:BUR:A, 5544:INI:A]

B. Peace Talks With Karens: *Rangoon Radio* reported on March 12 that peace talks between the Revolutionary Government and the insurgent Karen Revolutionary Council had ended successfully.

The agreement, the first to be reached with a rebel group since the Government's peace offer of June, 1963, will free Burmese armed forces for the fight against other insurgents. Negotiations with Communist, Kachin, Arakanese, Shan and Left-wing Karen rebel groups broke down in November, 1963.

About 1,500,000 Karens live in Burma and their rebellion at first reduced the Government's authority to an area around Rangoon. Later, the Burmese Army forced them into the hills of what is now the Kawthulay (Karen) State in the south-east.

The Karen negotiators were led by the President of the State, Saw Hunter Tha Hmwe, who had not emerged from the jungle for 14 years.

(*The Statesman*, Calcutta)

[Prev. ref. 5579:BUR:A]

CEYLON

A. Mr. Chou En-lai's Visit: The Chinese Prime Minister, Mr. Chou En-lai, paid an official visit to Ceylon from February 26 to 29.

Both he and the Ceylon Premier, Mrs. Sirimavo Bandaranaike, at receptions arranged in his honour, stressed that the visit would strengthen the relations between Ceylon and China.

A joint *communique* issued on February 29 at the conclusion of three rounds of talks between them was viewed with much significance by observers for its reference to China's dispute with India.

The communique said that the two Prime Ministers noticed with satisfaction that the situation on the Sino-Indian border had eased.

It added that Mr. Chou En-lai expressed his thanks to Ceylon and other Colombo Conference nations for the efforts they had taken to mediate and expressed his readiness to seek direct negotiations with India on the basis of Colombo proposals for a peaceful settlement of the border dispute.

Mrs. Bandaranaike indicated that together with other Colombo Conference nations Ceylon would continue her efforts to promote reconciliation between India and China.

The communique said: "The talks were held in that atmosphere of cordiality and friendship which characterises the relationship between the two countries.

"The two Prime Ministers expressed their firm opposition to colonialism in all its forms and manifestations and hoped that its last vestiges would soon be eradicated.

"The two leaders agreed that the national Governments of countries that have newly won national independence

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should be helped in their endeavours to attain full economic independence as rapidly as possible.

"The Prime Ministers expressed their determination to strive, in co-operation with other nations, for general disarmament and for complete prohibition and destruction of nuclear weapons.

"The Prime Minister of Ceylon declared her Government's continued support for the restoration to the People's Republic of China of her legitimate rights in United Nations. She also re-affirmed Ceylon's view that Taiwan is an integral part of China.

"The two leaders supported the establishment of nuclear-free zones in various parts of the world. In this connexion, the Chinese Prime Minister commended the initiative taken by the Ceylon Prime Minister to refuse entry into Ceylon's territorial waters, ports and airfields of ships and aircraft carrying nuclear weapons or equipped for nuclear warfare.

"The Ceylon Prime Minister explained to the Chinese Prime Minister Ceylon's active interest in the holding of a second non-aligned conference. Both Prime Ministers hoped that a second non-aligned conference would contribute to the cause of opposing imperialism and colonialism, of supporting the national independence movement and safeguarding world peace.

"The Chinese Prime Minister was of the opinion that the time was right for convening a second Afro-Asian conference and that active preparations should be made for that purpose. The Ceylon Prime Minister agreed that such a conference would serve a useful purpose and indicated that Ceylon would participate in such a conference.

"The Prime Ministers agreed that the second non-aligned conference and the second Afro-Asian conference were not mutually exclusive."

Details Of Aid Programme:

The Finance Ministry issued on March 2 a *communique* giving details of the aid offered by Mr. Chou En-lai to Mrs. Bandaranaike during their talks.

China has offered Rs. 20 million worth of textiles to be imported in the course of this year to Ceylon, which is now experiencing shortage of textiles.

China will also provide an international conference hall to be built in memory of the late Prime Minister, Mr. S.W.R.D. Bandaranaike.

A group of Chinese experts will come to Ceylon to help Ceylonese architects and engineers to design and construct this building.

Under the existing Economic Aid Agreement, China had offered aid to the value of Rs. 125 million. In the course of his talks with Mrs. Bandaranaike, Mr. Chou En-lai expressed the readiness of China to increase this amount—"provided it was not very large"—if this amount was exceeded.

The *communique* did not specify the increase agreed to, but Press reports said that China had agreed to increase it by about Rs. 80 million.

China has also agreed to lower the rate of interest of loans granted under the Loan Agreement from the existing 2½ per cent. "If Ceylon has any difficulty in repayment of the loan within the stipulated period China would be glad to consider extending the period of repayment."

Under the Loan Agreement, China will also provide a further supply of rice. At present China has agreed to supply 2,00,000 tons of rice to Ceylon.

(*The Hindu*, Madras and *The Times of Ceylon*, Colombo)

[Prev. ref. 5187:INI:B, 5544:INI:A]

CHINA

A. Sino-Soviet Border Demarcation: The leader of a Soviet Parliamentary delegation that visited India in March, Mr. I. V. Spiridonov, told correspondents in New Delhi on March 7 that a Sino-Soviet joint commission had been formed to demarcate the border between Russia and China in "certain sectors."

Mr. Spiridonov, who was replying to a question on reported violations of the Soviet border by the Chinese, declined to specify the sectors to be demarcated by the joint commission.

He said that in the past there had been several violations and many letters were written about it to the Chinese authorities. Recently, the two countries decided to establish a joint commission for "a careful delimitation of the border in certain sectors".

Asked to explain the basis on which the commission would demarcate the border, he said it was possible that some of the border posts had got lost or some other similar developments had taken place.

Replying to a question on the movement of people from Sinkiang in China into Kirghizia and Kazhakistan in Russsia, Mr. Bolot Mambetov, Chairman of the Council of Ministers of Kirghizia, said that "large numbers of people" had crossed the border. Several requests were made to the Chinese to prevent this "mass flow" of people. Those who had thus migrated into Russian territory were given new jobs and "economically placed exactly as the Soviet people." The migration had now stopped.

(*The Statesman*, New Delhi)

[Prev. ref. 5511:CHI:A]

B. Cultural Agreement With USSR: Representatives of China and the Soviet Union signed in Moscow on February 29 an Agreement on cultural co-operation.

It provides for exchanges in the fields of culture, art, science, education, public health and sport, and also between creative associations of the two countries for 1964.

(*The Statesman*, New Delhi)

[Prev. ref. 3911:CHI:A]

INDIA

SUMMARY: Expansion Of Armed Forces; British Loans; Trade With East European Countries; Central Revenue Receipts; Progress Of Atomic Power Stations.

A. Expansion Of Armed Forces —Defence Ministry's Annual Report: The Defence Ministry's annual report for 1963-64 released in New Delhi on March 13 gave details of the steps being taken to expand the Army, the Air Force and the Navy and develop defence production.

India is going ahead with the expansion and modernization of her armed forces to meet the country's long-term defence requirements.

She is also striving hard to establish an adequate defence production base to make the armed forces self-sufficient in basic weapons and equipment.

For the first time the Defence Ministry made available to Members of Parliament adequate information on the country's defence effort, hitherto withheld on grounds of security.

The Defence Minister, Mr. Y. B. Chavan, had asked the three Services this time to release as much general information as possible about their expansion plans so that Parliament could debate the subject with reasonable knowledge of what was being done to prepare the country against the threat of another Chinese attack.

The report disclosed that defence planning was being done on the assumption that India was faced with a long-term threat from the north. While she was anxious to settle her differences with her neighbours peacefully, she must at the same time "take measures for the defence of our territorial integrity against any aggressive threat."

The following are the main points of the report:

Expansion of the Army has called for quick adjustment in the policy of recruitment and in methods of selection. New training facilities have been created and training programmes modified, bearing in mind the short-comings revealed by the inquiry into the N-EFA reverses in 1962.

To achieve qualitative improvement in weapons and other equipment, action had to be taken during the year to replace weapons of World War II vintage with weapons of improved fire-power and to develop and produce light and semi-automatic weapons. Simultaneously with the programme of modernization, steps have also been taken to standardize weapons and other equipment and to work out a rational provisioning policy.

Certain organizational changes have been carried out at all levels to make the Army more mobile and effective.

A new Directorate of Combat Development has been set up "to formulate tactical concepts in the light of our own and possible enemy weapons development," to indicate how organizations and material should be developed to meet the changing tactical concepts and to arrange trials and experiments to test the approved combat development concepts.

The Directorate of Military Intelligence has been strengthened and a new Recruitment Directorate set up. A new organization has been formed for the procurement of equipment and stores from abroad.

In addition to the three Army commands which formerly existed, a fourth—the Central Command with headquarters at Lucknow—has been set up by splitting the former Eastern Command, moving the latter to Barrackpore.

Soon after the commencement of the Emergency, six new divisions were sanctioned—four of them are being raised as mountain divisions, the other two as standard infantry divisions. One existing infantry division is also being raised as a mountain division, bringing the total number of mountain divisions to five. The mountain divisions are being made as self-contained as possible and emphasis is being laid on increased fire-power and mobility.

Two scout battalions are being raised —one for the Punjab and Himachal border with Tibet and the other for the UP-Tibet border. The battalions will be drawn from local people of these border areas.

To meet the requirements of the additional divisions and make up past deficiencies, recruitment was made on an intensive basis. By the end of 1963 the targets had generally been achieved and the recruitment drive was slowed down.

Nearly 8,600 officers had been commissioned up to February, 1964. Another 3,200 officers are likely to be commissioned by the middle of this year.

Having regard to the special needs of the mountainous terrain and extreme cold conditions etc., several steps have been taken to modernize weapons and equipment. The infantry will be equipped with

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self-loading rifles. Small arms will be standardized on a single calibre (7.72 mm.) to facilitate ammunition supply problems. The Army will be provided with lighter and long-range mortars. There will be a mountain gun with better range. It will be more easily transportable. The armour will be a balanced force of medium and light tanks. Manufacture of medium tanks is in progress.

Production of the Ishapore semi-automatic rifles has commenced on a large scale and the production rate is expected to be doubled during the next 12 months. Production of 7.62 mm. bolt-action rifles and light machine-guns has also begun. Production of 7.62 mm. ammunition has started and a plant for the production of this ammunition is being obtained from USA under the military assistance programme. Other types of ammunition are also being produced in the country.

To replace the fleet of old vehicles large orders have been placed with automobile manufacturers in the country, in addition to the Shaktiman and Nissan vehicles manufactured in ordnance factories. A long-term provisioning programme for vehicles has been drawn up and its implementation has commenced. This will ensure that the defence forces will be equipped with reliable and operationally dependable vehicles at any point of time. According to this, vehicles will be discarded after specified service and replaced by new vehicles.

Modernization of the Air Force is being phased over a number of years and assistance has been sought from a number of friendly countries.

Sets of powerful static radar installations and connected communications equipment, which the US Government has agreed to provide, will be ready for use in a few months. Facilities have been given for training of Air Force personnel in USA and the UK. The UK Government has provided electronic and communications equipment, while the Canadian Government has supplied a number of transport aircraft. The USSR Government has supplied a number of aircraft, helicopters and other air defence equipment and has also provided training facilities for IAF personnel.

To ensure better control and supervision of air defences, a third Operational Air Command has been set up with headquarters at Shillong.

A series of steps have been taken to improve the airlift capacity of the IAF by acquiring suitable types of aircraft.

Recruitment and training facilities have been expanded. A number of Air Force personnel have been sent abroad for various specialized courses under different aid programmes. Without prejudice to the requirements of the IAF, Air Force training institutions in India have continued to impart training to a limited number of Air Force personnel from friendly Asian and African countries.

The IAF fleet of transport aircraft has been substantially increased. A number of heavy transport AN-12 planes have been purchased from USSR on deferred payment terms. From Canada 16 Caribou medium transport planes have been contracted for purchase under a loan and some of these have already arrived. Canada has also given eight Dakota aircraft. The USA has supplied under its military assistance programme a certain number of Packet aircraft in addition to two Caribous supplied earlier.

A number of helicopters have been acquired from France and USSR. French Alouette helicopters are to be manufactured in the country.

The IAF fighter fleet is proposed to be augmented by addition of Gnats, HF-24 and MIG aircraft. The first is already in service, while HF-24 is proposed to be manufactured at HAL. The MIG-21 aircraft will be manufactured in new factories in the process of being set up.

A number of Harvard trainer aircraft have been secured from Canada and a few more are being obtained from Canada. A jet transport aircraft is under development at HAL. An order has been placed with HAL to manufacture a number of "Krishak" aircraft to be used in the air observation post role.

Increase In Allocations:

It was officially stated on March 18 that the Government would spend on the Army a sum of Rs. 583 crores during the coming financial year.

This is approximately Rs. 33 crores more than the estimated expenditure on the Army during the current financial year.

A large part of the amount will be spent on various schemes for strengthening and modernizing it.

The Indian Air Force will claim nearly Rs. 125 crores next year, which is the same as provided for in the current financial year. A sizable portion of the Air Force spending will be devoted to modernizing the air fleet and equipment.

The Navy's allocation exceeds Rs. 23 crores, part of which will be devoted to replacing old ships.

Capital works for the Army, Navy and the Air Force and steps to expand the production base for defence purposes are expected to cost the Central Government a further sum of Rs. 141 crores in the coming year.

This is about Rs. 26 crores more than the actual expenditure during the current financial year.

(*The Times of India* and *The Hindustan Times*, New Delhi)

[Prev. ref. 5700:INI:B]

B. Resumption Of Kashmir Debate—Pakistan's Letter To Security Council: Pakistan asked the UN Security Council on March 4 to meet "as soon as possible" to resume the debate on Kashmir.

A letter from the Permanent Representative of Pakistan, Mr. Amjad Ali, to the Council President noted that the 11-member body had adjourned the debate on February 17 for a few days to enable the Foreign Minister, Mr. Zulfiqar Ali Bhutto, to consult his Government.

A spokesman for the Pakistan delegation said Pakistan would like to have the Council meeting by March 10. He said Mr. Bhutto would return to New York for it.

The Council took no action before adjourning on February 17. Pakistan requested a series of Council sessions on the ground that the Government in New Delhi had taken further steps to integrate the disputed Kashmir territory into India.

The letter from Mr. Amjad Ali to Mr. Liu Chieh, the Council President said: "It will be recalled that at the 1,093rd meeting of the Security Council held on February 17, 1964, the Foreign Minister of Pakistan requested the Council to grant a few days of postponement of the discussion on Kashmir to enable him to have consultations with the Government.

"My Government is grateful that an adjournment for limited time was granted by the Council.

"Under instructions from my Government, I have the honour to request you to convene a meeting of the Security Council as soon as possible to resume its consideration of the Indo-Pakistan question."

Mr. Dean Rusk's View:

The US Secretary of State, Mr. Dean Rusk, told a news conference in Washington on March 6 that he "hoped India and Pakistan would find a way to improve their relations by settling their differences on the Kashmir problem."

The settlement of the Kashmir problem in accordance with the wishes of its population should be the first pre-occupation of India and Pakistan.

The recent visit of the Chinese Premier, Mr. Chou En-lai to Pakistan, he said, had not affected the US attitude on the Kashmir problem.

The USA had a special interest in the settlement of this problem because the Asian sub-continent could be invulnerable and prosperous only if India and Pakistan were in close co-operation. If they were not, he said, US aid to them could be of no avail.

Indian Stand:

The Indian Prime Minister, Mr. J. Nehru, told the Executive Committee of the Congress Parliamentary Party in New Delhi on March 4 that the Government stood firm on its policy regarding Kashmir.

He made this affirmation when several members of the Executive stressed the need for "finally and speedily" resolving the remaining outstanding matters regarding fuller integration of Kashmir with India and said that the matter "should not be allowed to remain in abeyance any more."

They voiced a general feeling that this was necessary to tell the world that "no third person needs be interested in the Kashmir question."

Members felt that the Kashmir State Legislature would have to take the initiative for complete integration of Kashmir with India before the Central Government could step in. They referred to the movements inside Kashmir and welcomed the general desire to effect changes in the Constitution to bring Kashmir at par with other States of the Indian Union.

Mr. Phillips Talbot's Visit To New Delhi:

It was made clear to the US Assistant Secretary of State, Mr. Phillips Talbot, during his three-day visit to New Delhi that it would be very wrong if USA were to help Pakistan, directly or indirectly, to have another meeting of the Security Council on Kashmir.

The Indian Minister without Portfolio, Mr. Lal Bahadur Shastri, told Parliament's Informal Consultative Committee on External Affairs on March 10 that Mr. Talbot did bring up Kashmir in the course of his talks in New Delhi and wanted to know how the "stalemate" could be broken.

He was told that first things must come first. Pakistan must prevent migration of minorities from East Pakistan. No worthwhile discussion on Kashmir could take place in the existing conditions of tension and the present temper of the people.

In response to searching inquiries by several MPs, Mr. Shastri said Mr. Talbot had not referred to any specific proposal on Kashmir and never mentioned its division, not even indirectly. The Government made its position very clear more than once and USA and other Powers knew how India felt.

When a member suggested that the reported plan for the division of Kashmir might have been put before some officials of the External Affairs Ministry, the Secretary-General, Mr. M. J. Desai, who was present, said no such plan was communicated to anybody at any stage. There was no question of any US plan on Kashmir.

Mr. Shastri said Mr. Talbot's visit was for general exchange of views. Asked why everybody should have met Mr. Talbot who, after all, was not high in

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the US hierarchy, Mr. Shastri was reported to have said: "He did not believe in protocol and was willing to meet any one."

India's Stand Explained To Security Council:

In New Delhi, New York and the capitals of the 11 countries represented on the UN Security Council, India was on March 6 engaged in explaining its stand on the Pakistani attempt to resume a debate on Kashmir in the Council.

In New York, the Indian position was outlined by the Permanent Representative at UN, and in the capitals of the member-countries by the heads of Indian missions.

But in New Delhi, the task fell on the Commonwealth Secretary, Mr. C. S. Jha, who held separate discussions with the Ambassadors of France and Morocco, the British High Commissioner, and the Minister-Counsellor of USA.

According to authoritative sources, India's position basically is that a resumed debate on Kashmir is neither permitted by the rules under which the February debate was adjourned sine die, nor warranted by circumstances.

Not only Pakistan and India but also all members of the Security Council have had a full say on Kashmir during the debate in February, and since then nothing whatever has happened to call for a fresh consideration.

The primary objective of diplomatic discussions in New Delhi and elsewhere, therefore, is to convince the members of the UN Council of the futility of a fresh debate.

Should the President and members of the Security Council desire, however, a fresh discussion, India does not want to stand in the way. But in that event India expects the Council to keep in mind that the debate's timing must suit the convenience of both India and Pakistan and not that of Pakistan only.

It was made clear in the exchange of views that Mr. M. C. Chagla, who led the Indian delegation to the Security Council in February, would not be able to leave New Delhi until the Parliament's Budget session was over.

British Labour Party's View:

Addressing a meeting of Indian journalists in London on March 2, the Deputy Leader of the British Labour Party, Mr. George Brown, dissociated his Party from the speech made in the Security Council by the British representative, Sir Patrick Dean in February, supporting Pakistan on the Kashmir issue.

He said the "Labour Party will never attempt to even adjudicate in the India-Pakistan dispute over Kashmir."

As a member of the Commonwealth the Labour Government would not want to take any step at United Nations on issues like Kashmir which might destroy the Commonwealth, he said, adding that it would instead give priority for developing the Commonwealth concept and making it a genuine, sane bridge between the East and West.

A future Labour Government, he said, would give highest priority to expanding inter-Commonwealth trade.

Security Council To Meet:

It was announced at United Nations on March 11 that the Security Council would resume the debate on Kashmir on March 17.

Mr. Liu Chieh (Kuomintang), Chairman of the Council for March, fixed the date for the meeting after consulting other members of the Council.

The Soviet Union and Czechoslovakia were reported to have opposed the Pakistani move for a meeting. Britain and USA were among those who supported Pakistan's request.

(*The Hindu*, Madras and *Dawn*, Karachi)

[Prev. ref. 5724:PAK:A]

C. **Three British Loans:** Agreements for three British loans totalling £12.5 million (Rs. 16.7 crores) were signed in New Delhi on March 17. This completed the British pledge of £30 million (Rs. 40 crores) for the current year of the Third Plan.

The British High Commissioner, Sir Paul Gore-Booth, signed for Britain and Mr. Govindan Nair, Additional Secretary, Department of Economic Affairs for India.

Under the first Agreement, a sum of £5 million has been made available for purchase from the UK of capital goods and components for projects and industries.

It would cover such projects as a coastal ship, a bucket dredger and two hoppers, the Nahorkatiya fertilizer plant, the Singareni collieries, the special alloy steel plant at Durgapur, the Indian Copper Corporation and Oil India.

The second loan of £5 million will provide balance of payment support in respect of a series of British imports.

The third Agreement is for a loan of £2.5 million for the purchase of equipment and components for the Bhopal Heavy Electricals.

(*The Times of India*, New Delhi)

[Prev. ref. 5527:INI:H]

D. **Shipping Agreement With Poland:** A new Agreement between the Polish Ocean Lines, the State Shipping Company of Poland and Indian shipping interests was signed in New Delhi on March 11.

The Polish delegation, headed by Mr. H. Barau, Managing Director of the Lines, held discussions on March 9 and 10 with the Indian lines, headed by Dr. Nagendra Singh, Additional Secretary and Director-General of Shipping, Ministry of Transport, Government of India.

In 1960, the Indo-Polish shipping service accounted for the carriage of 76,000 tons of cargoes and in 1963, the carriage increased to over 3,00,000 tons.

The Agreement signed on March 11 in New Delhi provides that both the countries would endeavour to maintain the integrity and the distinct identity of the Indo-Polish shipping service.

(*The Indian Express*, Bombay)

[Prev. ref. 3427:INI:F]

F. **Trade Agreement With Rumania:** According to an Agreement signed in New Delhi on March 12, trade between Rumania and India is expected to rise to Rs. 70 million this year from the previous year's figure of Rs. 48 million.

The Agreement provides that Rumania will import from India, during 1964, cotton textiles, jute manufactures, chemical products and pharmaceuticals, rolled steel products, tinned fish, various engineering goods, rubber products, salted fish, paints, pigments, varnishes, etc., apart from traditional goods like coffee, pepper, vegetable oils, shellac and iron-ore.

Rumania will continue to supply India oil prospecting and drilling equipment, capital goods, earth moving and constructing equipment and petroleum products.

The two Governments also agreed to extend the validity of the list of commodities enclosed with the long-term Trade and Payments Agreement, signed at Bucharest on November 30, 1962.

The Agreement was signed on behalf of Rumania by Mr. Gheorghe Leonte, General Director in the Ministry of Foreign Trade, and Mr. S. Ramachandran, Deputy Secretary in the Ministry of International Trade.

(*The Indian Express*, Bombay)

[Prev. ref. 4465:INI:B]

F. **US Wheat Gift To Rajasthan:** The US Ambassador, Mr. Chester Bowles, announced in Jodhpur on March 12 a US Government gift of 20,000 tons of wheat to the Indian Government to relieve the distress of people affected by drought in Rajasthan.

In a simple ceremony, Mr. Bowles handed over a symbolic bag of wheat to a representative of the Rajasthan Government.

The Centre, in consultation with the Rajasthan Government, has decided to distribute the wheat in part payment to 100,000 workers engaged in building roads and water supply projects in Jodhpur, Bikaner, Barmer and Jaisalmer districts.

The workers will receive 60 per cent of their wages in wheat. It was expected that heads of families will receive about two kg of wheat per day.

The US wheat is sufficient to cover distribution at this rate for 20 weeks. A total population of 500,000, including dependents of workers, is expected to benefit from this programme.

The four affected districts will be benefited eventually by the Rajasthan Canal, which is under construction. The US Government has indicated that it will extend a credit of $33 million (Rs. 16 crores) to meet a part of the foreign exchange costs of the Beas Dam, which will ensure perennial supply of water to the Canal.

The wheat, valued at approximately Rs. 1.5 crores, is a donation under Title II of PL 480, which provides for gifts to relieve the sufferings of populations affected by natural calamities.

(*The Indian Express*, Bombay)

[Prev. ref. 5461:INI:E]

G. **Trade With East European Countries:** The Minister for International Trade, Mr. Manubhai Shah, said in New Delhi on March 13 that India would be providing a technical credit of Rs. 16 crores to East European countries and the UAR during 1964-65, to ensure that their purchasing programmes in India were not affected for want of funds.

He told a meeting of the Informal Consultative Committee of Parliament that these countries were experiencing shortage of rupee funds not on account of their fault but because of some delay in India's payments for imports.

Trade with East European countries, he said, was on a bilateral basis against payment in non-convertible rupees. They maintained their central rupee accounts with the Reserve Bank. The amounts were utilized by them to purchase Indian commodities in a balanced way according to the Trade and Payments Agreements.

Payments for Indian imports were sometimes delayed because of the defered payment system or delayed deliveries. These countries were, therefore, short of funds for financing their purchases in the

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country. In order to replenish their rupee accounts and re-instate their purchasing capacity, short-term loans by way of technical credits were to be made available, so that their purchasing programmes were not inhibited.

India's total trade with East European countries in 1964 would be of the order of Rs. 325 crores. Since trade with them was on a balanced basis, India's exports would be valued at over Rs. 167 crores.

He added that for 1964-65, the following technical credits had been approved (in lakhs of rupees):

	Ceiling limit of technical credit under the current trade and payments agreements without interest	With interest
Poland	40	260
East Germany	50	100
Czechoslovakia	65	135
Yugoslavia	75	105
Rumania	35	50
Hungary, 1964	E50	150
Bulgaria	10	40
USSR	100	Unlimited

These technical credits were based on the fact that India was going to have a total trade of Rs. 325 crores, both ways, during 1964. A provision of Rs. 12.5 crores had, therefore, been incorporated in the Budget of 1964-65 for these countries.

Similarly, the Ministry of International Trade was committed to provide technical credit to the UAR. Total trade with that country, both ways, was about Rs. 23.5 crores. The Budget provision by way of technical credit for 1964-65 was fixed at Rs. 3.5 crores.

(*The Financial Express*, Bombay)

H. Increased Trade With France —Agreement Signed: An Indo-French joint *communique* providing for increased trade and economic co-operation between the two countries was signed in New Delhi on March 15.

It envisages "appreciably increased opportunities" for the entry of Indian goods into France and greater French technical assistance in India's development.

Though the immediate impact of the agreement may not be much, its long-term value can be considerable.

Explaining the significance of their talks, Mr. Jean Wahl, leader of the French delegation, told correspondents that hitherto India had been traditionally associated with the Anglo-Saxon group of countries in economic matters. It was but right in the new shape of things that France should take greater interest in India. He pointed out that in Africa—where France had a dominating influence over trade—"other people" were now taking interest.

Asked whether this was part of a global French strategy to expand its trade, he said that there was no "strategy" in it, but it was "certain" that France wanted closer relations with developing countries. The Latin American tour of President de Gaulle was an example of French interest in these countries.

The approach of the two countries towards world trade problems, in the light of the forthcoming UN Conference at Geneva, was also discussed. They found three important points of agreement.

First, they felt that prices of primary products and raw materials should be stabilized at a "sufficiently remunerative level".

Secondly, the "invisible" element in the balance of payments in developing countries should be improved.

Lastly, steps should be taken to expand the import into developed countries of manufactured products from the developing countries.

The **communique** was signed by Mr. Wahl on behalf of France and Mr. D. S. Joshi, Secretary of the Ministry of International Trade, on behalf of India. Mr. Manubhai Shah, Minister for International Trade, was present at the signing ceremony.

(*The Statesman*, New Delhi)

[Prev. ref. 4743:INI:B]

I. Central Revenue Receipts During 1962-63: The audit report on the Centre's revenue receipts in 1962-63 recorded that there were 909,000 cases outstanding with income-tax officers for assessment at the end of the year. Of these, over 64,000 were business cases involving incomes of over Rs. 25,000.

During the year, over 3,750 cases were detected in which tax payers had "deliberately concealed their incomes" totalling about Rs. 6 crores. Only in two cases were the parties concerned prosecuted and the nature of punishment in each case was either a fine of Rs. 250 or simple imprisonment for two months.

A test audit reviewed about six per cent of the total number of 1,331,000 income-tax assessees. This revealed under-assessment of tax to the extent of Rs. 2.29 crores in 5,195 cases and over-assessment of Rs. 3,93,000 in 258 cases. Of the under-assessed cases 296 alone accounted for Rs. 1.2 crores.

This report together with the Audit Report (Civil), 1964, which related to matters arising from the Appropriation Accounts for the year, was placed on the table of the Lok Sabha on March 11 by the Central Finance Minister, Mr. T. T. Krishnamachari.

The Audit Report (Civil) recorded a loss of Rs. 23,65,000 on account of State trading in grain in 1962-63; Rs. 5,00,000 in 1961-62 and Rs. 4,83,000 the next year on journals published by the Publications Division of the Information Ministry; and Rs. 35,25,000 by way of rent for quarters in Ramakrishnapuram Colony in Delhi because of the Central PWD's delay in handing over the houses to the Estate Office.

The report included an item relating to the Ministers' Residence Rules. One of these rules provides for recovery of rent if the cost of furniture and electrical appliances supplied to Ministers and Deputy Ministers exceeds the specified monetary limits. Under this rule Rs. 16,594 was to have been recovered from 13 Ministers and seven Deputy Ministers.

When the Government's attention was drawn to this position, the Law Ministry pointed out that no rent could be recovered from the persons concerned, who had not been given prior notice about such excess supply.

Income-tax Figures:

The number of people who paid income-tax in 1962-63 in all States and Union territories totalled 13,03,354 and those who were assessed for wealth tax were 31,779.

The corresponding figures for the previous year were 1,200,000 and 30,928 respectively.

The total amount of effective arrears of income-tax and wealth tax due on September 30, 1963 was over Rs. 181 crores.

Estate duty was levied in 17,644 cases in 1962-63 as against 15,495 in 1961-62.

According to a statement laid on the table of the Rajya Sabha on March 11, the number of income-tax and wealth tax assessees was the largest in Maharashtra with 2,85,857 and 10,415, respectively. West Bengal came next with 1,93,750 and 5,804, Gujerat 1,37,642 and 3,581 and Madras 1,03,524 and 2,853. Among the States, barring Jammu and Kashmir, Orissa had the lowest number of assessees, 9,975 for income-tax and 152 for wealth tax.

(*The Statesman*, New Delhi)

[Prev. ref. 5420:INI:N]

J. Measures To Tighten Credit Control: The Reserve Bank tightened credit control on March 11 by reducing the quota for borrowings by scheduled banks from the Bank from 150 per cent of the statutory reserves as at present to 100 per cent, and by introducing a penal rate of interest of 6.5 per cent per annum for special accommodation at the third tier.

The Bank took a series of measures in the context of the difficult supply situation of agricultural commodities and the need for caution in further credit extension by banks. The new measures replaced the two-tier system brought into operation at the beginning of the busy season by a three-tier system.

The Reserve Bank also raised the margin on advances by scheduled banks against the security of groundnuts from 45 per cent to 50 per cent and also re-imposed the ceiling on such advances in a bid to combat speculative withholding of stocks with the help of bank credit.

Scheduled banks have been asked to reduce clean advances other than to industrial borrowers.

The Reserve Bank has also asked scheduled banks to re-examine the rates of interest offered by them on deposits to mobilize such resources.

A Reserve Bank Press Note said that with effect from the close of business on March 11 the Bank's system of quotas and lending rates for both bills and Government securities would be as follows: first slab 4.5 per cent per annum, quota for borrowing, 50 per cent of the statutory reserves; second slab six per cent per annum, quota for borrowing, another 50 per cent of the statutory reserves.

Any borrowing beyond this limit (that is, more than 100 per cent of the Bank's statutory reserves) will be in the nature of special accommodation calling for a careful assessment of a bank's over-all position and will bear interest at a rate of 6½ per cent per annum.

The credit control measures followed the statement of the Finance Minister in the Lok Sabha on March 10 that the weapon of monetary policy would be used as and when necessary to deal with the rise in prices.

The Reserve Bank said that in the context of the difficult supply situation of agricultural commodities, together with recent economic and credit trends—the expansion of banks credit is fast approaching Rs. 300 crores and bank borrowings from the Reserve Bank reached nearly Rs. 197 crores on March 6, 1964—there was now need for caution in further credit extension by banks.

It said that the present economic situation in the country required that the banks extend all financial assistance for augmenting the output of goods for defence, exports and for genuine productive purposes, and avoid utilization of bank credit for hoarding of commodities expected to be in short supply.

The banks have, therefore, been advised to re-examine their advances portfolio. In particular, they have been asked to review their portfolio of clean advances, other than to industrial borrowers,

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and bring down the level of such advances.

The banks have also been advised to step up their efforts to mobilize deposits by all possible measures, including a re-examination of the rates of interest offered by them on deposits, so as to be in a position to meet the increased tempo of financing economic expansion out of their own resources and at the same time to conform to the higher liquidity requirements which come into effect from September 16, 1964.

This was the eighth change made in the Reserve Bank's slab rate system of lending to scheduled banks since the introduction of the system on October 1, 1960.

At the beginning of the current busy season the credit policy was liberalized and the first slab was at 4.5 per cent rate with the quota for borrowings at 75 per cent of statutory reserves. The second slab was at six per cent with a quota of another 75 per cent of statutory reserves.

Borrowings beyond this limit of 150 per cent of a bank's statutory reserves were subject to discussion between the Reserve Bank and the bank concerned. The additional drawals were charged at six per cent.

(*The Financial Express*, Bombay)

[Prev. ref. 5527:INI:K]

K. Progress Of Atomic Power Stations: The atomic power station at Tarapur will be completed in 1967. The station will go into full operation by the middle of 1968.

The report of the Department of Atomic Energy for 1963-64 disclosed that the work on India's second atomic power station near Rana Pratap Sagar, Kotah, in Rajasthan had also started. A meteorological station has been set up near the plant site. Detailed designs and lay-outs relating to the setting up of various construction facilities at the site are under preparation. The construction of the plant is expected to take about five to six years.

For the Tarapur atomic power station, two Agreements were signed during the year with USA. The first one related to co-operation in the development of atomic energy for peaceful purposes. Under the second Agreement, the US AID will make available a loan of about Rs 38 crores for financing the foreign exchange cost of the project, including the fabrication of the initial load of fuel elements.

For the Rana Pratap atomic power station also two Agreements have been signed, one with Atomic Energy of Canada Ltd. and the other with the Government of Canada. The Government of Canada has agreed to provide credit facilities to the extent of Rs. 16 crores for purchase of services, materials and equipment from Canada.

(*The Indian Express*, Bombay)

[Prev. ref. 5559:INI:C]

L. Rocket Launched: A high-altitude three-stage composite rocket was successfully fired by the Defence Research and Development Organization from the Chandipore sea range on March 11.

Stated to be the first vehicle of its type launched in the country, the demonstration was witnessed, among others, by Mr. K. Raghuramiah, Minister of Defence Production, Dr. S. Bhagavantham, Scientific Adviser to the Defence Ministry, Brigadier J. R. Samson, Director of Armaments, and Air-Commodore V. Ganesan.

(*The Hindu*, Madras)

[Prev. ref. 5644:INI:D]

M. Lt-Gen. Henderson-Brooks Awarded Vishisht Seva Medal: It was officially announced in New Delhi on March 13 that Lt.-Gen. T. B. Henderson-Brooks had been awarded the Vishisht Seva Medal (distinguished service medal) Class 1 for distinguished service of the most exceptional order.

He was permitted to retire from the Army from March 15.

Gen. Henderson-Brooks, who conducted the inquiry into the recent N-EFA operations, was commissioned from Sandhurst in 1909 and posted to the 5th Battalion of the Maratha Light Infantry. During the early part of his career, he spent many years with his battalion on the North-West Frontier.

During World War II, he served in Iraq, Egypt, the Western Desert and Italy.

He commanded a brigade in East Punjab in 1947 and later in Jammu and Kashmir. He also served as the GOC, Bombay Area.

He became a corps commander in June, 1961 and since November, 1963 had been officiating as GOC-in-C, Eastern Command.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5654:INI:A]

N. Inquiry Into Customs Tariff Structure—Committee Appointed: The Government has decided to appoint a committee to conduct a comprehensive enquiry into the customs tariff structure and to report, within a year, the revisions and improvements required.

An official announcement in New Delhi on March 16 said that the need for such a panel had been stressed by various committees and commissions appointed by the Government, including the Ramaswami Mudaliar Committee.

The present structure of customs tariff followed the League of Nations Draft Customs Nomenclature. In the post-War period, new classifications and nomenclature of productions had been evolved to suit the changed pattern of international trade.

One of them was the "Brussels Tariff Nomenclature" prepared by the European Customs Union Study Group, 1955, which claimed to have taken into account the common features of the tariff nomenclatures of the 17 European countries which formed the Group and also the latest technological and commercial developments.

With the implementation of the successive Five-Year Plans, considerable progress had been made in industrial and economic development in India, leading to a substantial change in the composition and pattern of its external trade.

Both the Government and the business community had, therefore, felt the need for a detailed study of the present tariff.

The terms of reference of the proposed 15-member committee are:

(1) To examine the present structure of the Indian Customs Tariff (Import and Export) Schedule with reference to the composition of products and pattern of import and export trade;

(2) In the light of the examination made under this and having regard to the developments and the changed pattern of trade, to recommend whether the import tariff schedule should be based on the Brussels Tariff Nomenclature or other international nomenclature or whether India may continue to have its separate import tariff schedule after necessary improvement;

(3) To advise the Government regarding the lines on which the customs and tariff schedule should be revised, with particular reference to the need for (a) the creation of additional tariff items for articles of recent development and commercial importance, (b) revision of the classification of machinery, iron and steel and textiles in the context of the changed pattern of trade and (c) provision for the assessment of parts of articles;

(4) To recommend suitable amendments to the classification and nomenclature of the export tariff schedule;

(5) To review the substantive provisions of the Indian Tariff Act, 1934, and the Tariff (Amendment) Act, 1949, as well as other relevant legislations and to recommend modifications or amendments required in respect of them; and

(6) To make such other recommendations as may seem germaine to the objective of the enquiry.

The committee is not required to go into the question of the rates of duty applicable in respect of individual products or different classes of products, and it will not be concerned with the level of duty applicable under customs tariff. It will be allowed to co-opt members as may be necessary from time to time.

With a Joint Secretary of the Ministry of International Trade as chairman, the committee will consist of representatives of the Central Departments of Revenue, Technical Development, Iron and Steel, Industry, Mines and Metals and Petroleum and Chemicals, officers from the Tariff Commission and CCI's office, representatives from FICCI, A-IMO, the India Importers Association and the All-India Exporters Chamber and a joint director of export promotion, with a senior officer of the Department of Revenue as Secretary.

(*The Indian Express*, Bombay)

[Prev. ref. 3596:INI:O]

O. State Trading Corporation's Report For 1962-63: The report of the State Trading Corporation for 1962-63 was presented to Parliament on March 13.

It said that the Corporation had made arrangements to import marine diesel engines from Japan under the yen credit to enable the State Governments to expand their fisheries development programmes.

The Corporation's total foreign trade for the year under review was Rs. 83.91 crores, an increase of 12 per cent over the previous year. Exports and imports accounted for Rs. 32.59 crores and Rs. 51.32 crores respectively.

The Corporation made a net profit of Rs. 1.41 crores, of which Rs. 20,00,000 has been set apart for payment as dividend to the shareholders, and the balance would be utilized for further development of business.

One of the major achievements of the Corporation was the conclusion of several link and barter deals, as a result of which a large volume of exports—especially non-traditional items—was generated.

The report said that export of Indian iron-ore, which constituted one of the principal items of the Corporation's activities, was meeting with stiff competition from other exporting countries. Furthermore, there was a worldwide fall in demand because of a recession in the steel industry.

The report warned that exports of iron-ore would result in "big losses," unless ways and means were found to bring down production costs, movement and other expenses connected with export. It said it had become necessary to reduce the cost of iron-ore, if India was to successfully compete with other exporting countries.

The report further noted that the export of manganese ore was beset with

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several adverse factors. These included the high cost of the Indian manganese ore, emergence of the Soviet Union as one of the largest sources of supply and the development of new mines in close proximity to the consuming countries.

The report said that for the first time about 15,00,000 metres of cotton textiles were exported to the Soviet Union. Also, 15,00,000 metres of cotton textiles were exported to a number of East and West European countries. Woollen textiles were exported for the first time to Hungary.

(*The Times of India*, New Delhi)

[Prev. ref. 4588:INI:E]

P. **Industrial Relations During 1963:** The number of man-days lost owing to industrial disputes, which is one of the indicators of the general climate of industrial relations, declined in 1963.

As compared to a loss of 61,00,000 man-days in 1962, the provisional figure for 1963 was about 29,00,000. This was just about half the average number of man-days lost owing to industrial disputes in the last five years from 1958 to 1962.

This information was disclosed in the report for 1963-64 of the Ministry of Labour and Employment.

There was also evidence of greater willingness amongst the parties concerned to refer disputes to voluntary arbitration in pursuance of the recommendations made in the Truce Resolution.

The improvement in industrial relations was noticeable both in the Central and State spheres. Against the total of 29,00,000 man-days lost in 1963, 3,00,000 were accounted for by Railways, mines, ports and harbours, etc., which fall within the Central sphere.

(*The Indian Express*, Bombay)

[Prev. ref. 5438:INI:I]

Q. **Working Of Companies During 1962-63—Company Law Department's Annual Report:** A net increase in the number of companies formed during 1962-63 and a net increase in the total paid-up capital by Rs. 211.3 crores have been disclosed by the annual report of the Company Law Department for the year ending March 31, 1963.

The report, which was placed before Parliament on March 12, revealed that the total number of companies at work in the country at the end of 1963 was 2,524, with a total paid-up capital of Rs. 2,185.2 crores.

Another feature of the working of the Companies Act was that 51.3 per cent of the capital had been issued to the public. Subscription of foreign collaborators amounted to 23 per cent, and the amount subscribed by promoters, directors, etc., worked out to 25.7 per cent.

An analysis of the trends in the capital market relating to the method of promotion of public companies, project costs, cost of raising capital, etc., conducted by the Company Law Administration on the basis of the study of the prospectuses of 55 companies (excluding debenture prospectuses), showed that out of a total issued capital of Rs. 21.7 crores, 92 per cent, that is Rs. 19.9 crores, was in equity capital and the remaining eight per cent, amounting to Rs. 1.8 crores, was in preference shares.

The report also revealed that the total expenditure incurred by the companies covered by the survey for raising funds from the capital market amounted to Rs. 86,63,000. This worked out to four per cent of the capital issued and 1.9 per cent of the project cost.

A substantial amount of Rs. 38,17,000 was paid in the form of expenses of issue (excluding underwriting commission and brokerage). Underwriting commission and brokerage payable by the companies was estimated at Rs. 28,00,000, which was 32 per cent of the total expenses.

The total number of new companies limited by guarantee and associations not for profit, registered during the period, was 30. Of them, six were companies limited by guarantee and two associations not for profit.

During the period under review, 22 public companies were reported to have been converted into private companies and 49 private companies into public companies. The corresponding numbers in 1961-62 were 16 and 17 respectively.

(*The Financial Express*, Bombay)

[Prev. ref. 5102:INI:O]

R. **Coal Production During 1962-63:** The National Coal Development Corporation (NCDC) made a net profit of Rs. 1,25,56,292 during 1962-63, when the total production was 8.43 million tonnes, against 6.05 million tonnes in 1961-62.

The report of NCDC for 1962-63 was laid on the table of the Rajya Sabha on March 12 by Mr. C. Subramaniam, Minister for Steel, Mines and Heavy Engineering.

The report also referred to the new decision to divide NCDC into seven areas, each regional manager having sufficient autonomy to organize production.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5439:INI:N]

S. **Measures To Restore Law And Order In Nagaland:** The Chief Minister of Nagaland, Mr. P. Shilu Ao, introduced a resolution in the Assembly on March 13 suggesting measures to restore law and order in the State.

The resolution was adopted by the House. It said:

(1) That efforts be made to explore all avenues to hold peace talks and to mobilize public opinion to make the talks a success;

(2) That the leaders of the Naga Baptist Convention be urged to sound supporters of the hostiles regarding peace talks; and

(3) That the supporters of the hostiles should create a proper atmosphere for the success of the talks.

Earlier, in a statement on the law and order situation in Nagaland, Mr. Ao said 32 persons were killed and 19 injured by Naga hostiles during the past three months.

He regretted that the hostiles, who were trained fighters, had now taken to cowardly tactics like laying booby-traps which endangered the lives of peaceful citizens.

He added that the Government had tightened security measures to check the activities of the hostiles.

(*The Statesman*, Calcutta)

[Prev. ref. 5656:INI:G]

T. **Goa Budget For 1964-65:** New taxation measures which would yield Rs. 1.23 crores were announced in Goa's first Budget for 1964-65 presented to its Legislative Assembly by the Chief Minister, Mr. Dayanand Bandodkar, on March 17.

The Budget revealed a revenue gap of Rs. 4.63 crores and a gap of Rs. 3.45 crores on the capital side.

Excise duty on liquor forms nearly 43 per cent of the Rs. 1.23 crores expected from the new taxation measures for Goa, Daman and Diu.

Three other sources of revenue proposed to be tapped by Mr. Bandodkar are sales-tax, motor vehicles tax and entertainment tax.

The presentation of the Budget was marked by an Opposition walk-out on the language issue.

Mr. Bandodkar, who is also Finance Minister, said that his Budget represented a "crystallization of our genuine desire to achieve an improvement of the living standards of the Goan people and to build up gradually the agricultural, industrial and social economy of our people."

As he rose to make his speech—he read out a Marathi version of the English speech—a United Goans opposition member questioned the propriety of his reading the Marathi version when the original was in English.

Mr. Bandodkar explained that several members of his party did not follow English.

(*The Times of India*, Bombay)

[Prev. ref. 5632:INI:N]

U. **Tripura Budget For 1964-65:** The Tripura Chief Minister, Mr. S. L. Singh, who holds the Finance portfolio also, presented the State Budget for 1964-65 in the Legislative Assembly on March 13.

The Budget estimates showed an estimated revenue of Rs. 78,00,000 as against the total expenditure of Rs. 1,203,00,000.

The expenditure is divided into two main groups—namely, expenditure met from revenue to the extent of Rs. 879,00,000 and expenditure met from capital account to the extent of Rs. 424,00,000.

As against these, anticipated recoveries to be adjusted in account in reduction of expenditure are to the extent of Rs. 138,00,000 on revenue account and to the extent of Rs. 147,00,000 on capital account.

The further deficit on revenue account amounting to Rs. 763,00,000 is sought to be met by contributions and miscellaneous adjustment amounting to Rs. 4,00,000 and the balance of Rs. 759,00,000 out of grants from the Central Government.

The net deficit of Rs. 277,00,000 on capital account is proposed to be met out of loans from the Central Government.

(*The Indian Express*, Bombay)

[Prev. ref. 2560:INI:H]

V. **Jammu And Kashmir Budget For 1964-65:** The Jammu and Kashmir Finance Minister, Mr. Trilochan Dutta presented the State's Budget for 1964-65 in the Legislative Assembly on March 14.

He announced that the Government proposed to raise Rs. 75,00,000 through additional taxation. But he did not specify the nature of new taxes.

The Budget revealed an overall deficit of Rs. 197,67,000. The overall receipts were estimated at Rs. 3,668,57,000, while expenditure totalled Rs. 3,866,24,000.

He said that the gap of Rs. 122,67,000 would be filled by withdrawing a like amount from cash reserves.

The current year, which opened with a balance of Rs. 234,14,000 will close with a balance of Rs. 193,13,000. Receipts from the State's taxes and fees for the coming financial year are estimated at Rs. 1,581,05,000. A sum of Rs. 539,62,000 is expected from the Centre as the State's share from the pool of Central taxes and

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statutory grants-in-aid, Rs. 264,29,000 as Plan and non-Plan grants from the Centre, and Rs. 1,358,61,000 as capital receipts.

He said that the Budget had been prepared and approved by the previous Ministry. "During the course of the year, however, I shall have time and opportunity to review the financial position of the State and take such steps as may become necessary to strengthen our overall economy."

The following are some of the important items of revenue: Taxes and duties Rs. 374,00,000, irrigation and electricity Rs. 123,00,000, road tolls and rents Rs. 215,00,000, transport Rs. 275,00,000 and forests Rs. 500,00,000. Expenditure charged to revenue includes Rs. 1,918,42,000 as non-Plan expenditure and Rs. 585,86,000 as Plan expenditure.

Some of the important heads of expenditure in revenue account are: education Rs. 364,00,000, public health Rs. 222,00,000; police Rs. 157,00,000. In capital account, the items include water supply scheme Rs. 75,00,000, industrial development Rs. 145,00,000, irrigation Rs. 219,00,000; power Rs. 393,00,000 and public works Rs. 421,00,000.

(*The Times of India*, New Delhi)

[Prev. ref. 5165:INI:S]

INDONESIA

A. Text Of Sukarno-Macapagal Statement: The following is the text of the Joint Statement issued by the Philippine President, Mr. Diosdado Macapagal, and President Sukarno on February 28 at the conclusion of the former's visit to Indonesia:

[A brief account of the Statement was given on page 5719 under Malaysia].

"During the visit further substantial progress was made towards assuring the effective implementation of the trade and cultural Agreements between the two countries. The State visit afforded President Macapagal the opportunity to observe at close range Indonesia's endeavours and achievements in building a strong nation based on its own national identity, a task which the Philippines itself, in its own way, is vigorously undertaking.

"During the visit, extensive discussions were held, during which the two Presidents, assisted by their respective Ministers and other high officials, reviewed the problems arising from the establishment of Malaysia, especially developments since the first Maphilindo mushawarah (friendly consultations) in Manila from 7th to 11th of January, 1964 and the recent tripartite ministerial meeting in Bangkok from the 5th to 10th of February, 1964. This is in accordance with the established practice of the two Presidents of keeping each other informed about all important developments in the region within the frame-work of Maphilindo.

"The two Presidents re-iterated their faith in the wisdom of solving Asian problems in an Asian fashion by Asians themselves and stressed that constructive and brotherly mushawarah is inherent in the Asian way of finding a solution to common problems.

"The two Presidents, therefore, expressed determination to co-ordinate their efforts towards a peaceful settlement of the problems of their region. Accordingly, they agreed that a tripartite summit mushawarah should be held as soon as possible, without preconditions, at a place and date still to be determined.

"They further agreed on the resumption of the tripartite meeting at ministerial level in Bangkok within the shortest possible time, so as to carry forward the tasks it has begun and to prepare the necessary groundwork for the summit mushawarah.

"The two Presidents continued to view the cease-fire in North Kalimantan (Borneo) as an important factor in creating the favourable atmosphere for a comprehensive and integrated solution of the Malaysia problem and its aspects. In this connexion, President Sukarno reassured President Macapagal that the Indonesian Government would observe the cease-fire, and expects the other parties concerned to do likewise. The two Presidents were most gratified to note the similarity of approach and singleness of purpose shared by Indonesia and the Philippines in forging Maphilindo into a living reality based on the spirit and principles of the Manila Agreements. They expressed the hope that Maphilindo will continue to develop and constitute a positive contribution to the solidarity of Asian and African nations in accordance with the principle adopted by the Bandung Conference of 1955.

"In this connexion, they agreed on the necessity of holding a second Afro-Asian conference as soon as possible. President Macapagal, on behalf of his Government and people, expressed deep appreciation for the exceptional warmth and cordiality of the hospitality extended to him and his party by President Sukarno and the Indonesian Government and people."

(*Information Service Indonesia*)

[Prev. ref. 5707:MAL:A]

IRAN

A. New Cabinet Formed: The new Prime Minister, Mr. Hassan Ali Mansour, formed on March 7 a Cabinet comprising 19 Ministers, including six out-going Ministers.

Speaking to newsmen after presenting the new Ministers to the Shah, he said that his Government would give priority to economic problems with the aim of giving a new start to the country's economy.

Three new Ministries were created—Information, Water and Power, and Housing and Reconstruction.

On March 8, Mr. Mansour presented the new Cabinet to the Lower House of Parliament.

The House gave the new Government a vote of confidence on March 12.

(*Tehran Radio*)

[Prev. ref. 5562:IRN:A]

B. Trade Agreement With India: A three-year Trade Agreement between India and Iran was signed in Tehran on March 11.

Mr. Manubhai Shah, Minister of International Trade, signed on behalf of India and Dr. Ali-Naqi Alikhani, Minister of Economy of the Imperial Government of Iran, signed on behalf of his Government.

Letters were also exchanged in regard to the arrangement for the first year of the Agreement under which certain commodities like petroleum products, dates and dry fruits from Iran and tea, jute goods, engineering goods, industrial machinery, instrumentation, chemicals and pharmaceuticals from India are to be exchanged.

The overall volume of trade between the two countries is expected to be of the order of about Rs. 60 crores annually with an expected increase of about 10 to 15 per cent a year.

(*Tehran Radio*)

[Prev. ref. 3986:IRN:A]

ISRAEL

A. Palestine Organization Of Liberation—Draft Constitution: Mr. Ahmed Al-Shukairy, the Arab League's Palestine representative, told a news conference in Jerusalem (Jordan) on February 25 that all Palestinians would be "natural members" of the Organization for the Liberation of Palestine under the draft Constitution of the Organization.

The 24-article draft Constitution says: "The Palestine people will be the proved-base of this Organization which, once set up, will establish permanent contact with the Palestine people and mobilize them so that they may be able to assume their national responsibility of liberating their homeland."

It reviewed the measures which will be taken to convene a General Palestinian Conference representing all Palestinian categories, including refugees and residents, and will be called the National Assembly for the Palestine Liberation Organization.

It provided for the formulation of a preparatory committee in each Arab State with a Palestinian community of at least 10,000, to draw up lists nominating candidates for membership of the General Conference.

The National Assembly is to meet once every two years, alternately in Jerusalem and Gaza, and will hold its first meeting on May 14 this year in Jerusalem.

The draft Constitution calls on Arab States to give Palestinians the opportunity to join their regular armies and to form special Palestinian units.

A "Palestinian National Fund" will be set up to finance the work of the Organization. It will draw its resources from a fixed tax on Palestinians, from aid from Arab Governments and peoples, from a "Liberation" postage stamp, and by contributions and loans from Arab or friendly peoples.

After a mass rally in Jerusalem at which Mr. Shukairy spoke on Palestine, about 10,000 students and youths marched through the city. The rally demanded arms for "the liberation of Palestine."

(*The Egyptian Gazette*, Cairo)

[Prev. ref. 3863:IRQ:A]

B. New Desalinization Method: It was reported from Jerusalem on February 28 that an Israeli engineer, Mr. Ariel Osder, had invented a new method for sweetening sea water.

It is based on distillation at a pressure of more than 200 atmospheres and a temperature of over 400 degrees Centigrade. Mr. Osder recently explained this new process to the Press. He also gave a demonstration of a new type of direct heat exchanger, which is an important part of the apparatus.

The establishment of the first experimental installation using the process, costing $50,000 to $75,000, will take from eight to 10 months. Part of it will be built in Israel.

He claimed to have overcome the problems of corrosion and the creation of deposits in the heat exchangers by the use of intermediate liquids, which do not mix with the water, and transfer the heat without making use of pipes.

He said that his method would produce fresh water at a cost of 20 agorot (about 7 cents) per cubic meter. The only energy invested in the process, he added, comes from 5½ lbs. of fuel oil for every cubic meter of sweet water.

(*The Israeli Digest*, Jerusalem)

[Prev. ref. 5706:ISR:A]

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JAPAN

A. Relations With KMT In Formosa: The Prime Minister, Mr. Hayato Ikeda, told the Budget Committee of the Diet on March 1 that the legal title to Taiwan (Formosa) by the KMT Administration was yet to be established.

He added that KMT Chinese were now in actual possession of the Island and the "majority of nations recognized this fact."

He made the statement after persistent questioning by the opposition Socialist leader, Mr. Okada, on the subject of the international status of Taiwan, in the context of the current agitation among Taiwan natives now living in Japan for independence for their homeland from both Mainland China and the KMT.

Mr. Okada recalled a statement by Mr. Ikeda in 1961 in which he had said that "Taiwan is China" and asked whether the Government still considered Taiwan a territory belonging to the KMT. Mr. Ikeda said the ownership of Taiwan had "not been established." He said he was prepared to modify his 1961 statement in this respect.

He said he was willing to withdraw his 1961 statement if it was being construed to mean Japan's recognition of KMT's right to possession of Taiwan.

According to him, the legal position was that the Allied Powers at the signing of the San Francisco Peace Treaty had not arrived at any final agreement on the title to Taiwan and the Pescadores which Japan, defeated in World War II, had renounced in the Treaty.

He said Japan had acquired Taiwan through a treaty with the former Chinese imperial government and through the San Francisco Treaty Japan had made territorial surrender of the Island.

He added: "The Nationalist Chinese are there and are governing the Island, which does not belong to any nation."

He was, however, reported to have promised a group of pro-Western political and business leaders that he would send his Foreign Minister, Mr. Masayoshi Ohira, to Taipeh in May to retrieve friendship between Japan and KMT China.

The group had urged immediate steps in this direction so as to balance Japan's developing economic swing towards Communist China, which, it said, was turning to Japan to strengthen Chinese economic foundation in some measures weakened by the withdrawal of Soviet industrial contracts.

Mr. Ikeda's statement on Taiwan came in the wake of reports that Japan was seeking to maintain "realistic relations with Peking and Taipeh."

The former Prime Minister, Mr. Shigeru Yoshida, visited Formosa recently in his private capacity, in an effort to bring about a thaw in the relations between Tokyo and Taipeh. In spite of the general belief that he has been able to dispel the misunderstanding in KMT China that Japan was intent on establishing closer relations with Peking, the fundamental disagreement on the attitude towards mainland China itself has remained as acute as it was before Mr. Yoshida's visit.

While there was agreement on the view that mainland China was a "threat" and on less basic issues like the dispatch of the Foreign Minister, Mr. Ohira to Taipeh to normalise the virtually suspended relations and the holding of an economic conference soon of leaders of Kuomintang China and Japan, Mr. Yoshida firmly refused to have anything to do with moves for the "liberation" of the mainland on which Generalissimo Chiang Kai-shek was insisting.

The purpose of Mr. Yoshida's visit to Formosa was not clear unless it was intended to obscure the attitude of Japan towards Peking.

While attempts to assuage the feelings of Taipeh were in progress, there were the following developments in favour of promoting closer relations between Tokyo and Peking:

(1) Mr. Ikeda said that it would be to the advantage of Japan to trade with mainland China where there are more than 700 million potential customers.

(2) The Foreign Minister, Mr. Ohira, said that mainland China was neither an economic nor a military threat to Japan.

(3) Mr. Hsiao An-pe, Secretary-General of the China-Japan Friendship Society of China, said in Tokyo that the situation was extremely favourable for establishing diplomatic relations between Peking and Tokyo. He said that China would not have to depend on war reparations from Japan for building a socialist State on the mainland. The statement was made apparently in answer to the general apprehension in Japan that China would demand huge war reparations from Japan when the two countries restored normal relations.

(4) Mr. Ryuji Takeuchi, Japanese Ambassador in USA, said in San Francisco that while Japan would refrain from taking hasty action on the China problem, the people of Japan felt greatly relieved when France had recognized Peking because the French action opened the possibility of Japan moving towards normalization of its relations with China.

(5) Mr. Chou En-lai said in Colombo on February 29 that the climate was favourable for the establishment of friendly relations with Japan. Talking to a group of Japanese correspondents, he said the recent establishment of diplomatic ties between France and China had shown that USA's policies towards China were "bankrupt" and continuing American adherence to them was "shameful."

No Unscheduled Air Link With China: However, on March 13, the Transport Minister, Mr. Kentaro Ayabe said the Government had decided against an "unscheduled air link" between Japan and China.

He said in a statement, after a Cabinet meeting, that granting of landing and overflight privileges to aircraft of a country with which Japan had no diplomatic relations would invite serious trouble.

The Government, he added, had originally favoured an unofficial unscheduled air link from a sea port to another which would not necessitate a country-to-country air agreement.

[An air service had been planned between the southern Japanese port of Sukuoka and Shanghai by All-Japan Airways and a Chinese airline. The first Chinese plane had been scheduled to bring a large group of trade officials to inaugurate a Chinese trade fair in Tokyo in April].

(*The Times of India*, Bombay and *The Japan Times*, Tokyo)

[Prev. ref. 5634:JAP:C]

KOREA (North)

A. Reported Estrangement With USSR: Western news agencies quoting reliable sources stated in the first week of March that the North Korean Government had taken several measures indicating its further estrangement from Russia.

According to the sources, the rebroadcasting by Pyongyang Radio of Moscow news in Korean language had been stopped.

Under official instructions, local branches of the USSR-North Korean Friendship Society had been closed.

Large numbers of Korean students had been recalled home from Soviet universities and on their return they underwent a special "re-education course", apparently intended to cure them of any "revisionist" tendency.

The Soviet Cultural Attache in charge of the distribution of films in North Korea had left Pyongyang for home after Korean authorities had banned the showing of Russian cultural films.

(*The Statesman*, Calcutta)

[Prev. ref. 5330:CHI:A]

KUWAIT

A. Pact On Oil Territory With Saudi Arabia: Kuwait and Saudi Arabia initialled an Agreement on March 8 partitioning the oil-rich neutral zone on their common border.

A joint communique issued simultaneously in Kuwait and Riyadh said the Saudi Arabian Oil Minister, Sheikh Ahmed Zeki Yemeni, and the Kuwaiti Finance and Industry Minister, Sheikh Jaber Ahmed Sabah, had initialled the Agreement.

The accord was the outcome of 10-day talks between the two Ministers in Kuwait.

The terms of the Agreement were not announced, but the communique said it provided for the partitioning of the neutral zone, giving the two Governments equal administrative and sovereignty rights.

Japanese firms are exploiting the oil-fields in this territory.

(*The Times of India*, Bombay)

[Prev. ref. 5554:SUA:B]

LAOS

A. Mutual Recriminations By Factional Leaders: The three factional leaders of Laos have agreed to meet and discuss adjustments for stabilizing the "Government of National Union."

The idea of such a meeting was brought up at a conference between Prince Souphanouvong and Prince Souvanna Phouma at Sam Neua, and Right-wing General Phoumi Nosavan has accepted the suggestion.

In November, 1963 Prince Souphanouvong complained in a letter to the Premier, Prince Souvanna Phouma about Gen. Phoumi and said it was "obvious that he will not agree to solve the Laotian crisis peacefully. He will continue to sabotage the coalition Government and national reconciliation."

Prince Souvanna's reply implied that a tripartite meeting might help and could be arranged if Pathet Lao agreed, but added that up to then negotiations between representatives of the Neutralist and Neo Lao Haksat (the Pathet Lao's political arm) parties in Vientiane had made no progress "because of the stubborn attitude of the Neo Lao Haksat representatives who have persistently clung to their old worn-out proposals."

Gen. Phoumi for his part recently accused Pathet Lao of being actively aided on Laotian territory by the armed forces of North Viet-Nam, a charge which was corroborated by Prince Souvanna Phouma and which neither of the two has withdrawn. But Gen. Phoumi Nosavan has

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welcomed the suggestion for a tripartite meeting and said he was "happy to hear of Pathet Lao assurances that they will re-integrate the Government of National Union. I have expressed my willingness for a three-party meeting and feel that the best site for this would be the Plain of Jars."

The agreement came in the midst of resumed warfare.

The renewed fighting which broke out on January 29 led to the rout of neutralist and Right-wing troops from the rice-growing plain of Nakay in Central Laos. It was believed by diplomatic observers in Vientiane that Pathet Lao was endeavouring to establish bases in the hill region west of Nakay in order that they could raid traffic on the main north-south highway above the Mekong river town of Thakhek. Prince Souvanna Phouma claimed that the Pathet Lao attack on Nakay was supported by North Viet-Namese troops, but the Pathet Lao denied this and contended that their forces attacked in response to encroachments on their territory by the troops of General Phoumi Nosavan. As a result of the military activity near Thakhek, Thailand closed a long stretch of her frontier with southern Laos.

On February 10 Prince Souvanna Phouma asked the Soviet Union and Britain to use their influence to prevent a resurgence of serious fighting in the country. He asked the Polish, Indian and Canadian members of the International Truce Supervisory Commission to appeal to the factions to cease fighting.

Pathet Lao said on March 6 that it considered all the decisions of the International Commission "null and void" unless Pathet Lao approved them in advance.

General Phoumi Vongvichit, a Pathet Lao leader, said this in a statement to the Commission.

He reminded the Commission that all requests for investigations must be unanimously approved by the national committee charged with the execution of the Geneva Agreement guaranteeing Laos' neutrality before being submitted to the Commission.

He specifically referred to the request made by the coalition neutralist Premier, Prince Souvanna Phouma, to the ITSC to conduct an investigation into alleged Pathet Lao cease-fire violations in Central Laos.

(*The New York Times* and *The Times of India*, Bombay)

[Prev. ref. 5682:LAO:A]

LEBANON

A. Government Resigns: The Prime Minister, Mr. Rashid Karame, submitted his Government's resignation to President Fuad Chehab on February 19. He was asked to stay in office until a new Government had been formed.

Later, President Chehab issued a decree dissolving Parliament and calling for new elections in April.

The normal constitutional term of the 99-member one-chamber Parliament would have elapsed early in June. Parliament was elected in the Spring of 1960 over four stages for a term of four years.

The outgoing Minister of Economy, Mr. Rafiq Naja, said that elections would be held also in four stages between April 5 and May 3. The first stage will be held on April 5 in the province of North Lebanon, the second on April 12 in the Bekaa, the third on April 26 in Beirut and Mount Lebanon Provinces and the last on May 3 in the South Lebanon Province.

The resignation of the Government was announced after its routine weekly meeting under the chairmanship of President Chehab.

The outgoing Government of Mr. Karame was formed on October 31, 1961, thus staying in office for the longest time on record in Lebanon's history.

The next Parliament is particularly important because it will have to elect a new President of the Republic for a term of six years.

The term of President Chehab expires in September and the present Lebanese Constitution does not permit the election of a President for two consecutive terms.

If it is desired, as some political circles demand, to allow President Chehab to stand for re-election then the new Parliament would have to amend the Constitution.

Sources close to the Government said the President was unwilling to run for another term, though he publicly had said nothing on the matter.

"Care-taker" Government Formed:

A Beirut message on February 21 said that a "care-taker" Government of 10 members under Mr. Hussein Oweini, a 63-year-old veteran politician, had been formed to supervise the General Election.

Only the Foreign Minister, Mr. Philip Takla, was retained from the Government of Mr. Rashid Karame.

Three of the new Ministers were in office for the first time. The Government is considered neutral towards the political parties and groupings and none of its members will stand in the election.

The full Cabinet is:

Prime Minister, Interior and Defence—Mr. Hussein Oweini;

Deputy Prime Minister and Minister of Justice—Mr. Jubran Nahhas;

Foreign Affairs—Mr. Philip Takla;

Education—Mr. Charles Helou;

Agriculture—Mr. Fuad Najjar;

Finance—Mr. Amin Baihum;

Public Works and Guidance and Information—Mr. George Naccache;

Labour and Social Affairs—Dr. Rida Wahid;

Economy and Planning—Dr. Fuad Ammoun; and

Health and Posts, Telegraphs and Telephones—Mr. Muhammad Kneio.

(*The Egyptian Gazette*, Cairo and *The Times*, London)

[Prev. ref. 4335:LEB:A]

MALAYSIA

A. Collapse Of Tripartite Talks: Representatives of Malaysia, Indonesia and the Philippines met in Bangkok in the first week of March on the initiative of the Philippines in a search for measures which would relieve the tension on the Malaysia-Indonesia border where a shaky cease-fire was in force (see page 5669).

The talks first broke down on March 4, but were resumed the following day to collapse again on March 5.

The difficulty remained the same as before—Malaysian demands for unconditional withdrawal of guerrillas. (Indonesia wants to be linked with a political settlement.)

After the failure of the talks the Malaysian delegation issued a statement saying it was "clear that there is now no meeting of minds on the issue of the (Borneo) cease-fire. The Malaysian delegation regrets that the Indonesian Government has adopted a position which is threatening the peace and well-being of South-East Asia."

Mr. Salvador Lopez, the Philippines Foreign Minister, acting as go-between, twice had separate talks with Dr. R. Subandrio, the Indonesian Foreign Minister, and Tun Abdul Razak, the Deputy Prime Minister of Malaysia, but said afterwards: "We have done our best to explore the possibilities of agreement and now regret to announce that no agreement has been possible."

An Indonesian Embassy spokesman said that Indonesia felt there should be a direct link of the key issues—a 20 per cent guerrilla withdrawal for a 20 per cent political settlement.

Tun Abdul Razak said: "They have to start withdrawal first." There was no softening in the Malaysian position.

Filipino Proposal:

The Philippine Foreign Secretary, Mr. Salvador P. Lopez, who returned to Manila on March 6 said he hoped that the tripartite Malaysia reconciliation efforts would be revived by an across-the-board package deal.

He told a news conference that Tun Abdul Razak had accepted his package in principle and Indonesia's leadership was now considering it.

Describing the package plan as "containing something for each country," he itemised the package proposals as:

(a) Disengagement of the troops in Borneo and confining these troops within their respective territories.

(b) Immediate commencement of discussions towards a political settlement.

(c) A summit meeting among Indonesia's President Sukarno, Tengku Abdul Rehman and President Macapagal.

"Malaysia is interested in troop withdrawal, Indonesia wants a political settlement and we want a Summit," he pointed out, illustrating his contention that each country would get something out of the package.

Asked to explain the mechanics of the package deal, he said: "You can't have a choice. You accept all three or nothing."

He emphasized under questioning, however, that if Djakarta rejected his proposals, this should not "mean scrapping of the cease-fire agreement already forged in Bangkok."

He explained that the package deal, if accepted, would comprise one more vital point of the cease-fire pact. They had been bogged down in Bangkok over Malaysia's demand for withdrawal of Indonesia's troops from Malaysian Borneo.

(*The Times*, London and *The Malayan Times*, Kuala Lumpur)

[Prev. ref. 5669:MAL:A]

B. Military Conscription: The Government ordered military conscription on March 10 following the collapse of the Bangkok talks (see page 5707).

The decision—which could put as many as 100,000 men under arms—was reached during an emergency Cabinet session.

It coincided with reports of fresh fighting in Sabah where two Indonesian guerrillas and a Malaysian trooper were killed and two Indonesians captured.

The incidents were the latest in a series

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of clashes that had virtually spelled the end of a six-week-old cease-fire.

The Deputy Prime Minister, Tun Abdul Razak, who is also Defence Minister, announced the conscription order after the Cabinet meeting.

He said the Cabinet considered the situation "serious enough to warrant the call-up of persons between the ages of 21 and 29."

The call-up was expected to start within days in Malaya, the core of Malaysia, where eligible males had already been registered for possible military duty. Registration in Singapore, Sabah and Sarawak was expected to take two weeks.

Earlier on March 8, the Prime Minister, Tengku Abdul Rehman told a political rally that he favoured an immediate call-up of the nation's young men for military service to meet the danger of Indonesian aggression, after the break-down of the talks with Indonesia and the Philippines.

He described Indonesian policy as barbaric and savage, and said Malaysia would not flinch from the consequences of maintaining its national and territorial integrity.

On March 11 he turned down a suggestion by President Sukarno for further "peace talks" with Indonesia to solve the Malaysia crisis.

He re-iterated Malaysia's stand that there was no question of any further talks until and unless Indonesia withdrew her guerrillas from the Malaysian States of Sabah and Sarawak.

Asked to comment on the reported statement of President Sukarno on March 10 that Indonesia was still prepared to resume talks on the Malaysia issue, provided there were no pre-conditions, the Tengku said it was futile to talk to Indonesian leaders so long as they continued their armed aggression against Malaysia.

(*The Times*, London and *The Malayan Times*, Kuala Lumpur)

[Prev. ref. 5707:MAL:A]

NEPAL

A. Dr. K. I. Singh Arrested: Dr. K. I. Singh, former Prime Minister, was arrested in Khatmandu on March 15.

He has, however, been lodged in his own house under police guard.

He will be tried by the special tribunal set up in 1963 by the Government to try cases involving activities prejudicial to the State and the Constitution.

Dr. Singh had issued a statement on March 9 calling upon the people to start satyagraha from March 12. The same night he was put under house arrest along with two more politicians, Mr. Suryaprasad Upadhya, former Home Minister and Mr. Ram Hari Sharma of the now banned Praja Parishad.

Police guards from the houses of these two politicians were, however, removed on March 14 and there had been no move to prosecute them.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5615:NEP:C]

PAKISTAN

A. Restoration Of Democracy—Awami League's Pledge: A pledge to fight for the restoration of democracy in Pakistan was taken at the concluding session of the revived Pakistan Awami League Council's meeting in Dacca on March 9.

The session was attended by 944 delegates and Council members.

It was resolved to observe a franchise day jointly with all democratic forces.

It demanded full autonomy for East Pakistan, equal opportunities for the development of both the Wings, and an end to discrimination against East Pakistan. It also said defence should be handed over to the Province under a federal Government.

The meeting demanded the release of political prisoners, adult franchise, direct elections and freedom of Press and association. It condemned communal riots and called upon the people to protect the minorities.

The provincial convention of the National Democratic Front (NDF) also echoed these demands. It did not declare itself a political party, but issued a manifesto and elected a working committee with 25 members.

There appears to be some differences of opinion between the Awami League and the NDF. Sheikh Mujibur Rahman of the Awami League said that NDF had been formed in conditions of non-revival of political parties. Now that the parties have been revived, NDF had lost its representative character.

NDF spokesmen, on the other hand, are reluctant to recognize the revival of the parties—both the Awami League and the National Awami Party (of Maulana Bhashani).

Meanwhile, Mr. Mohammad Ibrahim, a former Judge of the Dacca High Court, told the East Pakistan Journalists' Conference that he would prefer to be a "mule of history" rather than a member of the ruling Muslim League.

He was referring to a statement by President Ayub Khan in which he had called members of parties other than the Muslim League "hired mules."

The journalists demanded full freedom of the Press.

(*The Statesman*, Calcutta)

[Prev. ref. 5660:PAK:E]

B. Lt-Col. G. L. Bhattacharya's Appeal Rejected By Supreme Court: The Supreme Court sitting in Dacca dismissed on March 12 the appeal of the Indian Army officer, Lt-Col. G. L. Bhattacharya, now serving a four-year prison term in Dacca jail.

The Court announced its summary decision on the conclusion of the two-day hearing of the appeal in which the Calcutta barrister, Mr. S. S. Ray, appeared for the imprisoned officer. The Supreme Court thus upheld the four-year prison term of the Indian Army officer due to be completed by the end of 1964.

Mr. S. S. Ray was on March 11 politely told by the Supreme Court of Pakistan that in order to avoid "embarrassment", he should refrain from raising any points contesting the validity of orders passed by the President of Pakistan.

Raising a constitutional point, Mr. Ray had submitted that two orders confirming validations of all proceedings before the military courts passed by the President, prior to the coming into force of the present Constitution, were null and void (Col. Bhattacharya was tried by a special military court).

As Mr. Ray was about to elaborate his points, Chief Justice Cornelius observed that such a point should not be taken up by the counsel as it would be embarrassing.

Mr. Ray: "My Lord, in India, I have taken up points in a number of cases challenging the validity of Government actions and in a number of cases Government's actions were declared null and void."

Mr. Justice Rahaman: "That was in your own forum. Here you cannot take these points."

Mr. Ray: "I am deeply grateful to Your Lordship for having allowed me to appear before you and I certainly will not abuse that privilege."

When Mr. Ray recalled that he did appear before the same court in 1956, as a junior to Mr. P. R. Das, Mr. Justice Kaikus remarked: "That was regarding the Zamindari Abolition Act, and the points raised in the present case are of a different nature and it would cause embarrassment."

Mr. Ray: "I would abide by the desire of the Court."

Col. Bhattacharya had originally been sentenced by a special military court to eight years' imprisonment on charges of illegal entry into Pakistan and unlawful possession of firearms and secret documents. The President of Pakistan later reduced the sentence to four years.

(*The Hindu*, Madras)

[Prev. ref. 4970:PAK:C, 5087:PAK:F]

C. Work On Nuclear Power Plant Begun: It was stated on March 11 that work had begun on the construction of a nuclear power plant 14 miles from Karachi.

About 300 acres of land have been acquired by the Pakistan Atomic Energy Commission for the plant, which will have a capacity of 132 mw, to be based on a natural uranium heavy water moderated reactor.

The nuclear plant, according to Atomic Energy Commission sources, will produce electricity at less than 3½ paisa per unit, which competes with the cost of power generated by gas.

The decision to establish this plant to generate cheap electricity for the continuously increasing power demands of the sprawling city, was taken by the Pakistan Government. This would also help conserve the gas supplies.

The plant is estimated to cost Rs. 27.3 crores including Rs. 21.2 crores in foreign exchange. It is likely to be completed towards the end of 1968.

At present, preliminary work including test operations are being conducted by a foreign firm.

According to Karachi Electric Supply Corporation estimates, the need for electricity in Karachi will go up to 534 mw by 1975 due to rapid growth of population and continuous expansion of industrial and commercial activities. The existing installed capacity in Karachi is 134 mw.

While in 1941, Karachi had a total installed capacity of five mw only, it rose to 23 mw in 1953 and in 1961, it further rose to 67 mw.

According to experts, the installed capacity is expected to reach 400 mw (including the nuclear plant to be set up by the Atomic Energy Commission). In 1975, it is likely to touch 524 mw.

(*Dawn*, Karachi)

[Prev. ref. 5540:PAK:B]

ASIA OUTSIDE ASIA

A. US Budget For 1964-65: The United States Budget for 1964-65

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was presented to Congress on January 21.

The national income from the Federal sector was estimated at $118.8 billion.

President Lyndon B. Johnson proposed, for regular Government programmes financed out of treasury revenues, $97,900,000,000 to pay bills, contracts, and other obligations as they come due. This figure ($500,000,000 less than the previous fiscal year) is called "administrative Budget expenditure."

From trust fund transactions and other special programmes having their own sources of revenue, his programme would result in projected fiscal year 1965 outlays of $29,400,000,000.

His proposals for all Federal Government programmes total $122,700,000,000.

Of the $122,700 million, 44 per cent would be for national defence, 2 per cent for conduct of international relations, 24 per cent for Social Security payments and other Trust Fund transactions, 7 per cent for interest charges on Federal Government debt, 4 per cent for space research, 4 per cent for agricultural programmes, 4 per cent for veterans benefits, and 11 per cent for other programmes, including natural resources, commerce, transportation, housing, community development, health, labour, Federal aid for education, and general government.

Of the money needed to finance these payments, 40 per cent would come from individual income-taxes, 21 per cent from corporation income-taxes, 14 per cent would be employment taxes paid into Trust Funds that finance workers' benefits, 23 per cent would come from other taxes and 2 per cent would be borrowed from the public.

(*USIS*)

[Prev. ref. 5084:AOA:B]

B. Long-range Jet Interceptor Developed In USA: The United States has successfully developed, in secrecy, a 2,000 mph jet aircraft, whose revolutionary design may give USA pre-eminence in manned aircraft for some years to come.

The correspondent of **The Times**, London said that apart from the military implications of a long-range interceptor capable of more than three times the speed of sound, the advanced metallurgy involved in building it will be immensely useful in the construction of commercial supersonic aircraft.

President Lyndon Johnson made the announcement on March 1 at his first televised news conference.

The A-11, as the new aircraft is known, is a slim pencil-shaped machine with a conventional cockpit and short stubby wings near the tail. A picture of it issued by the White House did not show how many engines it has or give any of the dimensions.

Mr. Johnson said, however, that it was hoped to arm it with air-to-air missiles, that it had flown at over 2,000 mph at altitudes of more than 70,000 feet, and that its range was in the thousands of miles. Several A-11s were now being tested at Edwards Air Force station, California.

The aeroplane, which has been under development since 1959, was described by Mr. Johnson as having a performance far exceeding that of any other aircraft in the world today. He made it clear that the mastery of the use of titanium, a metal with good heat-resistance properties, in the A-11 would be exploited in the supersonic transport which USA plans to build in competition with the Anglo-French Concord.

Appropriate members of the House and Senate had been kept informed of the A-11's progress since the Lockheed Aircraft Corporation began work on it. The J-58 engine was built by Pratt and Whitney, and the experimental fire-control and air-to-air missile system by the Hughes Aircraft Company.

Mr. Johnson said he had ordered everyone associated with the programme to remain silent about it, but he had authorized the release of certain other information. From this it emerged that the A-11 had great potential as a reconnaissance aircraft but that it was unlikely to be used as a bomber. It was also made clear that it could not itself be adapted to carry passengers, but that the Lockheed Corporation, which had also submitted a design in the competition for a commercial aircraft, would not gain an advantage over its competitors, as the technology had been distributed to other manufacturers.

While it is impossible to make an exact assessment of the importance of the A-11 without more information about its performance and design, its existence puts some recent controversies and statements in a new light.

The development of an air-to-air missile sufficiently advanced to be used in an aircraft as fast as the A-11 may conceivably have weighed significantly in the decision to abandon the **Skybolt** programme, although the ill-fated missile was an air-to-ground weapon. Presumably, too, the existence of so fast an interceptor would have made the **Skybolt** system more vulnerable than was generally thought.

Mr. Najeeb Halaby, the administrator of the Federal Aviation Agency, was understood to be one of the officials who were informed on the development of the A-11. His criticism of the use of aluminium in the Concord programme thus takes on new significance, as does his conviction that USA can make a faster aircraft for delivery very soon after the Concord is ready. Perhaps, too, the decision not to build the B-70 bomber was influenced by the A-11's potentiality.

The Air Force has recently been calling for the development of an improved manned interceptor with specifications similar to those attributed to the A-11. It has been suggested that this was a cover to help conceal the secret programme.

(*The Times*, London)

[Prev. ref. 5695:AOA:C]

C. Increase In British Bank Rate: Britain's Bank Rate, barometer of the country's economy, was raised by 1 per cent to 5 per cent on February 27.

A Bank of England spokesman said the main purpose of the increase—first for 13 months and seventh since 1961 when the rate rose to 7 per cent—was "to steady the pace of expansion in the economy".

He said: "It is not designed or intended to produce any substantial inflow of short-term funds."

The official Bank Rate is technically the minimum rate at which the Bank of England, the Government's banker, will discount approved bills of exchange.

In practice it is the key to the general rate of interest charged on loans in Britain.

(*The Times*, London)

[Prev. ref. 5394:AOA:K]

D. Russia Launches "Cosmos XXV": Russia launched another satellite—*Cosmos XXV*—on February 27 in its series of exploratory small satellites.

(*Tass*)

[Prev. ref. 5697:AOA:J]

E. Race To Discover Atomic Particle: A London despatch on February 22 said that behind the new sub-nuclear particle whose discovery had been reported from New York (see page 5734) lies a race between the Brookhaven Laboratory in USA and the 14-nation European laboratory at Geneva to complete a critical experiment, and a story of theoretical ideas developed in three countries—Japan, Britain and USA.

In respect of one or two categories of sub-nuclear particles, theoretical physicists now, as a result of it all, feel in a position of one-upness. If a new particle in this category—known as "strongly interacting" particles—should be discovered, they will be able to say at once what further particles may exist and should be looked for. They have found a mathematical pattern but, as yet, lack a physical theory to account for it.

Scientists of the Geneva laboratory (Cern) have been unlucky. They, like those at Brookhaven, have completed their experiment; but, unlike Brookhaven, which has clear priority, they have yet to complete analysis of their pictures.

On the theoretical side, the first important step was taken in 1959 by three Japanese physicists, Y. Ohnuki, Ikada, and Ogawa. This was followed up by Professor A. Salam and J. C. Ward at the Imperial College of Science, London. At this stage the mathematical pattern—based on what is known as group theory—pointed to multiplets of eight particles which, in fact, is the most common situation.

The next development has an almost fairy-tale quality. The then military attache at the Israel Embassy in London, Y. Ne'eman, now in the United States, was commended as a student to Professor Salam, though without training in physics. Professor Salam accepted him, and suggested that he take a new look at the problem. Ne'eman came back with a further generalization pointing to multiplets of 10 particles as well as eight, and was told to publish. The authorities of London University, to whom his work had been submitted as a thesis for a doctorate in physics, were at first doubtful about accepting it, because his primary degree was not in that subject. At almost the same time, Professor Murray Gell-Mann of the California Institute of Technology, arrived at the same idea.

One implication of 10-particle multiplets was the newly discovered particle. It was unusual enough in its properties, and had been predicted definitely enough to make a good test. Hence the search for it by two laboratories—with the race won by Brookhaven.

A chapter in research has been completed and the question arises, what next? There remain two problems; first, to relate satisfactorily the existence of two distinct categories of sub-nuclear particles—strongly and weakly interacting; and, second, to arrive at a physical theory. They may be solved separately or together, and theoretical physicists are not inclined at present to guess further.

(*The Times*, London)

[Prev. ref. 5734:AOA:D]

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ASIAN RECORDER

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AFGHANISTAN

A. Membership Of Colombo Plan: It was announced in London on March 19 that the Colombo Plan countries had accepted a request from Afghanistan to join the Organization.

Afghanistan will be the 22nd member of the Colombo Plan, which is devoted to economic development and technical co-operation in Asia.

(*The Hindu*, Madras)

[Prev. ref. 2463:CEY:A]

BURMA

A. Nationalization Of All Business: The Revolutionary Government announced on March 19 immediate nationalization of all businesses, together with goods of wholesalers, brokers, departmental stores and shops within the Rangoon city limits. Nationalization extended also to co-operative stores.

Unarmed soldiers carried out the Government's order.

The order affected wholesalers in machines and parts, hardware, watches, spectacles, fountain pens and stationery, electrical goods, imported drugs and medicines, sports and photographic goods, porcelain and glassware.

Hotel keepers, tea shop owners, retailers in fruit, vegetables, meat, fish, eggs and tobacco and dealers in leather goods, umbrellas, headwear and footwear, were exempted. Owners of enterprises nationalized will be allowed to keep their cash and bank accounts, and will also be given compensation.

The authorities gave the reasons for nationalization as profiteering, black-marketing and smuggling. Recently the price of imported commodities had risen steeply, despite the daily arrival of goods from abroad and distribution through "people's stores".

Private trade and co-operatives had been allowed until March 19 to deal in goods acquired under earlier import licences. But under the new order all assets of nationalized enterprises became Government property forthwith.

The announcement said there had been shortage of some goods such as razor blades, toilet goods, foreign medicines and textiles which were unobtainable at State-owned shops, but were available at inflated prices in private shops. It said "stooges" of foreign and native capitalists had been queueing at State-owned shops and had bought up every essential commodity.

The nationalization order also involved the take-over of factories producing tinned biscuits, cloth and clothing and hardware.

Shipping Corporation Law:

Earlier, on February 15, the Government promulgated a law under which a State organization to be known as the Burma Five Star Shipping Corporation would be constituted shortly.

It empowers the Government to appoint a Corporation, consisting of a Chairman and a maximum of ten members, to manage the coastal and sea transport business of the Union of Burma. The appointment is to be made through an official notification.

The functions of the Corporation, as provided for in the law, include purchase of vessels, machinery and equipment, vehicles, land and buildings, and also construction, hire, sale, disposal and acceptance of vessels, machinery, equipment etc. transferred to it by the Government.

The Corporation is also to undertake any other work which will be of assistance to its main function of managing the sea and coastal transport business of the country.

Among other functions of the Corporation are fixation and modification from time to time of fares and freight rates, settlement of marine insurance claims, and other tasks generally provided for in the law.

The Corporation is to carry on its work according to commercial principles, subject to the policy laid down for it by the Government from time to time.

Warning To Saboteurs:

The Government on March 13 threatened with severe punishment those who would obstruct or aid or abet obstruction of its work for the establishment of socialist economy.

The new law, which came into force with immediate effect, would provide for the offenders a minimum sentence of ten years' rigorous imprisonment. The maximum penalty would be death in addition to confiscation of all properties.

The specific acts of crime of importance covered by the law are sabotage, destruction of public properties, obstruction of the working of productive industries, transport, communications and smuggling of goods or currency out of Burma.

(*The Nation*, Rangoon and *The Times*, London)

[Prev. ref. 5651:BUR:C]

B. Agreement With Karens—Details: Two important points that should assist in shaping the future Burmese Constitution emerged out of the agreement reached between the Government and the central authority of the Karen Revolutionary Council, led by Saw Hunter Tha Hmwa on March 12.

The two sides had been engaged in peace talks since October 28, 1963.

The Revolutionary Council now stands committed, very willingly, to calling a national convention of the indigenous races of Burma "at an appropriate time in the future" to adopt a Constitution "on the basis of the Burmese Way to Socialism and the pattern of socialist democracy."

As the Karen Revolutionary Council has shown good sense in its attitude, the Burma Revolutionary Council has not hesitated to agree to the idea of a national convention, which it has cherished covertly.

The second point to emerge from the agreement is that the future of the Karen State, to be named Kawthoolei in the interim period, will have to be determined afresh at the convention as regards its territory (which the Karen Revolutionary Council would like to see extended to parts of the Irrawaddy and Tanassarim divisions that are peopled by a Karen majority) and its rights and duties. But in that respect the Karen delegation has accepted the definitions of rights and duties of states within the Union on the lines of General Ne Win's declaration of policy and faith regarding indigenous races made on Union Day, February 12, in Mandalay. Its essence lies in the fraternity and solidarity of all nationalities resolving to live "in unity through weal and woe" after eliminating such false notions as "majority" or "minority", which have been the results of suspicions and strained relations of the past.

Other provisions in the agreement relate to the formation of a joint committee to superintend effectively a cessation of hostilities and the right of representation by the Karen National Council in security and administrative councils in the Tanassarim, Pegu, and Irrawaddy divisions with a view to consultation over Karen affairs in those places.

So far there is no serious fighting along the Sittang river, normally held to be the abode of the Karen rebels.

(*The Times*, London and *The Nation*, Rangoon)

[Prev. ref. 5747:BUR:B]

C. Text Of Ne Win-Chou Communique: The following is the text of the joint *communique* issued in Rangoon on February 18 by the Chairman of the Revolutionary Council, Gen. Ne Win, and the Chinese Premier, Mr. Chou En-lai on their talks during the latter's visit to Burma from February 14 to 18. (A summary of the *communique* appeared on page 5747).

"The two sides reviewed the development of the international situation in general which is favourable to the peoples of the world who are struggling for their freedom and independence and for world peace, and discussed some current problems which today engender tension in many parts of the world. They firmly believe that such problems arising from time to time between nations can be settled by peaceful means if the Five Principles of peaceful co-existence are truly adhered to by the parties concerned, and that even if the problems existing between them may not be solved for the time being, the maintenance of contact between them and a willingness on their part to seek a peaceful, fair and mutually acceptable solution may promote such settlement.

"The two sides agreed that the preservation of world peace and prevention of war is an important task with which the world is faced today. In this connexion, they expressed their determination to strive for the ultimate realisation of general disarmament, including the total prohibition and thorough destruction of nuclear weapons, together with all the peace-loving peoples and countries of the world.

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"Both sides were of the opinion that it would considerably contribute to the expansion of the area of peace, to the settlement of international problems by peaceful means, to the reduction of world tension and to the promotion of friendly relations and co-operation among nations, if peace-loving nations would pursue the policy of ever expanding and strengthening their international contact by means of consolidating old friendships and cultivating new ones. In this context, the Burmese side congratulated Premier Chou En-lai and Marshal Chen Yi on the successful conclusion of their friendship visit to Africa, and affirmed that the Union of Burma has consistently worked for the restoration to the People's Republic of China of her rightful place in United Nations, believing that it would not only enhance the effectiveness of the world Organization but also facilitate the settlement of international problems by peaceful means. The Chinese side expressed its gratitude for this, and re-affirmed its full respect for and support to the policy of peace and neutrality pursued by the Government of the Union of Burma in international affairs, which greatly contributes to the promotion of Asian-African solidarity and the maintenance of peace in Asia and the world. The Chinese side also expressed its appreciation of and gratitude for the contributions made by the Burmese Government and people towards the strengthening of Sino-Burmese friendship.

"The two sides re-affirmed that the peoples of all nations should have the right to choose and develop their own political and social systems and their own ways of life in keeping with their national circumstances, requirements and aspirations, free from any outside interference or pressure. They are convinced that States with differing political and social systems can co-exist in peace if the relations between them are guided by the *principles of respect for each other's sovereignty and territorial integrity*, mutual non-aggression, non-interference in each other's internal affairs, equality and mutual benefit and settlement of disputes between nations by peaceful means, and by the Ten Principles of the Bandung Conference.

"Both sides expressed the desire of their two countries to establish and maintain friendly relations with all countries on the basis of the Five Principles of peaceful co-existence. In this connexion, the recent establishment of diplomatic relations between the People's Republic of China and France was considered yet another important event favourable to the achievement of peaceful co-existence among nations with different social systems and to the cause of world peace.

"The two sides were glad to note that ever since the Bandung Conference there have been unprecedented developments in the national independence movements in Asia and Africa. Both sides re-affirmed their resolute support to all peoples who are struggling to fight colonialism in all its forms, and to win and safeguard national independence.

"The two sides considered that one of the most urgent problems facing the newly independent countries of Asia and Africa is one of consolidating their newly won independence and building up their independent national economy. They are convinced that these countries will be able to achieve these goals mainly by depending on the efforts of their peoples and on their own material resources and by carrying on economic relations with other countries on the basis of equality and mutual benefit. They considered that there is need to beware of attempts by colonialists and neo-colonialists to dominate newly independent countries by taking advantage of the financial and economic difficulties with which they are faced.

"The two sides were glad to note that the situation along the Sino-Indian border has eased. They expressed the hope that China and India would find it possible to enter into direct negotiations on the basis of the Colombo proposals so as to remove progressively the differences between them and finally achieve a friendly settlement of the Sino-Indian boundary question.

"The two sides also reviewed the relations between their two countries and noted with satisfaction the steady, all-round development of these relations, which are increasingly characterised by the spirit of friendship, mutual understanding and co-operation. The economic and technical co-operation between the two countries has also made significant progress since the conclusion of the Agreement between the Government of the Union of Burma and the Government of the People's Republic of China on Economic and Technical Co-operation in January, 1961. The implementation of some of the projects envisaged in the Agreement is now well underway, while preparations are in hand for the implementation of others. The two sides were gratified that the economic and technical co-operation between their two countries has thus been successful, encountering no obstacle or difficulty, thanks to the good understanding between their two peoples and their regard for each other.

"General Ne Win and Premier Chou En-lai expressed their satisfaction at the opportunity afforded by the visit of meeting together and renewing personal contacts, convinced that such personal contacts and exchanges of views between responsible leaders of nations contribute to the promotion of international understanding and trust.

"On behalf of Chairman Liu Shao-chi and in his own name, Premier Chou En-lai renewed the invitation to General Ne Win to visit China at a time convenient to him. General Ne Win re-affirmed his acceptance of the invitation and expressed thanks for it."

(*The Nation*, Rangoon)

[Prev. ref. 5747:BUR:A]

CAMBODIA

A. Invitation To USA For Talks Withdrawn: The Head of State, Prince Norodom Sihanouk, on March 9 declared that he had failed in his plans for an international conference in Geneva and a four-nation conference in Pnom Penh.

He said USA and "our neighbours, including Laos, refuse to recognize our frontiers and consider us as a non-existent State," adding that the United States had sent him a counter-proposal which was "an immense hoax."

He also disclosed that Prince Souvanna Phouma's recent visit to Cambodia had given him "decisive proof" of the existence of a concerted anti-Cambodian movement which included even Laos.

He said this had forced him to tell the Laotian Premier that in case of a "four-nation plot" not only would Cambodia recognize North Viet-Nam as "Viet-Nam's sole representative" but would also grant similar recognition to the Pathet Lao in respect of Laos.

He said he had withdrawn his invitation to Washington for a four-nation conference (of USA, South Viet-Nam, Thailand and Cambodia) on Cambodian neutrality.

On March 12 he said that Cambodia's misunderstanding with USA had become such that he saw no point in receiving the US Ambassador to discuss the proposal for a four-nation conference.

He made the statement while referring to the view that the convening of the four-nation conference he had once proposed for guaranteeing Cambodia's borders would have been made easier if he had received the Ambassador.

Earlier on March 7, he had declared in a speech at Battambang in north-west Cambodia that he welcomed "the more or less clear" agreement of the United States, South Viet-Nam and Thailand to accept his call for a four-nation conference, and that "hope had been born" with the new positions of the three Governments even though "chances were slim" that the conference would succeed.

Parliament's Support:

On March 12, Parliament unanimously adopted a resolution expressing unreserved support for the attitude of the Prince towards USA and its allies.

The resolution asked the Government to negotiate with the Government of North Viet-Nam and with the Pathet Lao forces in Laos for an agreement on the neutral status and territorial integrity of Cambodia.

On the occasion of the re-opening of Parliament on March 17, the Prince said: ".... I wish to emphasize once more to the world which is now listening to Cambodia that even if we come to establish diplomatic relations with the Democratic Republic of Viet-Nam and to sign with it a Friendship Treaty consisting among other things of mutual respect and support of the territorial integrity of the two countries in their present frontiers, this will not in any way mean that we will become allies of the socialist camp. This will not mean in any way that we will join, even in the least, in the struggle that the National Liberation Front of Viet-cong or any others carry out or support in South Viet-Nam against some forces or some Westerners or pro-Westerners.

"We are and we will be strictly neutral and non-aligned in the struggle in South Viet-Nam and in Laos, though we prepare ourselves to have more formal bonds of friendship with the Democratic Republic of Viet-Nam and eventually with Neo Lao Haksat (Pathet Lao).

"It is the free world itself which has woven these bonds by refusing to us our right, even our neutrality and our territorial integrity recognized, guaranteed and controlled internationally, by showering on us sweet words while sabotaging all the prospects of the Geneva or Pnom Penh conferences on Cambodia.

"There is absolutely no question for us to allow the presence or the transit on our territory of foreign armed elements or the organizers of propaganda or subversion neither of Viet-cong nor of Pathet Lao nor of the partisans of the Saigon regime or Khmers Serei.

"I affirm solemnly that we will not participate at all in this war and that we will not take sides ideologically, as we remain out of the Marxist camp and the Western camp. We will not favour in our territory either of these camps. Our agreements with the Democratic Republic of Viet-Nam and eventually with other friends and socialist neighbours have only this objective.

"It is now evident that by stating that they are ready to recognize our neutrality, but in refusing to control it, the Anglo-Saxons and our neighbours were prepared, even if the Geneva Conference was held and solemnly recognized our neutrality, to accuse us ultimately of being not really neutral, allies of communism, accomplices of the Viet-cong etc. If the Anglo-Saxons and our neighbours had really wanted to neutralise us, they would have accepted with joy, gratitude and earnestness our offer to sacrifice our internal sovereignty in favour of a general control of our territory."

The same day (March 17) he told a news conference that his Government would refuse to attend the proposed Geneva Con-

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ference on Cambodian neutrality unless it was held within a week.

He said: "If the Socialist and Western Powers want to neutralise us, they have only to go to Geneva immediately."

He said, because of North Viet-Nam's failure to give a clear answer to Cambodia's request for recognition of her present frontiers, he had agreed to "resume the dialogue with Saigon."

(*The New York Times*, *The Times of India*, Bombay and *The Royal Embassy of Cambodia*, New Delhi)

[Prev. ref. 5735:CAM:A]

FORMOSA

A. KMT Policy On International Issues: In an interview to the correspondent of *The Hindu*, Madras, published on March 20, Generalissimo Chiang Kai-shek explained his Administration's attitude to various international issues.

He condemned the Peking regime for its attack on India and said that when his Government returned to the mainland it would undo the wrongs.

He pointed out that because his Government followed a good-neighbour policy "there was no conflict between our Government and yours when our Government was on the mainland". He conceded that problems might come up from time to time between the two peoples, "but they can be amicably settled."

He cited the aggression on India by Chinese Communists as merely "another proof of the truth that freedom and communism cannot live side by side in peace."

He also answered questions on other world problems. About the possible effects of France's recognition of Peking on seating in UN he stated: "We are not unduly concerned over the outcome at the General Assembly this year or the next. We are quite confident about this."

The question did not originate with the French recognition, he pointed out, but had been there for years, coming up year after year before the General Assembly. "However, if—and this is a big if—the Chinese Communists do get in, then UN will no longer be true to the principles on which it was founded." He did not indicate what action his Government would take in that eventuality.

Asked about the possible effects on the non-Communist world of the Sino-Soviet rift, he drew attention to the fact that while there might be differences between the two countries, "this has not caused any change in their common objective to bury capitalism, conquer the world and enslave mankind."

About plans for recovering control over the mainland, he stated: "Our preparations for recovery of the mainland have been ready and could be put into action at any time. Further preparations are progressing."

(*The Hindu*, Madras)

B. Legal Status Of Taiwan: A spokesman of the Ministry of Foreign Affairs, Mr. Patrick Pichi Sun, declared in Taipeh on March 6 that "insofar as the Republic of China is concerned, there is no question whatsoever concerning the legal status of Taiwan since its restoration to China in 1945."

He made this comment when asked about a question of this nature raised in the Japanese Diet on March 1.

He said: "In order to make the matter unmistakably clear, we wish to re-iterate the following:

"When China declared war on Japan on December 9 1941, she nullified all the Treaties with Japan including the Treaty of Shimonoseki in which Taiwan and Penghu were ceded to Japan after the first Sino-Japanese War.

"Article 4 of the Sino-Japanese Peace Treaty of April 28, 1952 stipulated: 'It is recognized that all treaties, conventions and agreements concluded between China and Japan before December 9, 1941 have become null and void as a consequence of the war.'

"The return of Taiwan to China was clearly stipulated in the Cairo Declaration of December 1, 1943, and re-affirmed in the Potsdam Declaration of July 25, 1945, which Japan accepted in her instrument of surrender on September 2, 1945.

"In accordance with Article 2 of the Sino-Japanese Peace Treaty, Japan has renounced all right, title, and claim to Taiwan and Penghu.

"China re-established her sovereignty over Taiwan on October 25, 1945, and since then has administered Taiwan as a province of the Republic of China."

(*The New York Times*)

[Prev. ref. 5664:FOR:A]

C. New Deputy National Defence Minister: General Chiang Ching-kuo was appointed Deputy Minister of National Defence by the Executive Yuan on March 12.

A Minister without Portfolio, General Chiang succeeded Admiral Liang Hsu-chao, who is to be Ambassador to the Republic of Korea.

General Chiang is President Chiang's elder son, whose other posts in the Formosa Government include those of Deputy Secretary-General of the National Defence Council and head of the Vocational Assistance Commission for Retired Servicemen.

Dr. Yu Ta-wei is the Minister of National Defence.

(*The Japan Times*, Tokyo)

INDONESIA

A. Volunteers To "Crush" Malaysia: President Sukarno on March 16 ordered youths to register as volunteers to help the country crush Malaysia.

Addressing about 400 political, regional and military leaders, members of the Diplomatic Corps and foreign correspondents in Djakarta, he said: "Tengku Abdul Rehman (the Malaysian Prime Minister) has made it clear to me he does not want to talk to me to settle the Malaysian dispute.

"He even declared mobilization in Malaysia. Now in response to his action I am calling on all Indonesian youths to register themselves as volunteers and we shall train them not only in the military field but also as a means to increase production."

He was applauded when he said: "We must have a mass movement of volunteers to create a self-defence power. During the West Irian campaign (against the Dutch) I also ordered the youth of Indonesia to volunteer, and seven million volunteered to be dropped into West Irian. Now I am asking them to register themselves again to crush Malaysia."

He denied accusations that he was a trouble-maker or a warmonger and said: "I am just the mouthpiece of the Indonesian people and what I say is the voice of the people."

The House of Representatives unanimously adopted on March 17 President Sukarno's call for volunteers to crush Malaysia, and members said they would join the movement. Leaders of youth organizations also expressed their support.

British View On Sabah Cease-fire:

The newspaper, *Indonesian Herald*, reported on March 22 that Britain had told Indonesia that President Sukarno's decision to mobilize volunteers to crush Malaysia made the cease-fire in Sabah no longer effective.

The paper, which usually reflects the views of the Indonesian Foreign Office, said that the British reaction was conveyed to the Foreign Minister, Dr. R. Subandrio, on March 20 in a message from the British Foreign Secretary, Mr. R. A. Butler.

The message was delivered during a 15-minute meeting between Dr. Subandrio and the British Ambassador, Sir Andrew Gilchrist.

(*The Times*, London and *The Statesman*, Calcutta)

[Prev. ref. 5719:MAL:A]

IRAN

A. ECAFE Annual Session: The annual session of the United Nations Economic Commission for Asia and the Far East (ECAFE) was opened in Tehran on March 2 by the Shah of Iran.

Mr. Ali Naqi Alikhani of Iran was elected Chairman, Mr. Abdul Hakim Tabibi of Afghanistan First Vice-Chairman, and Mr. J. R. Marshall of New Zealand Second Vice-Chairman.

Attending the opening ceremony were several delegates and observers from the 28 members and associate members of the Commission, other UN member-States, UN agencies and non-Governmental organizations.

Opening the session in the council chamber of the Senate of Iran, the Shah said that Asian nations were fighting against undue privileges and clamouring for rapid changes in their social and economic conditions and were yearning for social justice, equal opportunity and better living standards.

A message received from the UN Secretary-General, U Thant, was read to the meeting by U Nyun, Executive Secretary of the Commission.

U Thant observed that the Commission had become a forum for the discussion of Asian problems and added that he hoped to visit Iran and attend the Conference towards the end of its current session.

After expressing thanks to the Shah and to the Iranian Government, U Nyun stated that the session marked another year of successful international effort and significant progress in specific activities.

Emphasizing the importance of regional co-operation and organization, he said that a regional concept would allow more realistic and effective application of UN resources and procedures. He added that it was now recognized as one of the best means of assisting economic and social progress.

Asian development, he stated, was lagging behind targets set by the UN Development Decade.

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After declaring that population growth might upset all economic development efforts, he stated that to achieve the desired 5 per cent growth in annual income by 1970, as stipulated by the Development Decade, countries would have to devote 15 per cent of their national resources to investment, but were in fact investing 6 to 9 per cent.

He said that the Commission was assisting countries in their planning efforts and helping economic growth mainly through trade expansion and industrialization. Excellent progress had been made in the Mekong development project and under the direction of the Mekong Co-ordination Committee the investment programme had moved ahead of schedule and construction was now beginning in all four riparian countries.

He added that resources had increased in 1963 by $14 million to $51 million and that construction plans had been worked out for further projects that would cost $73 million.

Review Of Regional Problems:

All the delegates attending the session emphasized the importance of regional co-operation among ECAFE members and wider and more efficient co-operation with the Secretariat.

Delegates from Pakistan, Philippines, Thailand, Burma, Japan, Ceylon, Nepal and India took the floor.

The Pakistani delegate, Mr. Tayyeb Husain said he hoped that the UN Trade and Development Conference in Geneva would pay particular attention to development programmes for the under-developed countries.

Mrs. Medina Lacson de Leon, head of the Philippines delegation, discussing the economic situation in Asia said Philippines' experience confirmed that economic progress was principally based on industrial production.

The Thai delegate, Mr. Bunchana Attakor, insisted on the importance of regional co-operation. He added that during the past year his country's economy had progressed satisfactorily.

Burma's delegate, U Ba Gale said his country had developed a local industry sufficient to cover its needs. As far as increasing the country's exports was concerned, collaboration with other ECAFE countries was an important factor.

The Japanese delegate, Mr. Hisanag Shimandzu, said Japan was in favour of the creation of a regional development bank, a suggestion already made at the Manila Conference. But, he added, the bank would have to give priority to financing regional development projects.

The Indian delegate, Mr. D. K. Srinivasan, emphasized the need for a study of import substitution and export diversification. He said these two factors should be regarded as an integral part of the development programme and not simply as a means of equalising the balance of payments.

At the afternoon session the heads of the delegations from Malaysia, South Korea, Brunei, Taiwan, Australia and Hong Kong took the floor.

Their general theme was the need for co-operation between ECAFE members, and the substitution of local production for imports.

The Malaysian delegate recalled that rubber accounted for 90 per cent of his country's exports and that the current development of plastics on the world markets was having considerable ill-effects on Malaysia.

It was for this reason, he added, that an investment of $2,900,000 had been allocated for the development of a private section of the plastics industry in the country's Second Five-Year Plan.

On March 4, delegates from New Zealand, Laos, Cambodia, Iran, Afghanistan and Western Samoa reported to the Conference on the economic progress made by their countries and the problems facing them. The New Zealand delegate, Mr. Foss Shanahan, called for the use of scientific methods to increase food production.

Joint Front Of Developing Countries—Indian Proposal:

On March 8, the Indian delegate, Mr. Manubhai Shah, proposed the formation of a joint front comprising all the developing countries during the UN Conference on International Trade and Development in Geneva.

The aim of the front would be to secure complete removal of tariff barriers imposed by the highly developed countries. Mr. Shah's view was supported by Indonesia, Pakistan and Hong Kong.

Mr. Shah said the high tariffs imposed by industrialized countries on the import of raw materials created difficulties for the developing countries. As a result, there was a slump in their exports, a steady rise in their deficit in the balance of payments and for want of industrial equipment, they were forced to import manufactured goods. He said the remedy was removal of tariff barriers.

He called for access to markets of developed countries for semi-manufactured goods of the developing countries and for machinery to stabilize prices of primary products. If there was a drop in the prices of primary products, it would offset the financial aid received by developing countries.

Discussion On Geneva Conference On Trade And Development:

Discussions began on March 11 on a resolution on the forthcoming UN Conference on Trade and Development in Geneva.

The resolution urged developing countries to consult and co-operate closely among themselves to reach solutions on trade and development problems. Most delegates urged that it be adopted unanimously.

One of the co-sponsors of the resolution, Mr. Manubhai Shah of India, said it achieved unanimity of approach for the ECAFE countries at the Geneva Conference.

Developed nations were urged to take the following steps:

(1) Progressive reduction and early elimination of all barriers impeding developing countries' exports, without reciprocal concessions on their part.

(2) No new barriers to these exports.

(3) Reduction and general elimination of tariff differences between raw materials and products, processed from these raw materials in developing countries.

(4) Help in increasing the exports of primary products by developing countries; stabilization of prices at reasonable levels; and free access to the exports of manufactured and semi-manufactured goods from developing countries.

(5) Non-discriminatory preferential treatment to imports of products originating in developing countries.

(6) Improved financial resources at favourable terms to enable developing countries to increase their imports of the capital goods and industrial raw materials, essential for their economic development.

Mr. Shah said the resolution did not seek to zone or create trade blocs but sought solutions for existing problems through joint endeavour.

Petroleum Institute For Asia And Far East:

The Conference adopted on March 15 a motion sponsored by Pakistan, Iran, Afghanistan and Thailand for the creation of a petroleum institute for Asia and the Far East, and requesting the assistance of the UN Special Fund for the purpose.

The session also debated water resources' development and flood control in the ECAFE region and reclamation, utilization, and development of deltaic areas.

Session Ends:

The session ended on March 17 after unanimously adopting a resolution urging a universal campaign against illiteracy.

It then agreed to New Zealand's invitation to play host to the 21st ECAFE session, to be held in 1965 at a date to be fixed in accord with the ECAFE Secretariat.

The Assembly also adopted a 250-page report on the work of the 20th session and on forecast for 1965. The report is to be submitted to the UN Economic and Social Council.

The draft text of the report was approved page by page with only minor amendments.

Addressing the Conference at the closing ceremony, the Iranian Premier, Mr. Hassan Ali Mansour, commented at length on what is henceforth known as the "Tehran resolution".

The resolution, adopted by the Conference the previous week, urged the developing countries of the ECAFE region to take a common stand before the UN-sponsored World Trade and Development Conference opening at Geneva on March 23, and called on the industrialized countries to facilitate the growth of the exports of the less favoured nations.

Mr. Mansour said that "the Tehran resolution, born in the wake of the resolutions of Brasilia and Addis Ababa, constitutes the final link in the chain which unites the developing countries in their approach to the problems of accelerated growth and provides us with an invaluable tool for attending the UN Conference in a constructive and dynamic spirit."

The adoption of the Tehran resolution was the salient feature of the session.

The resolution, sponsored by nine Asian nations, amounted to a "charter" for the developing countries, and also contained an appeal to the industrialized countries to remove their tariff barriers so as to favour the economic growth of the less-developed countries by granting bigger outlets for their exports.

The industrialized countries belonging to ECAFE (which include USSR, Britain, the United States and France) expressed some reservations regarding the resolution, which was nevertheless adopted without any formal opposition.

The general problems of Asian economic development were discussed at length, but particular emphasis was placed on such points as the Mekong River development project and the building of the 1,200 kilometre-long Asian Highway which will link Europe with Saigon and Singapore. Resolutions adopted by the Commission urged the speeding up of these projects.

The general report noted that "deep concern" had been expressed by ECAFE countries with regard to what was described as the "policy of agricultural protectionism" of the European Common Market countries, as well as the tariffs, quantitative restrictions, internal taxation and their association with 18 African countries.

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Economic Survey For 1963:

The economic Survey of Asia and the Far East for 1963, prepared by the ECAFE Secretariat for the Commission's annual session, was made public on March 2. The Survey served as a factual and analytical basis for the discussion of the Asian economic situation which occupied the first days of the session.

The Survey was published in two parts. A special study, contained in Part I, examined in detail the experience and problems of import substitution and export diversification of the ECAFE region as the developing countries of the region were seeking to alleviate their balance of payments difficulties through these means.

The Survey for 1963 noted that in spite of the continuous increase in the quantity of exports after 1953, the trade deficit of the developing ECAFE countries had increased three-fold by 1962 to $2,700 million. These large deficits had so far been financed primarily by official capital inflow in the form of grants and loans supplemented by private capital inflow and reduction of foreign assets.

However, the foreign assets of most countries were already very low and the inflow of foreign capital was reduced in 1961 and 1962.

Moreover, there were difficulties in the way of expanding the export of primary products, among them the increasing production of these products in the developed countries, technological progress which reduces the volume of primary products used in manufacturing, the introduction of subtitles, and tariff and other import restrictions. These were some of the problems encountered by the developing countries in implementing their programmes of import substitution and export diversification.

The Survey pointed out that import substitution and export diversification were designed not only to meet balance of payments difficulties but also to constitute an integral part of the process of industrialization and development. If well nourished and supported with adequate training facilities and infra-structures, these import substituting industries may carry the seeds of general economic growth. The increase in investment opportunities may also help to promote additional savings, investment and income.

Nevertheless, planning for import substitution should be exercised with extreme care in order not to waste scarce resources or lead to frustration and disappointment and reduce the initiative and momentum for future growth. These new productive activities should aim at gradually lowering the cost and improving the quality in order finally to achieve international standards.

The study also pointed out that especially for countries with smaller domestic markets, the possibility of export at an early stage in order to achieve internal and external economies should be considered and in this respect the problems of cost and quality were particularly important.

The Survey illustrated the different methods and points of emphasis in selecting industries for development, with Hong Kong and the Federation of Malaya on one extreme, depending primarily on choices of private entrepreneurs, emphasizing consumer goods industries, and with mainland China and India on the other, depending primarily on government planning, emphasizing heavy industries.

It pointed out the different background situations leading to the divergent policies. It also observed that policies for selecting industries and setting up priorities of development applicable to countries with large domestic markets and large and varied resources such as China and India may not always be suitable for smaller countries.

The study said that during the period from 1953-54 to 1961-62, import substitution, without reference to cost of production, was achieved through domestic production of food in Ceylon and the Philippines and of all final consumption goods in most developing countries except the Republic of Korea. Imports of materials and capital goods were replacing imports of consumption goods.

There had been a drop in the percentage of income originating from primary production and an increase in the percentage of income originating from manufacturing, and there had been some diversification of export from materials to manufactured products.

The most marked import substitution was in the field of manufacturing. Statistics showed that this covered a wide range of commodities, including basic consumption goods such as sugar, textiles and footwear; durable consumption goods such as electric fans, bicycles, refrigerators and air-conditioners; chemical products such as acids, alkalies, fertilizers, petroleum products, paints, paper, rubber tyres and tubes; basic metals such as steel and aluminium; other construction material such as cement, plate glass and plywood; and machinery such as sugar machinery, textile machinery, prime movers, diesel engines and machine tools.

Many of these commodities not only substituted imports but were also exported.

Available statistics showed that the rate of increase of export of newly introduced manufactured goods was faster than the rate of increase of traditional exports. It was therefore the export of these manufactured goods that held out brighter prospects for the developing countries in the future.

Export of newly developed agricultural products and handicrafts, though relatively small in amount, had been successful in several countries and should not be neglected.

Export statistics also showed that in a much larger portion of newly developed manufactured goods than traditional exports had been traded within the developing ECAFE region. Intra-regional trade, therefore, should increase with further industrialization.

For the established exports, however, the developing ECAFE countries had been taking a reduced share; they are giving way to Eastern Europe, Africa, Middle East and Japan. Increasing attention should therefore also be paid to these expanding markets.

The successful replacement of imports by domestic production and even the export of many articles did not necessarily mean that the cost and quality of the products were up to international standards. Many of these productive activities were protected by high tariffs and quantitative import and exchange controls, and exports were made possible by various incentive schemes.

The Survey also pointed out the differences in the effects of import tariffs and quantitative restrictions in promoting import substitute industries.

The problems encountered by import substitution and export diversification, and in fact, industrialization, as pointed out in the Survey, fell primarily into four categories: (a) the human factor, including administration, entrepreneurship and trained and disciplined labour; (b) technical know-how; (c) availability of markets; and (d) capital supply.

These problems had to be solved primarily by actions of individual countries, but regional co-operation may also help in certain aspects, for which various proposals were outlined in the Survey. Some of these proposals which had already been presented to the Ministerial Conference on Regional Economic Co-operation which met under ECAFE's auspices in Manila in December, 1963 were outlined.

Part II of the Survey, which dealt with the current situation, reported that food production in the developing ECAFE region, after rising by 3.6 per cent a year between 1955 and 1961, had risen during the past two years at an annual rate of less than 0.5 per cent, as against population increase around 2.4 per cent. Per capita food production, even now, barely equalled the 1934-38 level.

The present rate of increase was far from the goal of the UN Development Decade, which calls for an annual rate of increase of agricultural production of 4 per cent a year, and will seriously affect the attainment of the 5 per cent target rate of increase of national income set forth by the UN Development Decade.

Manufacturing production in the developing ECAFE region appeared to increase more rapidly between the first half of 1962 and the first half of 1963 (about 7.7 per cent), as compared with the average rate of increase between 1953 and 1962. Even then, it could not compensate for the slow rate of increase in agricultural production in order to achieve an annual increase of national income of 5 per cent. Governments may consider the short-fall of production and income targets in the early 1960's as a challenge to redouble efforts in order to accelerate growth rates and achieve the goals set by the UN for the Development Decade.

The Survey noted that 1963 was a relatively good year for trade. There were price or quantity gains for most primary exports and, in spite of restrictions on textile imports by some developed countries further gains for manufactured exports. Many countries thus enjoyed favourable or easy financial conditions but others, because of higher defence requirements, greater development needs, or balance of payments difficulties, had to tighten financial conditions.

In its concluding chapter on regional co-operation, the Survey noted that although full co-ordination of national developments plans of the countries of the region was an ideal to strive for, the realization of this ideal would take time.

Partial co-operative measures could be implemented in the interim which would materially assist the economic development of the participating countries.

To promote technical co-operation, it suggested the establishment of an Asian Institute of Management to train top management personnel and an Asian Institute of Technology.

These Institutes would adapt the proven production techniques of developed countries to the special circumstances of the region and study ways for utilizing indigenous materials now going to waste. Both institutes would be financed by the countries of the region.

To strengthen operative co-operation, the Survey proposed the establishment of regional industries that would serve the needs of several countries where production, especially of heavy industries and basic chemicals might exceed the capacity of domestic markets. Such a division of labour would lead to improvement in efficiency, quality and cost.

(*The Hindu*, Madras, *United Nations* and *The Hindustan Times*, New Delhi)

[Prev. ref. 5211:PHI:A, 5710:AOA:B]

B. Cabinet Changes: A Tehran message on March 7 said that the new Prime Minister, Mr. Hassan Ali Mansour, had retained the Foreign, War, Economy, Agriculture and Labour Ministers from the previous Government and appointed the former Minister in charge of Publica-

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tions and Broadcasting, Mr. Nasratollam Moinian, to the newly-created Information Ministry.

Two other new Ministries were of Water and Power (Mr. Mansour Rouhani) and the Ministry of Housing and Reconstruction (Dr. Nahavandi).

Other appointments were:

Assistant Premier—Dr. Ghassem Rezai;

Health—Dr. Jamshid Amouzegar;

Posts and Telegraphs—Dr. Nasser Shafil;

Education—Dr. Ali-Nagmi Jahanshahi;

Justice—Dr. Bagher Ameli;

Finance—Dr. Amir Abbas Hoveida;

Interior—Dr. Javad Sadr;

Roads—Dr. Mahmoud Kashfia;

Ministers without Portfoilo—Dr. Mohammad Nassiri, Dr. Hadi Hedayati and Dr. M. Goudarzi; and

Minister without Portfolio and parliamentary assistant to the Prime Minister —Dr. Nasser Yeganeh.

The outgoing Prime Minister, Mr. Assadullah Alam, was appointed Chancellor of the new Pahlevi University in Shiraz, but he will continue as a close aide of the Shah.

(*The Egyptian Gazette*, Cairo)

[Prev. ref. 5743:IRN:A]

IRAQ

A. General Amnesty For Kurdish Supporters: On March 16, the Government announced a general amnesty for all those who had sided with the Kurds in Northern Iraq during the Kurdish revolt.

The announcement said this was in the spirit of its November 18, 1963 declaration and the Cease-fire Proclamation of February 10, 1964. The amnesty applied to any one who took part in the revolt in any way between September 19, 1961 and February 10, 1964. All legal proceedings against them were cancelled.

The Government also announced administrative decentralization within the next two months for all Northern Provinces, which were the scene of the Kurdish revolt.

(*Baghdad Radio*)

[Prev. ref. 5743:IRQ:A]

B. New Rail Link: The Prime Minister, Lt-Gen. Taher Yahia inaugurated on March 10 the wide-guage railway line linking Baghdad to Basra.

Baghdad Radio said that the 542-kilometre-long line had cost 40,000,000 dinars, of which the Soviet Union had contributed 18,500,000 dinars. Three thousand, eight hundred employees and workers were engaged on the project, which took four years.

The line was built under a technical aid agreement concluded with the Soviet Union in 1959. The Russian Deputy Minister of Communications and Development attended the inauguration ceremony.

The new line reduces the railway distance between Basra and Baghdad from 570 to 542 kilometres. It also reduces the time of the journey to six hours, instead of 14 hours on the narrow-gauge line.

Passing through the desolate Ahwar area, which extends 40 kilometres south of Baghdad, the line was intended by the Iraqi Government to bring civilization to this still primitive land which had not seen any other mechanical means of transport.

Thirty locomotives imported from Czechoslovakia and 1,400 wagons imported from Poland will operate on the line.

Equipped with automatic signals, the line passes over more than 600 bridges; 1,200 houses equipped with electric power, water and sanitation have been built along the line.

(*Baghdad Radio*)

[Prev. ref. 2524:IRQ:B, 3203:IRQ:A]

C. Agricultural And Industrial Programmes: A Baghdad despatch on March 15 gave details of Iraq's agricultural and industrial programmes.

The new Five-Year Plan superseded the provisional four-year Economic Plan from 1961 to 1966. It earmarked 20.3 per cent of the total allocation of the Plan to agriculture and 30 per cent to industry. The annual allocations of the Plan are as follows:

Amount ID.	Year
97,139,000	1961-1962
108,056,000	1962-1963
117,624,000	1963-1964
119,605,000	1964-1965
113,916,000	1965-1966

An amount of 112,990,000 dinars has been earmarked for agriculture. There are 56 projects in this sector. Six projects are for the construction of dams on the Tigris and Euphrates and for water storage with an allotment of 14,900,000 dinars, 23 for the improvement of irrigation and drainage systems with a sum of 66,425,000 dinars, five for the increase for agricultural wealth with a sum of 6,583,000 dinars, six for agrarian reform costing 4,306,000 dinars, three for the construction of silos with 3,276,000 dinars and one project for the utilization of underground water with 5,750,000 dinars.

As for the supplementary projects, they include seven projects for the Ministry of Agriculture and one project for the Ministry of Agrarian Reform. An amount of 11,250,000 dinars was allotted for the first group and 500,000 dinars for the second.

The projects of water storage cover the completion of barrages at Dokan, Darbandikhan, and Habbaniyah and the carrying out of investigations on the sites of Al Tharthar, Al Fathah, Iski Mosul, and Upper Euphrates. They also cover the preparation of maps and the construction of either Al Tharthar or the dam of Upper Euphrates with Al Fathah dam or Iski Mosul upon the Tigris. A sum of 166,786,000 dinars has been allocated for this sector. The sum is equal to 30 per cent of the total funds of the Plan. This sector is provided with 55 principal projects and a number of supplementary ones.

They are as follows:

10 for chemical industries—ID36,450,000; one for medical materials—ID3,800,000; one for tobacco industry—ID1,650,000; three for food industries—ID4,810,000; two for constructional industries—ID6,000,000; two for electrical industries—ID4 946,000; three for mineral industries—ID17,564,000; six for textile industries—ID23,733,000; one for oil refining—ID10,600,000; three for metal industries —ID17,564,000; four for mining projects—ID8,850,000; three for generating and transportation of electric power—ID2,700,000; one supplementary project for the Ministry of Municipality—ID4,300,000; one for the Ministry of Commerce—ID260,000; and one for the Ministry of Social Affairs—ID200,000.

The detailed Economic Plan attaches much importance to the industrial sector in the light of the fact that economic development and the elevation of the living standards, both socially and economically, rests largely upon industrialization and the utilization of both mineral and natural resources and human energy as well. The Ministry of Planning has therefore adopted a new economic policy for the flourishing of industrial and productive projects side by side with the development of agriculture and the various utilities.

Most of the projects are in various stages of construction. Some of the projects have already been completed.

(*New Iraq*, Baghdad)

[Prev. ref. 5692:IRQ:C]

ISRAEL

A. ECM Offer Of Tariff Concessions: At a meeting in Brussels on March 10, the Ministers of the European Economic Community agreed to offer Israel tariff concessions on certain finished products and fruit and "special arrangements" with the countries of the Community on other commodities.

The new EEC proposals include a 20 per cent tariff suspension for three years on 23 finished products such as chemicals, clothing made of synthetic materials, asbestos, tyres and tubes and aluminium frames; a 33 per cent tariff suspension on avocado pears and a 40 per cent tariff suspension on grapefruit. Eggs and oranges are the subject of "special arrangements". As regards oranges, the subject of a tariff concession will be re-opened should the EEC enter into an agreement with Spain or a North African country, when it will offer Israel an equitable arrangement.

Concessions on 15 other products comprise the abolition of quotas on six industrial and two agricultural items and speedier reduction of tariffs on seven items of which six are agricultural, in countries where customs duties are now above the EEC's target level for a common external tariff. Semi-finished products are not mentioned in the new proposals. A permanent Israeli delegation to the EEC would be established to review relations at least once a year.

Under the EEC's constitution, Greece must be consulted before negotiations with Israel can begin, but the talks can only be delayed, not vetoed.

Mr. Paul-Henri Spaak, the Belgian Foreign Minister, said: "The agreement now in sight between the Market and Israel is an honourable one and there is no reason why it should not lead to a global agreement". In Israel, the proposals are regarded as a step in the right direction but it is certain that the Israeli negotiators will press for better terms when the talks open. Meanwhile, it remains to be seen what effect the outcome of the negotiations will have on Israel's Arab neighbours.

In February the Syrian Government lodged a strong protest with the EEC Ambassadors in Damascus against the extension of preferential trade status to Israel.

(*Middle East Economic Digest*, London)

[Prev. ref. 5582:INI:F]

B. Foreign Trade In 1963: Statistics available on March 15 show that Israel's exports in 1963 rose by 25 per cent over the 1962 total of $280,000,000, reaching the record figure of $351,000,000.

Over the past four years Israel's exports have doubled the 1959 total of $179 million. Citrus, citrus products and diamonds accounted for 60 per cent of the 1963 exports and the feeling is that these commodities have now reached their exportable limit. Exports of citrus grew by

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$26 million over 1962 to stand at $75 million, a rise of 53 per cent; diamond exports grew by $28 million to stand at $119 million (32 per cent); other industrial products excluding diamonds rose by $20 million to $144 million (17 per cent) and agricultural produce excluding citrus dropped by $4.8 million to $14 million, a fall of 26 per cent. This decrease was due to a decline in the export of eggs from $6.5 million to $3.5 million, peanuts fell by $500,000 and the export of hard wheat which earned $500,000 in 1962 ceased altogether. On the other hand, exports of processed foods showed a marked increase of 22 per cent to total $23 million. Mineral exports rose by $3.3 million to $12.3 million; phosphates nearly doubled to $812,000 and bromine compounds also rose by some $150,000 despite higher tariffs on these commodities in the Common Market countries. Yarn exports rose by 14 per cent to $13.2 million, but clothing exports dropped by 12 per cent to $11.7 million due to a decline in demand for rainwear.

The leading customer in 1963 was Great Britain which took 13.5 per cent of Israel's exports valued at $47.3 million, followed by USA with 13.3 per cent worth $46.6 million and West Germany continued to hold third place with 11.4 per cent of exports valued at $40.1 million. In 1962 USA bought $42.4 million worth of Israeli goods, Great Britain $37 million and West Germany $28 million. The proportion of exports sent to Common Market countries continued to grow from 26.4 per cent in 1962 to 30.8 per cent in 1963 ($108 million).

The export target set for 1964 by the Minister of Commerce and Industry, Mr. Sapir, is $410 million, with an ultimate aim of $900 million by 1970. Speaking in the Knesset he expressed regret that Israel's 1962 trade deficit of $320 million had not been reduced in 1963; one measure designed to promote exports, he announced, would be the sale to private interests of the foreign trading companies set up by the Government. The Government's import liberalization policy would be continued in order to force local industry to become more competitive and he warned that inefficient companies would not be protected indefinitely.

(*Middle East Economic Digest*, London)

[Prev. ref. 5536:ISR:D, 5564:ISR:B]

JAPAN

A. Bank Rate Raised: The Bank of Japan on March 18 raised its lending rates to ease the strain on the Japanese economy with the scheduled freeing of foreign exchange controls beginning April 1.

(*The Japan Times*, Tokyo)

[Prev. ref. 5612:JAP:C]

B. Trade Pact With Cambodia: Japan and Cambodia extended on February 15 their trade pact for another year.

The Trade Agreement, signed in February, 1960, has been extended twice.

Japan exported $14,520,000 worth of goods to Cambodia in 1963. Its imports amounted to $3,950,000.

(*The Nation*, Rangoon)

C. Restrictions On Remittances Lifted: The Finance Ministry said on March 11 that foreign investors in Japan would be free to remit home the profits accruing after April 1 on yen investments.

The repatriation of principal and of interest accrued before April may be made in five annual instalments after the sums are first transferred to exchange non-residents' yen accounts. Yen-basis investments amount to $140 million and interest accrued thus far totals $40 million.

The system of foreign investment on a yen basis was abolished on July 1, 1963.

(*The Japan Times*, Tokyo)

[Prev. ref. 5210:JAP:C]

KOREA (South)

A. Budget Estimates: South Korea has decided on a Budget for the new financial year totalling 69,853.35 million won—34.98 million won below the original estimate.

It was hoped to increase revenue "through more intensive administrative efforts" and to keep additional expenditure to a minimum, except for expenditure on compulsory education.

The Budget includes provision for increases in Government employees' wages.

The price of rice has been increased by 24.2 per cent, and railway charges have been raised by 15 per cent, but the proposal to increase the oil fuel tax has been abandoned, at a cost to the revenue of 1,200 million won.

The difference between the 15 per cent increase in railway charges and the originally planned increase of 20 per cent is estimated to lead to a revenue loss of 1,800 million won; against this, a five per cent increase in corporation taxes is expected to yield 800 million won and higher import duties are to provide another 1,000 million won.

(*Far East Trade*, London)

B. Industrial Complex: The Ministry of Construction is planning a giant export industries complex aimed at boosting the nation's annual export earnings by more than $28 million.

This complex, to be built at Bupyon, Seoul, will be composed mostly of light industrial plants to produce such exportable consumer goods.

(*Far East Trade*, London)

C. Fishery Loan Agreements: Contracts following the fishery loan agreement with France and Italy have been signed by the Fishery Development Corporation in Seoul.

Under these contracts, South Korea will obtain 91 high-sea fishing vessels aggregating 22,724 tons from France and Italy and export each year $20 million worth of fish caught by these vessels to USA.

(*Far East Trade*, London)

MALAYSIA

A. State Of Economy And Development Programme: An account of the state of Malaysia's economy, its pitfalls and prospects was contained in the Budget speech of the Finance Minister, Mr. Tan Siew Sin, on December 16, 1963.

[His Budget estimates and taxation proposals appeared on page 5635].

The following is the review of economic developments contained in his speech:

Despite the deterioration in the terms of trade, 1963 was a year of high economic activity domestically. In the first six months of the year, imports of machinery and transport equipment had risen by 5 per cent and 6 per cent respectively, whilst cement production had gone up by 11 per cent. Iron-ore exports were $M10 million higher in the first nine months of 1963 than in the corresponding period of 1962. Present indications were that in 1964 iron-ore exports to Japan, the importer of 99 per cent of Malaysia's iron-ore, would possibly exceed the 7 million tons expected to be shipped in 1963.

It was likely that private investment was now averaging $M580 million a year. Under these circumstances it was probable that the Malayan Five-Year Plan target figure of $M2,900 million of private investment might well be exceeded. Good progress was being made in Malaya in the pioneer industry sector. Fourteen pioneer certificates had been issued in the first nine months of 1963 compared with 16 in the whole of 1962. But the number of jobs created by pioneer firms (1,000) was less than the 2,200 for 1962. Industries which had begun production in 1963 included chemical, plastic, petroleum product, metalware and glassware manufactures.

The deterioration in the terms of trade, coupled with the 3 per cent annual increase in population, had caused the real per capita national product between 1955 and 1963 to decline slightly. The deterioration caused by the fall in the price of rubber was one of the central facts of life in Malaysia and its effects would be felt for some years, since it would be some time before replanting yield results in the form of increased productivity. Nevertheless, the country was producing a greater volume of goods for export to counterbalance the fall in export prices. The price of rising domestic activity in the face of sluggish export growth had, however, been a deterioration in Malaysian external accounts. In the first nine months of 1963 Malaysia's exports rose by less than 4 per cent whilst imports rose by 5 per cent, compared with the figures for the same period in 1962. The trade surplus for the period was then $M156 million, a drop of $M38 million in comparison with the 1962 figures. There had, therefore, been a swing in the balance of payments. In 1962 a deficit of $M203 million had been offset by a net inflow of funds, and the foreign exchange position was little affected. It was likely, however, that the reserves would be moderately affected in 1963. Singapore normally had a deficit on merchandise accounts financed largely by an inflow of private capital as in Malaya, Sarawak and Sabah normally had a slightly favourable merchandise account, but their invisible payments usually exceeded invisible receipts, resulting in small deficiencies on current accounts. No statistical data were available for their capital accounts. Rough estimates of the balance of payments therefore indicated that Malaysia as a whole had a deficiency with the rest of the world on current account of $M350 million in 1962. In 1963 it was estimated that this deficiency would be in the order of $M400 million, and that in 1964 it would be slightly larger.

Mr. Tan Siew Sin pointed out that, although Indonesia's economic confrontation had had adverse effects in Indonesia (their unprocessed and ungraded export commodities had piled up, their imports were disrupted and prices even of essentials had soared), there had also been adverse effects in Malaysia. It was estimated that stoppage of trade for a full year would lead to a direct reduction in Malaysian income of $M250 million. The Malaysian economies had in fact absorbed greater shocks in the past when commodity prices had fallen, and it was clear that Indonesian confrontation could not affect total Malaysian national income by more than a small percentage. Nevertheless the impact had been concentrated in a few places where its effects had

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been felt sharply. The places most affected were Singapore, which had processed and handled much of Indonesia's imports and exports, and Penang, which had played a similar role. Province Wellesley and South Johore normally re-milled some Indonesian rubber and were slightly affected. In Sarawak overland imports of rubber had ceased. Sabah was only marginally affected. For Malaysia as a whole it was easy to find alternative source for petroleum supplies. The fishing industry had, however, been affected by Indonesian piracy in the Straits of Malacca. The effect on the Malaysian cost of living had been small except for increases in some areas in vegetable and fruit prices. In the areas which were most affected there was, however, a reduced employment of about 10,000. In Singapore the Government had worked out a scheme to relieve those affected.

The episode had mainly illustrated the vulnerability of the entrepot trades of Singapore and Penang, and had shown that this must be taken into account in long-term economic planning. In this context, therefore, the proposal to establish a Malaysian Common Market was highly relevant.

Mr. Tan Siew Sin stated that, but for the decline in the rubber price, 1963 would have been a satisfactory year. The prospect for 1964 was likely to be similar to 1963. Output of main primary commodities—rubber, tin, palm oil, pineapple and timber—would possibly increase. The 1964 rice harvest might, however, be down because of a poorer rainfall pattern in 1963. Private sector investment should increase, but, depending on political developments, the effects of Indonesian confrontation might become more marked. The level of domestic activity would continue to be supported by increased public sector expenditure. The Malayan development plan would be pursued, and development expenditure accelerated in the Borneo states. The deficit in balance of payments would have to be met partly by drawing on reserves and partly by borrowing.

The expenditure estimates for 1964 for the whole of Malaysia totalled $M1,470 million. The largest increase in expenditure was on defence. The Ministry of Defences estimates had risen by $M64 million or 69 per cent over the 1963 budget. The provision for education had risen by $M26.5 million to $M256.5 million. The continued increase was mainly due to expenditure on primary schools to keep up with continually rising enrolment figures. The percentage increase in 1964 in education in Sabah would be 29.7 per cent and in Sarawak 17.6 per cent as compared with Malaya's 11.7 per cent increase. Expenditure on the police would also rise.

Malaya had not raised any foreign loan until July, 1963 when it floated a £5 million loan on the London market. This loan was immediately over-subscribed. It was possible that a $M30 to $M45 million loan would be raised in New York at a suitable time.

It was the ultimate object to set up a common Malaysian import tariff and to provide for free movement of goods in the country. It was proposed as a beginning to this end that Sarawak and Sabah should adopt the same trade classification and tariff code with effect from January 1, 1964. The harmonization of rates would not take place on that date, however, as it was the intention to proceed with harmonization in gradual stages. It was also the ultimate intention to replace the four separate income-tax ordinances by a single Malaysian Income-Tax Act. The budget for the present made only minor changes in taxation. The most important one was the raising of tax on dividends of non-residents from 30 per cent to 40 per cent—except with countries having double tax agreements with Malaysia. Certain alignments of customs duties were made as between Malaya and Singapore and these will be followed by further alignments by Sabah and Sarawak. The new revenue proposals were expected to bring in about $M8 million.

The development estimates for Malaysia totalled $M722 million. Of this $M629 million was for Malaya, including $M106 million for centrally incurred expenditure attributable to Malaysia; $M14 million for Singapore, $M57 million for Sarawak and $M21 million for Sabah. Receipts totalling $M93 million credited directly to the development fund included two gifts from Britain, of $M17.1 million for development in the Borneo states, and of $M60 million for defence. There was thus still a deficit of $M629 million. If to this sum was added the deficit of $M53 million already given as deficit on current account (after subtracting the $M8 million revenue expected as a result of the revenue proposals) the overall deficit was $M682 million, but this was expected to be reduced by a shortfall of 20 per cent on the development estimates caused by delays in implementing schemes. The over-all deficit would be met by borrowing and by drawing on reserves.

A World Bank Mission, led by Mr. Rueff, published its report on the economic aspects of the integration of the Malaysian territories on July 23, 1963. The three main findings were: that rapid industrialization and a more diversified agriculture must be encouraged; that a Malaysian Common Market for domestic products should be created, and that the Market should be protected by judicious use of tariffs.

As part of the Malaysia Agreement signed in London in July, 1963, arrangements were made for the establishment of a Common Market. These arrangements were:

(1) Current revenue duties in Singapore and Malaya should be harmonised as soon as possible.

(2) Protective duties should be introduced gradually into Singapore following the recommendations of an Advisory Tariff Board which should be established. In the first five years Singapore should be allowed to impose a delay of one year on the application of any protective duty.

(3) No new revenue should be imposed in Singapore for the first five years of Malaysia without the consent of the Singapore Government. For a further seven years Singapore might delay the application of revenue duties, but if it did so it would have to compensate the Central Government.

(4) Other special arrangements included provision for a special production tax to be imposed in low-tariff states in order to offset the lower cost of imported raw materials and provision that current Malayan export duties might continue to be applied at their present points to protect entrepot trade in rubber and other materials in Singapore.

In the progress of the Five-Year Plan launched by Malaya in 1961 there have been marked achievements. The emphasis of the plan, entailing expenditure of $M2,150 million, has been on rural development, roads, ports, utilities, industrial development and social services. There was an increase of 10 per cent in the volume of goods and services in the period 1960-62. Massive strides have been made in rural development. The Gross National Product rose by 4 per cent in 1962 from $M5,064 million to $M5,786 million.

There were increases in productivity in the two basic Malayan commodities, rubber and tin. The first increased from 736,000 tons in 1961 to 750,000 tons in 1962. Tin production in 1962 increased by 4 per cent to 56.0 thousand tons. Oil palm increased in productivity, but rice production, copra and iron-ore all declined slightly.

General domestic prices remained stable, but the price of rubber declined from 78.6 cents per lb in 1962 to 74.7 cents per lb in early 1963, since when it has fallen to 65 cents per lb. The average tin price in 1960 was £952.4 a ton, an increase of 7.2 per cent on the 1961 average.

A survey of employment completed at the end of 1962 showed that the labour force was 2,453,297—a third of the population. Of this figure 6 per cent were unemployed. Wages remained steady in most sectors, but in 1962 there was a 6 per cent increase in tin mining over 1961 levels. There was little labour unrest.

Malaya continued to receive Colombo Plan technical assistance in the form of 44 experts, 138 training awards and scholarships and 287 correspondence courses. Gifts and capital equipment under the Colombo Plan amounted to $M11.5 million. During 1962 $M7.2 million was drawn against the United Kingdom Export Credit Guarantee Department's credit of $M19 million for tele-communication projects and $M5.2 million from the United States development loan of $M30.6 million for the North Klang Straits Scheme.

In 1962-63 Singapore made excellent progress in housing and education. Despite the fall in the price of rubber, trade continued to increase. Judicious spending and increased revenue yielded a budgetary surplus and unemployment declined.

In rural areas schemes were pursued to reduce costs and increase production. Agricultural produce levels were maintained and in some cases increased. In the industrial sector output of re-milled rubber rose by 35.7 per cent to 130,561 tons and that of cigarettes by 9.7 per cent to 4.6 million lbs. The production of rubber footwear fell, however, from 2.2 million pairs to 1.9 million. The increase in house construction was reflected in the 53.3 per cent rise in the production of bricks to 71.3 million in 1962.

The budgetary position showed a surplus on Revenue Account in 1962 of $M97 million. Taxation yielded 70 per cent of the state's total revenue (including income-tax, 21 per cent, and customs duties, 26 per cent). The amount of capital formation in the private and public sectors in 1962 was $M36.5 million, mainly in industry and commerce, which accounted for 51.5 per cent of total investment. Housing accounted for 23.6 per cent, transport for 14.7 per cent and agriculture, communications and other sectors for 10.2 per cent.

Retail prices, except for a slight increase in rice prices, were constant. The number of employed workmen rose from 109,400 in 1961 to 111,300. The number of registered unemployed declined from 54,079 in 1961 to 44,673 in 1962. Average earnings increased from $M38.54 per week and 0.8 cent per hour to $M40.82 per week and 0.88 cents per hour in 1962.

Trade stood at a high level in 1962. Imports came to $M4,036 million and exports to $M3,419 million (compared with $M3,964 million and $M3,308 million in 1961). Physical volume of trade counteracted fall in commodity prices and the total value of external trade rose by 2.5 per cent. Singapore's chief trading partners continued to be Malaya, Indonesia (until September, 1963), Britain, Japan and the United States. Trade with Malaya in 1962 was 22.4 per cent of the total external trade, with Indonesia it was 14.7 per cent.

Despite the decline in the value of export commodity prices in Sarawak in 1962 there was little change in the total value of exports. The total value of exports in 1962 was $M178.3 million, slightly lower than the 1961 figure. A recession in the European market for bauxite led to a diversion of exports to Hong Kong. Although the tonnage exported was greater, its export value was less. Similarly, while the quantity of pepper exported increased, its export value declined.

Government revenue fell from $M82.6 million in 1961 to $M81.5 million in 1962. Customs and excise duties provided about half the revenues. Export duties fell but import duties increased, giving a slightly higher overall total. Expenditure increased from $M62.8 million in 1961 to $M67.1 million in 1962.

Government activities expanded most notably in education. Development ex-

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penditure increased from $M32.7 million in 1961 to $M41.9 million in 1962. External assistance, mainly from Colonial Development Corporation loans, amounted to $M10.5 million as compared with $M5.9 million in 1961.

Population had risen by 1963 to 816,000. It has been estimated that the gross domestic product at 1961 market prices is $M460 million, so that for that year gross domestic product per capita was about $M600. Gross capital formation was about $M75.0 million for the same year, which is 16.5 per cent of the gross domestic product. Imports of machinery rose from $M28.6 million to $M33.9 million in 1962, which probably represents a rise in gross capital formation.

Trade levels in Sabah in 1962 attained record levels. Exports at $M234.7 million exceeded the 1961 level by $M14.4 million. Timber, rubber and copra continued to be the main exports. Imports reached $M238.9 million, an increase of $M23.9 million. The adverse trade balance was $M4.2 million as against a favourable balance of $M5.3 million in 1961. Statistics for "invisible exports" are not available.

In 1961 the ordinary budget surplus was $M5.43 million, after a contribution of $M16.04 million to the development fund. In 1962 the contribution was $M20.04 million and the surplus $M3.19 million. There was an over-all deficit on ordinary and development expenditure of $M3.38 million; ordinary revenue was $M79.36 million (in 1961 it was $M68.1 million), but ordinary expenditure increased from $M62.67 million in 1961 to $M76.17 million in 1962. Expenditure under the development plan rose from $M19.50 million in 1961 to $M26.51 million in 1962.

The 1963 budget anticipated a revenue of $M83.21 million and expenditure of $M81.79 million (including a contribution to the Development Fund of $M13.04 million). Expenditure under the 1963 Development Budget was estimated at $M43.28 million, allowing $M6.8 million from Colonial Development and Welfare funds, $M0.66 million from Loan Funds and the bulk of the remainder from ordinary revenue surpluses. Expenditure from Colonial Development and Welfare Funds ceased on September 16, 1963 (Malaysia Day), and henceforth these funds were derived from the grant from Britain for development in the Borneo states.

The labour force on December 31, 1962 was 37,116 compared with 34,098 in 1961. Of these, 13,522 were employed in agriculture, 16,605 in industry and 6,989 by the Government. There was a shortage of labour especially in the technically skilled field. Skilled labourers have to be imported from several Asian countries, notably Hong Kong.

(*The Malayan Times*, Kuala Lumpur and *Commonwealth Survey*, London)

[Prev. ref. 5635:MAL:B]

B. Australian Assistance: The Australian Defence Minister, Mr. Hasluck, told the House of Representatives in Canberra on March 17 that his country would send Malaysia substantial quantities of defence aid in the form of ammunition, engineering equipment, general stores and various small craft.

All were urgent requirements and were recommended by the mission which went to Kuala Lumpur a month before.

Some items would be supplied immediately from Australian Army stocks; others would be specially produced.

Many more Malaysian sailors, soldiers, and airmen would be trained in Australia this year and in 1965 and a small number of Australian officers and men would be seconded to the Malaysian armed forces until the training of their own men had been further advanced. Australia would bear part of the cost of sending these men and maintaining them in Malaysia.

(*The Times*, London)

[Prev. ref. 5708:MAL:B]

MONGOLIA (Outer)

A. Chinese Assistance: China has given 10,000 tons of maize fodder and 200,000 yuan (about £29,000) in cash to help the Mongolian People's Republic.

According to reports, blizzards with temperatures down to minus 58 degrees fahrenheit have caused serious losses to livestock and property in Mongolia.

At least 500,000 animals, mainly kids and lambs but also some cattle, are reported to have perished. Though winters are always bitterly cold in Mongolia, there is usually little or no snow on the pasturelands. The unusual snow this year came after the beginning of the lambing season. It will be at least early May before the full effects of the disaster can be estimated.

The Chinese gifts were made known in a message of sympathy sent by Mr. Chou En-lai to the Prime Minister, Mr. Y. Tsedenbal.

(*The Times*, London)

[Prev. ref. 4719:CHI:E]

PAKISTAN

A. Demand For Direct Elections —Demonstrations In East Pakistan: Demonstrations were held in several towns in East Pakistan on March 15 to mark the beginning of a week-long campaign to press the demand for direct elections on the basis of adult franchise.

The demonstrations were sponsored by various Opposition parties, including the National Democratic Front, the Awami League and the Councillors faction of the Muslim League.

At public meetings identical resolutions were adopted calling for a relentless struggle for the introduction of democracy in the country.

In the streets of Dacca black flags and Opposition posters were displayed. Students observed a day's strike. The inaugural ceremony of the Dacca Central Students' Union, scheduled for March 15, was postponed to protest against the lack of democracy in the country. Students of Rajshahi University decided to boycott the convocation of the University on March 16, in support of the franchise movement.

General Strike:

The All-Party Action Committee on March 19 gave a call for a general strike in East Pakistan.

The Committee comprises representatives of the National Awami League, the Awami Party, and the Nizam-e-Islam.

On March 18, groups of people carrying posters and placards held street-corner meetings in Dacca and students continued to absent themselves from their classes.

A number of persons were injured when the police lathi-charged and teargassed the crowds which had assembled at various points in Dacca city in connexion with the "Franchise Day" demonstrations on March 19.

At some places the police fired shots in the air to scare away the student demonstrators. At least 30 persons, including four political leaders, were taken into custody.

The city also observed a day-long hartal in response to the Province-wide call given by the All-Party Action Committee demanding adult franchise and direct elections. All establishments were closed and buses, taxis and rickshaws went off the streets, Government offices, banks and other essential establishments, however, remained open but with reduced staff. Steel-helmeted police and men of the East Pakistan Rifles with fixed bayonets patrolled the city.

The whole of East Pakistan observed a hartal demanding the restoration of the right of franchise and direct elections.

The All-Party Action Committee's call for observing March 18 and 19 as adult franchise and direct election day was responded to by all sections of the people at Dacca, Chittagong, Pabna, Rajshahi, Kushtia, Khulna, Barisal, Faridpur, East Dinajpur, Jessore and many other places.

Students everywhere abstained from classes, hoisted black flags atop school buildings and went in processions through the cities. In Chittagong several thousand railway workers demonstrated in support of the demand for direct elections.

Disorder At Dacca University:

Disorder broke out on March 22 as the East Pakistan Governor was addressing the annual convocation of Dacca University.

The trouble started when a section of the students demonstrated with black flags against the Government's decision to retain the indirect system of elections. The police used tear gas and arrested a number of demonstrators.

The hall where the convocation was held was heavily guarded and troops stood by in the campus. The black flag demonstration was in response to a call by the Dacca University Students Union.

Dacca University was closed indefinitely following the disorders.

Opposition Not Islamic—President Ayub Khan's View:

According to President Ayub Khan, the concept of Opposition is not reconcilable to Muslim politics.

He said in Rawalpindi on March 14 that in Islam there is the party of the Musilmeen, while those opposed to it are either mushrisk or kafirs (non-believers).

Speaking to his party men after unfurling the party flag at the new office of his faction of the Muslim League, he said that their destiny lay in complete identification for which Pakistan was created.

He hoped that since opposition as understood in modern democratic parlance had been accepted, it would continue provided it was "constructive".

He charged the Opposition parties with following "divisive and destructive policies, exploiting baser emotions of the people and thriving on their fears and hatred". He asked the people to think of the consequences if such policies of the Opposition parties were to succeed.

He referred to the National Awami Party's demand for disintegrating one unit of West Pakistan and "other groups in East Pakistan which lured the people into believing that salvation lay in separation from Pakistan and living in isolation." There "is another unfortunate tendency among the people to question fundamentals".

This was the second time within a fortnight that President Ayub Khan had referred to the "separate Bengal movement." During his recent tour of the East Wing he had warned the people that if they broke away from Pakistan they would come under the Hindus.

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Referring to the demands for the introduction of democracy in the country, he regretted that there was "too much politics" in the country. The system of government should be a secondary consideration. The primary consideration should be whether it suited the country.

He defended the Constitution he gave the country two years ago and said it had brought "an executive which gave the country stability". He claimed that it had evolved a pattern which ensured participation by the people in the Government at all levels.

President Ayub Khan rejected on March 19 the general demand for direct elections.

Referring to the widespread agitation for democratic elections, he said this was a hue and cry raised by irresponsible politicians.

He said a law would be enacted under which elections to the National and Provincial Legislatures would be held through Basic Democracies.

(*The Statesman*, Calcutta and *Dawn*, Karachi)

[Prev. ref. 5693:PAK:D, 5731:PAK:B]

B. **Levy Of Quranic Taxes—Ruling Party's Decision:** A Rawalpindi message on March 18 said that the ruling faction of the Muslim League had announced its plans to make Pakistan "a welfare State in consonance with the principles of Islam as quickly as possible". It had also decided to introduce Quranic tax institutions of *zakat* and *ushr*.

The Quranic system of public finance envisages compulsory levy of zakat which is equivalent to one-fortieth of the total income after an exemption limit and ushr which is equivalent to one-tenth of the contribution from produce.

The ruling Party's programme was released at a news conference jointly addressed by the Finance Minister, Mr. Mohammad Shoaib, and the Secretary of the Party, Mr. Abdul Waheed Khan.

Asked whether these taxes would be introduced on the lines conceived in the Quran, Mr. Shoaib said that details had not yet been worked out. The decision had been taken only on general policy.

Replying to another question, Mr. Waheed Khan said that while working out details, it would have to be considered whether modern tax institutions like income-tax could be equated with zakat.

The programme was approved by the Working Committee of the Party which met for three days under the chairmanship of President Ayub Khan.

The programme, however, did not say anything about the demand to ban the institution of interest as required in the Quran. The matter was referred to a council of Islamic ideology which had submitted its report recently.

The programme also said that the party would encourage the development of private sector. But where private sector was unwilling to carry out the essential development, the public sector would step in. The Party would seek to prevent undue concentration of wealth and power over means of production and distribution.

Mr. Shoaib said the Government had already been carrying out the programme embodied in the plan for the last two years.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5372:PAK:A]

VIET-NAM (RVN)

A. **National Mobilization Plan:** The White House in Washington said on March 17 that the South Viet-Namese Prime Minister, Gen. Nguyen Khanh, had proposed a national mobilization plan for all able-bodied citizens.

This mobilization, the White House said, was part of a war plan which recognized "the crucial role of economic and social, as well as military, action to ensure that areas cleared of the Viet-cong survive and prosper in freedom."

The statement was rather equivocal about direct American participation. It said that the policy should continue of withdrawing Americans where their roles could be assumed by South Viet-Namese and of sending additional men if they were needed.

There was little equivocation elsewhere in the statement. Setbacks since October, 1963 were admitted. The Viet-cong had taken full advantage of two changes of government, and of more long-standing difficulties, including a serious weakness and over-extension of the strategic hamlet programme. The supply of arms and cadres from the north had continued; careful and sophisticated control of the Viet-cong operations had been apparent; and evidence that such control was centred in Hanoi was clear and unmistakable. The full enlistment of the people of South Viet-Nam was required, partly to augment the strength of the anti-guerrilla forces, but particularly to provide the administrators, health workers, teachers and others who must follow up in cleared areas. To met this need General Khanh had informed the United States that he proposed to put into effect a national mobilization plan providing conditions and terms of service for all able-bodied South Viet-Namese.

Where the Saigon Government now had the power to clear any part of its territory, the new programme was designed to clear and to hold, step by step and province by province.

The White House assessment was made after the US Defence Secretary, Mr. Robert McNamara, and General Maxwell Taylor, Chairman of the Joint Chiefs of Staff, had reported to President L. B. Johnson and the National Security Council in Washington on their trip to Viet-Nam a week before.

The McNamara-Taylor report said there had been setbacks in the South Viet-Nam situation since their last trip in October, 1963. The Viet-cong had taken maximum advantage of two changes of government and had continued to get arms and cadres from the north. "Careful and sophisticated control of Viet-cong operations has been apparent, and evidence that such control is centred in Hanoi is clear and unmistakable."

The statement added: "It will remain the policy of USA to furnish assistance and support to South Viet-Nam for as long as it is required to bring aggression under control."

Meanwhile, the Revolutionary Council on March 22 appointed General Nguyen Khanh as Chairman of a new six-man "executive committee".

Observers said the decision, a well-guarded secret, signified a vote of confidence in the Premier by the armed forces.

The members later took an oath to "defend the supreme interests of Viet-Nam and to respect democracy and liberty."

(*The New York Times*, USIS and *The Statesman*, Calcutta)

[Prev. ref. 5733:RVN:A]

ASIA OUTSIDE ASIA

A. **United Nations Year-book:** The latest edition of the *Year-book Of The United Nations*, the 16th in a series of historical reference works about the Organization and its related agencies, went on sale on February 24.

Like its predecessors, the Year-book is intended as a handy, comprehensive reference tool for diplomats, other public officials, scholars, writers, teachers, librarians, journalists and others concerned with international affairs.

The new edition covers the calendar year 1962. It gives, in a single, fully indexed volume, a concise account, arranged by subject, of UN activities (except for the proceedings of the UN General Assembly in January and February, 1962, which were dealt with in the previous volume).

In a foreword to the current edition, the Secretary-General, U Thant, says: "History provides a compass which the present may use in charting its course towards the future. It is therefore hoped that the Year-books of the United Nations ....will serve as guides to informed understanding of the role which the United Nations system has played and can play, in the development of world peace and mankind's welfare."

The first part of the 1962 Year-book deals with: (1) political and security questions; (2) economic, humanitarian and social questions; (3) questions concerning Non-Self-Governing Territories and the International Trusteeship System; (4) legal questions; and (5) administrative and budgetary questions. Each chapter and sub-chapter contains a documentary bibliography which lists, by topic, the meetings of major organs at which discussions of the subject concerned took place, the relevant documents and decisions, as well as the texts of resolutions and voting details on decisions taken.

Described in the second part of the 1962 Year-book are the activities of the International Atomic Energy Agency and the Specialized Agencies in 1962. For each agency are listed the members and budget contributions, as well as the composition of their respective governing bodies and major subsidiary organs.

The third part of the volume consists of six appendices.

Among the main subjects dealt within the period reviewed by the current Year-book are developments in Congo (Leopoldville); matters concerning the situation in the Caribbean area; various aspects of the disarmament problem; the uses of atomic energy; the legal, scientific and technical aspects of the peaceful uses of outer space; the proclamation of a United Nations Year for International Co-operation; the appointment of U Thant as Secretary-General; implementation of the 1960 Declaration on granting independence to colonial countries and peoples; the obligations of UN members in meeting the costs of peace-keeping operations; the situation in Angola; questions concerning territories under Portuguese administration; race relations in South Africa; the question of Southern Rhodesia; the question of South-West Africa, the representation of China in United Nations; the question of West New Guinea (West Irian); and the investigation into the deaths of Mr. Dag Hammarskjoeld and those accompanying him.

Included among the principal economic and social matters dealt with in the pre-

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sent volume are decisions to hold a United Nations Conference on Trade and Development; plans for action to carry out the aims of the UN Development Decade; the economic and social consequences of disarmament; the World Food Programme; the financing of economic development, the industrialization of developing countries; and activities carried out under the UN Special Fund and the UN programmes of technical co-operation.

The 1962 Year-book also reviews the work of the four regional economic commissions—for Europe, for Latin America, for Asia and the Far East, and for Africa; the activities of the United Nations Children's Fund (UNICEF); the various United Nations endeavours to aid refugees, to promote social development, and to encourage respect for and observance of human rights; UN efforts to speed the progress of Trust and Non-Self-Governing Territories, including the emergence of the Trust Territory of Ruanda-Urundi into independence with the birth of Ruanda and Burundi. Also described are various decisions and debates pertaining to the development of international law and to the composition of the UN Secretariat.

(*United Nations*)

[Prev. ref. 4775:AOA:K]

B. **French Trade With Middle East During 1961-63:** The following table, available on February 21, gives the comparative figures for 1961, 1962 and 1963 of French trade with the countries of the Middle East:

	Exports to Middle East (in '000,000 NF)			Imports from Middle East (in '000,000 NF)		
	1961	1962	1963	1961	1962	1963
Abu Dhabi	—	0.8	1.8	—	15.2	41.6
Aden	—	8.2	9.3	—	0.7	0.9
Afghanistan	2.3	1.9	4.2	4.2	5.2	7.4
Bahrain	4.0	3.2	5.2	—	0.0	3.9
Ethiopia	7.5	10.8	11.7	13.8	15.1	14.3
Iran	149.2	111.5	135.7	141.5	190.6	238.1
Iraq	16.4	8.7	12.2	666.2	688.2	894.8
Israel	216.3	210.9	237.4	19.4	33.7	49.6
Jordan	11.7	13.6	17.0	—	0.7	1.4
Kuwait	27.7	37.9	37.3	793.9	738.5	738.5
Lebanon	183.4	156.6	220.5	4.9	5.5	9.1
Libya	7.4	34.4	57.1	2.5	21.4	154.7
Muscat & Oman	—	2.2	2.5	—	—	—
Pakistan	53.2	55.6	48.1	115.9	101.9	129.1
Qatar	3.6	3.6	2.6	166.7	162.1	122.4
Saudi Arabia	23.8	26.9	27.9	231.9	203.9	181.9
Sudan	17.7	21.2	39.1	37.6	40.1	49.5
Syria	49.8	69.3	65.6	43.9	95.4	79.8
Turkey	145.3	153.1	174.8	89.6	93.0	92.4
UAR	78.7	66.4	88.6	66.8	67.1	67.3
Yemen	0.3	0.1	0.1	3.4	3.7	3.4
Arabian Sheikhdoms	15.2	—	—	0.6	—	—
Total	1,013.5	997.9	1,199.6	2,402.8	2,483.0	2,881.1

The trade figures for 1963 bear out the general impression current during the past year that France has been increasing her exports to the region; the actual increase was NF201,696,000 from NF997,939 000 in 1962 to NF1 199,635 to 1963. Imports from the area have also increased from NF2,483 091 in 1962 to NF2,881,158 in 1963. Despite the special efforts that have been made at all levels of official and business life, trade has not yet returned to its pre-Suez importance.

Factors which have favoured the development of French trade with the Middle East during the past year included the end of the boycott on French goods by Iraq in January, 1963, and the resumption of diplomatic relations with Saudi Arabia later in the year; the French Parliamentary goodwill mission to Iraq in September, the French Prime Minister's visit to Turkey in August, General de Gaulle's State visit to Iran in October, the Iran-EEC Trade Agreement in September, King Hussein's visit to France in September and the French mission to Jordan in July and the French offer of technical and financial aid to Ethiopia during the Emperor's visit to Paris in November.

As far as individual countries are concerned, Israel remains easily the largest market for French goods, topping the previous record total in 1961. Lebanon, a traditional French market, bought a record NF220.5 million worth of goods, which include of course the two Caravelles bought in May and June by Middle East Airlines. Turkey continues to buy extensively from France, and despite Turkey's own currency difficulties, her total imports from France rose to NF174.8 million from NF153.1 million in 1962. French exports to Iran remain at a high level, although they have fluctuated considerably in recent years, and are still well below the 1960 figure of NF172.4 million. Exports to Pakistan have decreased since 1960, when they were NF111.3 million, mainly as a result of Pakistan's stringent check on imports to safeguard foreign currency.

French imports from the Middle East have increased slightly from around the NF2,500 million mark, and are made up mainly of oil. Oil imports from Iran, Iraq and more strikingly Libya have been rising in recent years but the decline in oil imports from Kuwait, Saudi Arabia and Qatar continues owing to the growth of French oil imports from North Africa. While there were no French imports from Jordan in 1960 and 1961, there are signs that in future France will be developing this market.

(*Middle East Economic Digest*, London)

C. **World Rice Prospects:** The Commonwealth Economic Committee in a report made public in London on March 8 said that world production of paddy in 1963-64 was expected to expand, but much depended on the recovery in output in India and Pakistan.

In its general review, the Committee said that some decline in production had occurred in Japan and Indonesia, and adverse weather conditions might also have affected crops in Burma and Thailand. Cambodia, however, anticipated an exceptionally good harvest, and both the United States and Egypt had harvested record crops.

Discussing production, the report said that the first Indian estimate for this season showed an acreage almost 1,700,000 acres greater than the previous year due to favourable weather conditions at the time of sowing. With indications of some improvement in yields, production might recover to the record 1961-62 level.

The report said exports so far recorded in 1963 had been 10 per cent above those a year earlier. Consignments from Burma were slightly less than in 1962, but Thailand's exports showed some expansion. Shipments from USA were running well above the previous year's level up to the end of November, and the final figure should well exceed the 1962 total.

Heavy exports were also made from Egypt, although shipments from the 1963 crop were delayed by the lateness of the harvest. Cambodia and South Viet-Nam both achieved a substantial recovery in exports, but those from Pakistan, Italy and South Korea had declined.

The report added that imports of rice recorded so far for 1963 appeared to be somewhat above the previous year's figures, reflecting larger purchases abroad by India, Pakistan, Malaya, Japan and Ceylon.

(*BIS*)

[Prev. ref. 5175:JAP:B]

D. **Gandhi School In Argentina:** In Cordoba (Argentina), a new Government school dedicated to the memory of Mahatma Gandhi was opened on March 4.

The local Governor, Ministers, the University Rector, and prominent citizens were present at the opening ceremony.

Speaking on the occasion, a senior member of the Provincial Education Council said that the idea of a Mahatma Gandhi school originated from the spontaneous enthusiasm of the admirers of Gandhiji in Cordoba.

He added that Mahatma Gandhi belonged to entire humanity and symbolized the essential unity of people everywhere.

(*The Indian Express*, Bombay)

E. **Asians Visited America Before Columbus—Revelation by Mexican Anthropologist:** A message from Mexico City on February 24 said a noted Mexican authority, Miss Eulalia Guzman, was of the view that Asian peoples visited the American continent long before Christopher Columbus "discovered" it.

She said that the Asians did not come as conquerors, but to exchange goods with American Indians.

Miss Guzman, known for her discovery of the remains of Cuauhtemoc, last Emperor of the Aztec Indians, said: "There is a substantial similarity between the Asiatic and pre-Spanish cultures. There is a similarity in their physical features, their architecture, their ceramics and their habits."

To prove these similarities, she pointed to a number of examples. For one, she said, Peking's clay vessels are equal to their Indian counterparts found among the ruins of Pkoihdacaa near Mexico City. Also some embroidery designs made in the Orient resemble those worked out by Mexico's Huichol Indians in the Pacific state of Navarit.

This, however, was not as important as the fact that the Palace of Kublai Khan in Mongolia, built in the 13th century, shows lines similar to those of a palace

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found in the ruins of Atetelco, near the Teothihucan Pyramids.

In her opinion, there was a pre-Hispanic cultural zone in contact with Oriental peoples, with the Pacific Islands in the centre serving as stepping stones. Those islands were well known to the inhabitants of Asia and America. This meant that cultures in those zones were mutually influenced. In fact, she was assured by Hindu monks visiting Mexico that on the island of Bali there is a pyramid alleged to have been built by a Malayan architect some time between the sixth and seventh centuries.

Thus, according to Miss Guzman, "Americans and Orientals knew how to visit each other without running the risks faced by Spaniards in their early trips to Asia." Orientals, she said, knew better how to take advantage of favourable winds and how to avoid equatorial sea currents.

"The Asiatics, however, did not come to conquer, but to trade, and American Indians, likewise, crossed the ocean simply to become acquainted with Asian habits and to barter."

(*Dawn*, Karachi)

F. **European Agreement On Fishery Limits**: The British Government announced on March 4 in Parliament a new Agreement on fishery limits for 13 European countries.

The 15-Article Agreement provides for an inner six-mile belt where the State will have exclusive fishing rights and an outer six-mile zone where nations that have traditionally fished will continue to do so.

The convention has been adopted at a conference in London by Austria, Belgium, Denmark, France, West Germany, Ireland, Italy, Luxembourg, Holland, *Portugal, Spain, Sweden and Britain.*

Norway, Iceland and Switzerland—a landlocked State with no direct interest in the problem—have not agreed. Denmark's agreement to the convention excludes the Faroes and Greenland.

(*The Times*, London)

G. **Anglo-Russian Space Experiment:** A 12-day experiment in space communications between Jodrell Bank (England) and the Zimenski Observatory (Russia) ended on March 8.

The last photo-telegrams bounced off the satellite **Echo II** depicted the planets of the solar system, and were received at Zimenski.

The Soviet scientists sent a telegram congratulating their British colleagues on the success of the experiment. An official at Jodrell Bank said in reply that the British team would be glad to join their Russian colleagues again in future experiments.

(*The Times*, London)

[Prev. ref. 5734:AOA:B]

H. **Balzan Peace Prize For UN:** A UN spokesman said on February 20 that United Nations had been awarded the annual Balzan Prize for Peace, Fraternity and Humanity.

The award, worth $220,000 is made by the Balzan International Foundation which has headquarters in Milan and Zurich.

The UN Secretary-General, U Thant, was notified officially on February 20 that UN had won the Prize.

The announcement on the Peace Prize noted that the late President J. F. Kennedy had praised UN for its help to developing countries and for its role in the Cuban crisis, the Congo disorders, the nuclear test ban negotiations, the process of decolonization and the West Irian dispute.

In 1962, the Prize went to the late Pope John.

(*The Statesman*, Calcutta)

[Prev. ref. 5192:AOA:I]

I. **UN Conference On Trade And Development—Declaration By Developing Countries:** Representatives of 76 developing countries, including many from Asia, have issued a joint declaration concerning the UN Conference on Trade and Development due to open in Geneva on March 24.

Declaring that the Conference should represent an outstanding event in international co-operation, the developing nations stated that the full attainment of even the modest targets of the UN Development Decade would depend on the concrete decisions taken at the Conference and on their effective implementation. While they were already making, and were determined to continue to make, great efforts for their economic and social advancement through full mobilization of domestic resources, agricultural development, industrialization and diversification of their production and trade, the task could be accomplished only if domestic efforts were supplemented and assisted by adequate international action.

International trade could become a more powerful instrument and vehicle of economic development, not only through the expansion of the traditional exports of the developing countries but also through the development of markets for their new products and a general increase in their share of world exports under improved terms of trade. Existing principles and patterns of world trade still mainly favoured the advanced parts of the world. Instead of helping the developing countries to promote the development and diversification of their economies, the present tendencies in world trade were frustrating their efforts to attain more rapid growth. These trends must be reversed. The developing countries desired that the volume of their trade should be increased and its composition diversified; the prices of their exports stabilized at fair and remunerative levels, and the international transfers of capital made more favourable to them so as to enable them to obtain, through trade, more of the means needed for their economic development. To achieve these objectives, a dynamic international trade policy was required.

The declaration stressed that the fundamental trade problems of developing countries were well identified. What the world was lacking today was, therefore, not the awareness of the problem but the readiness to act. All members of United Nations were requested to give earnest consideration to proposals already made and to explore, before the beginning of the Conference, all practical means for their implementation, so as to make it possible for the adoption by the Conference of concrete measures to achieve, inter alia, the following:

(a) Creation of conditions for the expansion of trade between countries at a similar level of development, at different stages of development or having different systems of social and economic organization;

(b) Progressive reduction and early elimination of all barriers and restrictions impeding the exports of the developing countries, without reciprocal concessions on their part;

(c) Increase in the volume of exports of the developing countries in primary products, both raw and processed, to the industrialized countries and the stabilization of prices at fair and remunerative levels;

(d) Expansion of the markets for exports of manufactured and semi-manufactured goods from the developing countries;

(e) Provision of more adequate financial resources at favourable terms, so as to enable the developing countries to increase their imports of capital goods and industrial raw materials essential for their economic development, and better co-ordination of trade and aid policies;

(f) Improvement of the invisible trade of the developing countries, particularly by reducing their payments for freight and insurance and the burden of their debt charges;

(g) Improvement of institutional arrangements, including, if necessary, the establishment of new machinery and methods for implementing the decisions of the Conference.

(*Commonwealth Survey*)

[Prev. ref. 5694:AOA:B]

SPORT

A. **Arjuna Awards For 1963:** Seven persons outstanding in the field of sports have been selected for India's Arjuna Awards for the year 1963.

They are: (1) Ashok Singh Malik—golf; (2) Maj. Thakur Kishen Singh—polo; (3) G. Andhalkar—wrestling; (4) Miss Stephie D'Souza—athletics; (5) Subimal (Chuni) Goswamy—football; (6) Kamineni Eswara Rao—weightlifting; (7) Charanjit Singh—hockey.

The Awards were instituted for the first time in 1961 to honour the outstanding sportsmen of the year. The Awards for 1963 were given to the recipients by President S. Radhakrishnan at a special function at Rashtrapati Bhavan on April 2.

(*The Times of India*, New Delhi)

[Prev. ref. 5216:SPO:A]

B. **National Football Championship:** Maharashtra annexed the Santosh Trophy, defeating Andhra Pradesh by a solitary goal in the final of the National Football Championship in Madras on March 8.

The all-important goal was scored in the 28th minute of the first half by Maharashtra's centre-forward, Derek D'Souza.

This was the second time that Maharashtra (formerly Bombay) had won this coveted trophy and on both the occasions at Madras. In 1954, it defeated the Services in the final.

The teams were:

Maharashtra: Narayan, Chandrasekar, N. Fernandez and Koshi; Franco and M. Rajen; Devadoss, A. Fernandez, Derek D'Souza, Hamid and M. Rocha.

Andhra Pradesh: Saleem, Azam (Kishen Raj), Kaleem and Nayeem; Saleh and Afzal; Shafiq, Yousuf Khan, Edward, Zulfiqar and Mohamed Yousuf.

(*The Hindu*, Madras)

[Prev. ref. 5072:SPO:A]

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ASIAN RECORDER

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BURMA

A. Yugoslav Assistance: The leader of a visiting Yugoslav economic delegation, Dr. Joze Brilej, told correspondents in Rangoon on March 5 that Yugoslavia had offered Burma $8 million to help finance agricultural and industrial projects including projects for geological research and development of mining.

The delegation visited Burma from February 28 to March 5.

Meeting newsmen shortly before his departure for Cambodia, Dr. Brilej expressed complete satisfaction with the frank and constructive discussions he had had with Burmese officials, including the Minister for Trade Development, Colonel Chit Myaing, the Minister for Industry, Mines and Labour, Colonel Than Sein and the Foreign Minister, U Thi Han.

Dr. Brilej outlined the development of Burmese-Yugoslav trade beginning with the first Trade Agreement in 1953 and said that there was great scope for economic co-operation between the two countries.

He said Yugoslavia and Burma believed that developing countries should intensify their mutual trade exchanges and economic co-operation. This did not mean that they should form any sort of economic bloc. Both nations believed in elimination of discriminatory practices in the economic field, particularly discrimination against import of raw materials and industrial goods produced by underdeveloped countries.

He said he was deeply impressed by the pace of mechanization of agriculture in Burma.

He said Yugoslavia and Burma had agreed in principle on economic co-operation and his country had offered $8 million in long-term (eight-year) credits.

He said these funds could be used for any development project and that the amount as well as the time of credit could be extended by mutual agreement.

(*The Nation*, Rangoon)

[Prev. ref. 3948:BUR:C]

CAMBODIA

A. Alleged Air And Ground Attack On Village By South Viet-Namese Forces: Cambodia alleged on March 20 that South Viet-Namese forces had made ground and air attacks on a Cambodian village.

The Head of State, Prince Norodom Sihanouk, alleged that US personnel had accompanied 12 armoured cars attacking the village of Chantrea, four miles inside the Cambodian frontier.

The village was also bombed by South Viet-Namese aircraft. Diplomatists confirmed Cambodian reports that at least one helicopter had landed at Chantrea with three Americans on board.

An observer aircraft of the type flown by American pilots was shot down in the action which took place on March 19 just as a Viet-Namese delegation was flying to Pnom Penh for border negotiations.

The incident was the most serious in recent border tension between the two countries. Seventeen persons were reported killed and 13 injured. The aircraft was reported to have crashed in flames in South Viet-Nam territory.

Cambodia lodged a protest with the International Truce Supervisory Commission against the bombing of the village. It also protested against alleged intrusion of South Viet-Nam tank units into Cambodian territory.

Prince Norodom Sihanouk's Messages:

Prince Norodom Sihanouk also sent messages to President de Gaulle of France and the Soviet Premier, Mr. N. Khruschev stating that the situation in Cambodia was deteriorating daily.

He said Cambodia was again "the victim of a new and very brutal aggression by the American-South Viet-Namese land and air forces."

He urged President de Gaulle and Mr. Khruschev to persuade Britain and USA to accept immediately the proposal of convening a conference to guarantee Cambodia's borders.

He also sent a letter to the UN Secretary-General, U Thant stating that Cambodia proposed to lodge a complaint with the UN Security Council against USA and South Viet-Nam regarded as "jointly responsible for acts of aggression on a defenceless civilian population."

It was stated that the Prince was seeking an immediate discussion by the UN Security Council of Cambodian complaints against USA and South Viet-Nam arising from the attack on the border village of Chantrea.

The Soviet Government urged Britain to act quickly on Cambodia's request for an international conference to guarantee its neutrality.

Soviet Support:

In a telegram to Prince Norodom Sihanouk, Mr. Khruschev said he would support any appeal which Cambodia might make to the Security Council.

He said he shared the Prince's anger about an attack on Cambodia.

"We have always rendered and are ready to render in the future our support to your peace-loving State."

Regarding Britain and USA he said: "The Soviet Government has again stated to the Government of Britain that it continues to regard the convening of an international conference on Cambodia to be imperative.

"We have also appealed to the Government of USA to expedite a positive reply to the question of convening the conference."

South Viet-Namese Apology:

However, signs of relaxation of tensions over the Chantrea incident appeared on March 21 when South Viet-Nam sent a formal apology to Cambodia.

South Viet-Nam said the incident was due "to an error in mapping and location."

The Viet-Namese Foreign Ministry, quoted by the official Viet-Nam Press News Agency, said the Government had sent Cambodia its "apologies and condolences" and offered to make good the damage.

Earlier, the Foreign Ministry said South Viet-Nam had protested "most strongly" to Cambodia over the shooting down of a South Viet-Namese reconnaissance plane in the Chantrea operation, in which a South Viet-Namese airman was killed and an American wounded.

According to reports, South Viet-Nam under Gen. Nguyen Khanh appears to have shown considerable interest in normalizing relations with Cambodia. Saigon was reported to have responded with alacrity to Prince Norodom's February 19 proposal for a four-Power conference to guarantee Cambodia's neutrality, independence and territorial integrity.

Negotiations between Saigon and Pnom Penh for normalized relations have in fact been going on in a seesaw fashion almost since the late President Diem's Government was overthrown in November, 1963.

On November 3, 1963, Prince Norodom laid down five pre-conditions for resumption of relations with South Viet-Nam: first, that Saigon should drop claims made by the Diem Government to Cambodia's coastal islands; secondly, South Viet-Nam should respect Cambodia's neutrality; thirdly, that Saigon should grant Viet-Namese citizens of Cambodian stock the special rights that they enjoyed under the French administration; fourthly, that the rebel "free Cambodian" bases be eliminated from South Viet-Nam; and lastly that Cambodia should be given the 1,000 million Cambodian riel currency which Pnom Penh says South Viet-Nam has owed it since the Indo-China countries became independent.

A few days later, Prince Norodom proposed in an article that South Viet-Nam, Laos and Cambodia should form a "zone of neutral States" in order to "restore the economy, raise the living standards of the peoples and safeguard national identities and independence which is threatened by all forms of imperialism."

He said the "socialist camp" would agree to recognize a "Neutralist National Union Government" in South Viet-Nam in exchange for American "disengagement" in that country.

Saigon ignored the proposal on the ground that the experience of Laos did not warrant Prince Norodom's easy optimism, and towards the end of December, 1963 was even questioning the need for an international conference to guarantee Cambodia's neutrality.

Since then another putsch had taken place and General Nguyen Khanh's policies seem more flexible and decisive than the previous Government's.

(*The New York Times*, *The Hindustan Times*, New Delhi and *The Statesman*, Calcutta)

[Prev. ref. 5735:CAM:A]

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B. New Envoy To India: Mr. Nong Kimny has been nominated as the new Ambassador of Cambodia to India.

A former Cambodian Ambassador to USA, Mr. Kimny was Permanent Representative of Cambodia to UN in 1955 and 1957.

He was also Vice-Premier and Minister of Foreign Affairs in Cambodia in 1956.

(*The Times of India*, New Delhi)

[Prev. ref. 5164:INI:J]

CEYLON

A. Non-Aligned Nations' Conference—Preparatory Meeting: Ambassadors from 24 non-aligned countries met in Colombo from March 23 to 26 to prepare for a full-scale conference of non-aligned nations.

The countries which were invited to send representatives to the meeting but could not send delegates were Burma, Bolivia, Brazil and Mali.

The Ambassadors discussed among other things the place and date of the proposed conference and also the names of the countries which were to be invited to it.

In her opening address, the Ceylon Prime Minister, Mrs. Sirimavo Bandaranaike, said that if any justification was needed for the convening of a second summit Conference on the lines of the Belgrade Conference three years ago, they had only to remind themselves that since 1961 many countries had secured independence and become sovereign States. These countries, she said, were firm adherents of the policy of non-alignment.

In the years after the Belgrade Conference, she said, old tensions had given place to new understandings, but unhappily there were some new tensions. However, even where disputes had arisen there was now a desire for their settlement through negotiation, rather than by force. "The triumph of the policy of non-alignment will lie in the ultimate elimination of the need for its practice."

She said: "It has been remarked that since the 1961 Belgrade Conference the improvement in the relations between USA and the Soviet Union and other developments have necessitated a re-examination of the policy of non-alignment. We agree that no such policy can remain in a static condition. Like all policies, non-alignment too must be responsive to changing circumstances. But we must be careful that in the process the concept of non-alignment does not lose its essence or its identity. One way in which this can be achieved is to translate its objective, as much as possible, into more precise measures of policy."

She said that in the field of international trade and development and economic co-operation generally, much remained to be done. Measures must be devised to promote the well-being and prosperity of the developing countries and to remove economic inequalities which constituted a continuing danger to peace.

Decisions:

On March 25, after three days of discussions, the Ambassadors decided to hold the second non-aligned States' summit meeting in Cairo in the first week of October.

The meeting also appeared to agree on the need for a Foreign Ministers' meeting before the summit. Even Ceylon, which initially did not favour it, came round to the view that the intervening period was necessary to enable the new countries besides the Belgrade Powers, which are to be invited to the summit, to have a say in drawing up the agenda.

Besides the Belgrade participants, the meeting drew up the following tentative list of invitees to the proposed Conference:

(1) **Africa:** All signatories to the African Unity Charter, Nyasaland and Northern Rhodesia.

(2) **Arab countries:** All Arab summit participants.

(3) **Asia:** Laos.

(4) **Caribbean:** Jamaica, Trinidad and Tobago.

(5) **Latin America:** Brazil, Bolivia, Mexico, Uruguay, Chile, Venezuela and Argentina.

(6) **Europe:** Finland, Austria and Sweden.

The meeting also decided to invite the "Provisional" Government of Angola and British Guiana, if independence was proclaimed before the summit.

An official spokesman emphasized that the list of invitees was "tentative" as they had to be sounded out before invitations were extended.

The Ghana delegation advocated that representatives of the Belgrade States, which are participating in the Geneva Conference on Trade and Development, should endeavour to co-ordinate their approach to problems to be discussed in Cairo. It should emphasize the theme of economic and social development and neo-colonialism.

Other delegates urged that it should analyse the results of the Geneva Conference and consider how to bridge the gap between economically developed countries and under-developed countries.

The delegates assessed the achievements at Belgrade as helping East-West understanding and stressed the need for consolidating that understanding and for widening the area of peace.

"Our purpose is clean and clear," the Afghan delegate said. "It is logical in its nature and noble in its aims. We want peace amongst those that are free and freedom for those that are not free."

He added that since the 'cold war' continued and since colonialism was still prevalent, it was the duty of non-aligned nations to continue their efforts for a wide movement based on international fraternity.

Indonesia's Deputy Foreign Minister, Madame Soepani, the only woman delegate at the Ambassador's meeting, suggested that the Conference inscribe on its agenda for the summit the possibility of convening a conference of "new emerging forces."

Standing Committee Appointed:

Before it ended on March 26, the preparatory meeting appointed a standing committee of 10 countries, including India, with power to co-opt two members from new invitees to make arrangements for the Conference.

According to the decision taken by the meeting, nearly 70 countries are to be sounded by the standing committee to ascertain whether they will attend the Cairo Conference.

Delegations of various countries expressed their complete satisfaction at the happy ending of the deliberations without much dissensions.

The only two subjects on which there was some difference of opinion were the question of a Foreign Ministers' conference to precede the non-aligned summit and an Indonesian suggestion for convening a conference of "new emerging forces" proposed to be inscribed on the agenda of the main Conference.

According to conference sources, both these issues were settled in an amicable manner.

Though at the beginning there was some suspicion lurking in the minds of some delegations, as was evident from local Press reports, about India's possible role at the meeting, there appeared to be almost all-round appreciation of India's handling of the issues before the meeting without at the same time unduly throwing about her weight.

On the question of a ministerial conference before the actual summit, the consensus was that such a meeting should be held immediately preceding the non-aligned conference. It was, however, left to the standing committee to fix a date for such a conference in consultation with the new invitees.

A joint communique issued at the close of the conference said that the discussions were held in an "atmosphere of cordiality, mutual understanding and unanimity."

It said the delegates from Asia, Africa, Latin America and Europe re-affirmed their countries' adherence to the Belgrade Declaration and their faith in the efficacy of the policy of non-alignment.

(*The Times of Ceylon*, Colombo, *The Hindu*, Madras and *The Times of India*, Bombay)

[Prev. ref. 4230:AOA:A]

B. Alleged Indian Violation Of Air-Space—Another Note: The Government of Ceylon has said that the circumstances in which a Ceylonese military aircraft landed at Madras on June 14, 1962 (see text of Indian Note on page 5723) without diplomatic clearance even when the aircraft was not in distress, "differed significantly from those relative to the landing of the disabled Indian military aircraft on Ceylon territory on March 7, 1964."

In a Note handed over to the Commonwealth Secretary by the Ceylon High Commissioner in New Delhi on March 18 (the text of which was released in Colombo on March 21) the Government of Ceylon pointed out that although no diplomatic clearance was obtained for the Ceylonese aircraft's flight over Indian territory (on June 14, 1962), information relating to the flight was furnished to the airport authorities in Madras well in advance of the aircraft's departure from Ceylon.

On representations made by the Government of India to the effect that the flight was "highly irregular", the Note said, an apology was tendered by the High Commissioner for Ceylon in New Delhi.

Dealing with the landing of the disabled Indian Navy aircraft from **INS Vikrant** at Ratmalana airport on February 24, the Note clarified that the Ceylon Government's protest was not against its landing, but "at the presence of the accompanying aircraft over Ceylon territory."

It said that no information was furnished to the Ceylonese authorities regarding the disabled aircraft, although **INS Vikrant** and at least one of its aircraft were in a position to do so. It pointed out that **INS Vikrant** should have taken the precaution of warning air traffic control at Ratmalana of the presence of the disabled aircraft to avoid any possible hazard to other aircraft in the area. "This would have been an act of friendly co-operation transcending purely legal obligations."

It regretted that the Government of India should have cause for complaint

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about treatment accorded to the crew of the disabled aircraft. "The circumstances surrounding the landing left the Ceylon authorities no alternative but to interrogate the crew of the aircraft."

(*The Hindu*, Madras)

[Prev. ref. 5723:CEY:A]

INDIA

SUMMARY: Five-Year Plan For Defence Preparedness; Communal Disturbances; Aid Protocol With USSR; Border Roads Programme; Wheat Zones Formed.

A. Five-Year Plan For Defence Preparedness: The Defence Minister, Mr. Y. B. Chavan, told the Lok Sabha on March 23 that the Government was working on a five-year plan for defence preparedness.

Speaking on the demands for grants for his Ministry, he assured the House that the Government was re-orientating defence strategy.

He said that the process of modernization of the armed forces was going along smoothly. They were developing standard weapons and the production of these weapons also formed part of the strategy.

As for the Air Force, he rejected the suggestion to scrap the MIG project. Good progress was being made in implementing the MIG project. In regard to the development of HF 24 from Mach I to Mach II speed, India was now considering the question of collaboration with the United Arab Republic. If this came through, UAR might make engines and India could make the frames.

Another important announcement made by him was the setting up of a Committee consisting of the Cabinet Secretary as Chairman to go into the working of the Air Force and recommend standards for safety.

The Committee, apart from the Chairman, would consist of the Director-General of Civil Aviation, Mr. R. N. Katju, and Air Vice-Marshal Arjan Singh, Vice-Chief of Air Staff. The Committee will examine: (1) the existing regulations and arrangements for (a) flying and flying safety, (b) clearing of the aircraft as fit for flying, (c) standards of training to be followed in relation to the tasks that are entrusted; (2) the adequacy of the regulations and arrangements and their implementation; (3) to recommend remedial measures if any to minimise accidents.

Mr. Chavan said that India in planning its defence was taking note not only of the military threat from China but that country's political and economic motivations. He said the Chinese attempt to humiliate India militarily followed China's realisation that India could not be made a satellite. China had followed up that attempt with efforts to disrupt India's economic progress.

Spelling out some of the features of the new defence plan, he said the Navy would have to be accorded a lower priority in the present situation. The development of the Navy as a balancing force was, however, being considered because of India's long coast line and "the development of other navies."

He said that it was proposed to secure a submarine for training purposes.

He said the decision to raise six mountain divisions for the Army should be viewed as part of the Defence Ministry's re-orientation of strategy. The raising of these divisions meant introduction of mobility and training of troops to fight more effectively in high altitudes.

He announced that 14,00,000 or 15,00,000 men had offered their services to the country's defence during the course of a year. The recruiting organization had done a good job of selecting 3,00,000 troops of "other ranks" from among the 14,00,000 who sought Army service, and of selecting 10,000 officers out of 40,000 to 50,000 young men who had applied.

He said that the search for new weapons often led to a realization that India had to manufacture them herself. "The production system itself, therefore, becomes a part of our defence strategy." He explained that this was because some of the new weapons India wanted were not available in other countries for various reasons. India was now in the process of "identifying, standardising, and if necessary, developing" the new weapons it needed.

About apprehensions voiced by some Members that the arms aid received from the West could not be used in case of trouble from Pakistan, he said that the Western aid programme decided at the Nassau Conference had certain conditions attached.

The conditions were that these weapons, ammunitions and supplies would be used only for the purpose of resisting Chinese aggression, that the Government of India would give the necessary facilities to representatives of the Governments concerned to observe and review the use of the equipment, and that India would offer to return the articles furnished when they were no longer required for the purposes for which they were originally made.

He said: "We have accepted these conditions and we want to honour these conditions." He asked the House to realise that the arms assistance received—for which "we are very grateful"—was small compared to the size of the equipment of the Indian Army.

(*The Hindu*, Madras and *The Hindustan Times*, New Delhi)

[Prev. ref. 5630:INI:B, 5632:INI:L]

B. Communal Violence: In a statement in the Lok Sabha on March 23, the Central Home Minister, Mr. G. L. Nanda, re-iterated that the Government would take steps to protect the life and property of all citizens irrespective of caste or creed.

He reported to the House that about 200 persons had been killed in communal incidents in various places in West Bengal, Bihar, Orissa and Madhya Pradesh.

He said he had advised the State Governments to take stern action to put down disturbances and to take preventive measures at the least sign of trouble.

He said that the incidents had caused "us deep sorrow. It is a matter of shame that a small number of evil-doers should be able to cause so much suffering to innocent people and bring a bad name to our peace-loving people and damage our reputation."

He was making a statement in response to a call attention notice tabled by Mr. Hem Barua (P-SP) and 28 others belonging to all parties including the Congress.

He assured the House that "whatever may be the cost and whatever the effort involved, we will discharge our sacred duty to protect the lives, property and honour of all sections of the community." "Every act of communal violence is an attack on human decency and values of civilized life for which we stand."

He said that it was the desire of the Government of India that joint peace committees of citizens be formed at various places to mobilize public opinion and give active assistance in the maintenance of communal peace.

In this connexion he said he had met the leaders of the INTUC, A-ITUC and HMS and decided to form a central standing committee for assisting in the maintenance of communal harmony in industrial areas of the country.

He added that tripartite committees would be set up at State level and at various industrial centres.

Mr. J. Nehru's Broadcast Appeal:

The Prime Minister, Mr. J. Nehru, in a broadcast to the nation on March 26, appealed for communal harmony.

In his broadcast, the first after his recovery from illness, he asked the people not to allow their anger and bitterness to grow because of the recent happenings in East Pakistan.

The following is the text of his broadcast:

"We have many difficult problems to face. There is the menace of China and Pakistan. There is the tremendous influx of refugees from East Pakistan and our duty to look after them and rehabilitate them. There is the problem of rising prices which affects all our people.

"But I am speaking to you today about something which is more important than anything else. This is the communal disharmony which has resulted in many deaths in East Pakistan and in India and has created bitterness and fear amongst various communities. This feeling is fatal for all of us and, unless stopped completely, will lead to most dangerous consequences.

"This communal trouble is entirely opposed to our policy and to our future, and I do appeal to you to fight it and to put an end to it.

"India is a country of many communities and unless we can live in harmony with each other, respecting each other's beliefs and habits, we cannot build up a great and united nation.

"Ever since the distant past, it has been India's proud privilege to live in harmony with each other. That has been the basis of India's culture. Long ago, the Buddha taught us this lesson. From the days of Asoka, 2,300 years ago, this aspect of our thought has been repeatedly declared and practised.

"In our own day, Mahatma Gandhi laid great stress on it and indeed lost his life because he laid great stress on communal goodwill and harmony. We have, therefore, a precious heritage to keep up, and we cannot allow ourselves to act contrary to it.

"Pakistan came into existence on the basis of hatred and intolerance. We must not allow ourselves to react to this in the same way. That surely will be a defeat for us. We have to live up to our immemorial culture and try to win over those who are opposed to us. To compete with each other in hatred and barbarity is to sink below the human level and tarnish the name of our country and our people.

"One evil deed leads to another. Thus evil grows. That is not the way to stop these inhuman deeds. If we can behave with tolerance and friendship to each other, that surely will have its effect elsewhere. Otherwise, this vicious circle will go on bringing sorrow and disaster to all of us and others.

"It is, therefore, of the utmost importance that we should realize our duty to all our countrymen whoever they might be. We must always remember that every Indian, to whatever religion he might belong, is a brother and must be treated as such.

"A few days ago, I wrote to President Ayub Khan of Pakistan appealing to him against these inhumanities that were taking place and suggesting that our Home Ministers might meet soon to curb these. Today I received a reply from President Ayub Khan in which he has entirely agreed with my proposal. I hope that soon a meeting of the Home Ministers will take place, probably in Delhi.

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to consider this vital problem and what steps to take to meet it. I hope that will have a salutary effect on our people.

"But it is not so much Home Ministers and others in authority who can put an end to this unhappy business. It is the people themselves who have to act rightly and speedily and thus promote an atmosphere of friendship and harmony between different religious groups and not allow their anger and bitterness to grow.

"I appeal, therefore, to all my countrymen to put an end to this inhuman behaviour. I would specially appeal to our friends and countrymen, the Adivasis in Bihar and Orissa, who have been agitated greatly by the stories they have heard. I hope that they will check themselves and try to create an atmosphere of goodwill and friendship for our countrymen who are Muslims.

"Our great public enterprises are suffering because of this communal trouble, and the whole of India's future is bound up with this.

"I earnestly trust that our efforts will be directed towards creating communal harmony and that all our people and especially our newspapers will appreciate the grave dangers that are caused by communal conflict and disharmony.

"Let us all be careful in what we say or write which might create fear and conflict. Let us pull ourselves together and create an atmosphere of co-operation and work for the advancement of India and of all who live here as her sons.

"Thus only can we serve our Motherland and help in making her great, united and strong. Jai Hind."

Nehru-Ayub Khan Correspondence:

The same day (March 26), the text of letters exchanged between Mr. Nehru and President Ayub Khan of Pakistan were released.

Mr. Nehru in his broadcast had said President Ayub Khan had "entirely agreed with his proposal" for a meeting of the Home Ministers of the two countries in an effort to "end the inhumanities and communal disharmony."

The following is the text of Mr. Nehru's letter of March 19 to President Ayub Khan:

"Dear Mr. President,

"For the last two months there has been an increasing influx of refugees from East Pakistan into India. This is causing us great concern not only because of the tremendous burden thrown on us in the reception and rehabilitation of the thousands who are coming to India, but because it presents a tragic human problem.

"I know that these movements of refugees across the border are causing concern both to the Government of East Pakistan and to your Government.

"There are many problems between our two countries. It is our wish to resolve them peacefully and in a spirit of co-operation and understanding. I feel, however, that the problem presented by the recent movements of the refugees is of the highest importance and priority, which, if not resolved, will further embitter our relations and add to the unhappiness of our peoples.

"We have asked our High Commissioner to present to you a memorandum containing certain proposals of the Government of India for a Minister-level meeting. I will be glad if you can receive him personally and give earnest consideration to the proposals contained in the memorandum which our High Commissioner has been asked to clarify and elaborate, if necessary."

The following is the text of the memorandum attached to the letter:

"The recent communal disturbances have resulted in a mass exodus of minorities from East Pakistan into India. Over 3,000 destitute refugees are coming into India every day. Already over 125,000 refugees belonging to the minority communities have come into India and many more thousands are expected to come in the near future.

"Already the resources of the Government of India are taxed to the utmost and the prospect of being swamped by such a large number of refugees from East Pakistan is one which, apart from the enormous burden of relief and rehabilitation of these vast numbers the Government of India must shoulder, is bound to have and is having serious repercussions on the already strained relations between India and Pakistan.

"Since the persons coming into India as refugees are Pakistan nationals, it is evident that whatever the causes, they are doing so because of fear and a sense of insecurity in East Pakistan. The problem has assumed a magnitude and character which deeply involves future relations between India and Pakistan and is making future settlement of outstanding differences between the two countries more difficult.

"There was, following the disturbances, some movement of members of the minority community from West Bengal into East Pakistan in January last. This movement ended within a few days due to prompt measures taken for restoration of law and order and establishment of a full sense of confidence for the security of the minorities in West Bengal.

"It is necessary that earnest efforts should be made to prevent the situation from assuming more dangerous proportions and to tackle urgently the political and economic problems created by this intensely human problem. It is in the interests of India and Pakistan to co-operate with each other in solving this serious problem.

"That there is a mutuality of interest between India and Pakistan in this matter is obvious. This has been recognized in the past when, in a similar though somewhat less serious situation, the Prime Ministers of India and Pakistan met and concluded the Nehru-Liaquat Agreement on April 8, 1950. In that Agreement, the two Governments committed themselves to admirable principles in regard to the treatment of minorities in their respective countries. To quote from the Agreement:

"'The Governments of India and Pakistan solemnly agree that each shall ensure to the minorities throughout its territory complete equality of citizenship, irrespective of religion, a full sense of security in respect of life, culture, property and personal honour, freedom of movement within each country and freedom of occupation, speech and worship, subject to law and morality.

"'Members of the minorities shall have equal opportunity with members of the majority community to participate in the public life of their country, to hold political or other office, and to serve in their country's civil and armed forces. Both Governments declare these rights to be fundamental and undertake to enforce them effectively.'

"Then followed an agreement on a number of points relating to the treatment of, and facilities available to the migrants going from one country to the other. The agreement was subsequently ratified by both Governments.

"On January 16, 1964, the Government of India made a proposal to the Government of Pakistan for a meeting of the Home Ministers. This proposal was conveyed orally by the Indian High Commissioner in Karachi when delivering the President of India's message in reply to the President of Pakistan's message of January 13. In their oral reply dated January 24, 1964, the Government of Pakistan did not consider such a meeting necessary. They, however, said that once law and order had been fully restored, the Ministers of the two Governments may meet initially in Rawalpindi|Delhi to discuss measures necessary to ensure that refugees of recent disturbances as also those evicted from Assam, Tripura and West Bengal should be enable to return to their homes.

"In their reply dated January 30, 1964, the Government of India pointed out that they had already agreed to official-level talks between the two Governments to be followed by a Minister-level meeting on the question of the infiltrators into Assam and Tripura from East Pakistan. These official-level discussions did not take place as the atmosphere of tension created in the last few months was not conducive to a calm consideration of this issue. The Government of India re-iterated their willingness to begin talks on this problem as soon as the Minister-level meeting they had proposed for restoring communal harmony had been convened and had made progress. They further suggested that the Ministers themselves could discuss the timing and modalities of the talks between the two Governments on the question of movement of persons across the eastern borders.

"The Government of India are convinced that the present situation makes it imperative that representatives of the Governments of India and Pakistan should confer together in the spirit of the declaration and agreement made by the two Prime Ministers on April 8, 1950, and devise ways and means for dealing with the most urgent and indeed the most vital question of restoring complete harmony amongst the different communities of their citizens and restoring full confidence as regards their security and welfare in their homelands.

"This is necessary not only in the interests of the human problems created by panicky migrations across the border but also in the interest of good relations between India and Pakistan. No time should, therefore, be lost in tackling this urgent and vital problem. They, therefore, propose again that the Home Ministers of the Governments of India and Pakistan, assisted by their advisers, meet immediately as did the Prime Ministers in 1950, to consider the question. Every aspect of the problem of minorities and movements of refugees both ways can be discussed with a view to reaching mutually satisfactory arrangements.

"Equal treatment and the fullest guarantee and protection of the rights of the minorities is the fundamental principle of India's Constitution. This principle is one which has governed and will continue to govern the policies and actions of the Government of India. The President of Pakistan in the course of his broadcast from **Radio Pakistan** on March 1, 1964, also said: 'We regard the minority communities as a sacred trust entitled to equal rights and privileges. Any one who has been disturbed is welcome to return where he belongs and in this he will have all the support and assistance from us. We expect the same from India.'

"In view of this common ground of intentions and objectives, the Government of India trust that the Pakistan Government will promptly respond to the proposal of the Government of India. The Home Minister of the Government of India is ready and willing to meet the Home Minister of Pakistan at any time and place of the latter's choosing, and as soon as possible."

The following is the text of President Ayub Khan's reply dated March 23:

"Dear Mr. Prime Minister,

"I thank you for your letter No. 185-PMI|64, dated March 19, 1964 which your High Commissioner handed over to me on March 20th.

"I have read your letter and the enclosed memorandum with care. I am glad that the Government of India have found it possible to accept the suggestion we made on January 24, namely, that once law and order have been fully restored, Ministers of the two Governments should meet to discuss measures necessary to ensure that refugees from the recent communal disturbances as also those evic-

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ted from Assam and Tripura prior to those disturbances return to their original homes.

"On the other hand, I regret to note that, while you express concern about the refugees from East Pakistan, you have expressed no concern or even a word of sympathy for the thousands of Indian Muslims who have suffered in the recent riots in India and have fled in panic to East Pakistan, and those who have been forcibly evicted from their homes in Assam and Tripura. Only a few days before you wrote, an entirely unprovoked and obviously pre-planned attack on Muslims in Calcutta resulted, according to official statements, in 21 deaths.

"Since then, again according to Indian Press reports, riots have taken place in places as far apart as Jamshedpur (55 persons killed), Rourkela (53 persons killed by March 21) where according to a PTI report the situation was described as 'critical,' Jharpada, Raigarh (9 persons killed), Kharsia, Jamgaon, Jharsuguda and Sambalpur. I doubt whether the figures of casualties published by the Indian Press portray anything like the actual loss of innocent lives or the suffering of the Muslim community in the affected areas. I cannot help feeling that if the suggestion of my Government of January 24 for a Ministerial meeting, which you have now accepted had been accepted earlier, perhaps this latest series of communal disturbances might have been averted.

"However, it is not my purpose to start controversy on this subject. The important thing is that the Government of India recognizes, as we do, the dangers inherent in the present situation and is aware of the urgent need to re-establish conditions which would enable the up-rooted members of the minority community to live in their original homes with a full sense of security.

"I therefore agree that Ministers of the two Governments meet at an early date to discuss the measures necessary for this purpose. We would be agreeable also to the meeting being held in Delhi. Further details in connexion with the proposed meeting will be settled in consultation with your High Commissioner in Karachi."

(*The Hindustan Times*, New Delhi and *Dawn*, Karachi)

[Prev. ref. 5713:INI:B]

C. **"Aid-India" Consortium's Meeting In Paris:** The "Aid-India" Consortium ended a two-day review of India's economic progress in Paris on March 18 and adjourned until May 24 to meet in Washington when members will make specific pledges of aid for 1964-65.

No decisions were made at the talks, but authoritative sources said there appeared to be general acceptance of India's case for future aid.

In 1963-64 the 12 members of the Consortium—Austria, Belgium, Britain, Canada, France, Germany, Italy, Japan, the Netherlands, USA, the World Bank and the International Development Agency—pledged aid totalling $1,052 million.

The sources said that India in presenting her case laid emphasis on two main points—the need for continuity in aid and the need for aid not tied to specific projects.

The Indian delegation said India did not want aid tied to specific requirements for the next 12 months. It urged a longer view.

Very special emphasis was laid on non-project aid because India was seeking a spectacular step-up in her growth rate during the next 12 months.

The sources said the Indian delegation pointed out steps already taken in this direction by the Indian Government itself and members of the Consortium considered this a good policy.

Non-project aid covered such questions as the balance of payments problem caused by debt repayments hanging over from the Second Plan and agriculture.

India considered that the aid required within the life of the Third Plan would be in the region of $3,800 million for planned projects, $1,000 million for debt repayments and $400 million for production of capital goods in India.

Mr. L. K. Jha, leader of the Indian delegation, followed up the two-day meeting in Paris with bilateral discussions with European member-Governments, beginning the talks with French Government officials.

(*The Statesman*, Calcutta)

[Prev. ref. 5318:INI:K]

D. **Indian National Commission For Co-operation With UNESCO Meeting:** The Indian National Commission for Co-operation with UNESCO, which ended its two-day session in New Delhi on March 22, has urged UNESCO to take up as a major project the abolition of illiteracy in areas of overwhelming illiteracy in the world.

It recommended the establishment of a cultural external publicity unit, which would prepare for the outside world audio-visual material about the life and culture of India.

Particular satisfaction was expressed at the progress in the field of education for international understanding. Allocation of larger funds for the purpose was urged.

The Commission emphasized the importance of teacher-training programmes, science and technical education, particularly at the secondary level, strengthening of higher education, including centres for advanced studies, and production of educational material.

It referred with approval to the project for mutual appreciation of Eastern and Western cultural values and suggested that it be continued.

The announcement about the establishment of a single Science Co-operation Office for Asia at Bangkok was welcomed. The Commission suggested that it should be situated near science institutions or laboratories. This would facilitate the use of science and technology for economic and social development.

(*The Statesman*, New Delhi)

[Prev. ref. 4793:INI:G]

E. **Aid Protocol With USSR Signed:** A Protocol stepping up Soviet economic aid to India with two more large industrial enterprises was signed in Moscow on March 28.

One of the two enterprises will produce rolled steel sheets for the construction of railway coaches.

The second enterprise will manufacture compressors and pumps, with an output capacity of 16,000 tons annually.

This plant will play a similar role in the development of India's independent industry which include other enterprises, such as heavy engineering, mining equipment, and heavy electrical equipment plants, being built with Soviet aid.

(*Tass*)

[Prev. ref. 5560:INI:F]

F. **Shipping Agreement With UAR:** A bilateral Agreement for the establishment of a shipping service between India and the United Arab Republic was signed in New Delhi on March 20 in the presence of Mr. Raj Bahadur, Minister of Transport, and Mr. Ahmed Hassan El-Feki, Ambassador of the UAR.

The Agreement provides for transportation of cargoes between India and UAR by the vessels of the two countries on the basis of parity.

The new shipping service is expected to be inaugurated as soon as the necessary preliminary arrangements have been completed.

The signatories to the Agreement were Mr. M. Mohamed Nadim on behalf of UAR and Dr. Nagendra Singh representing the Government of India.

(*The Times of India*, New Delhi)

[Prev. ref. 5631:INI:H]

G. **Industrial Target Of Third Plan Not To Be Achieved—Mr. N. Kanungo's Forecast:** The Central Minister for Industry, Mr. Nityanand Kanungo said in New Delhi on March 21 that the Third Plan targets in such major sectors as steel, alloy steels, aluminium, copper, pig-iron pipes, steel castings and forgings, nitrogenous and phosphatic fertilizers, sulphuric acid, newsprint, cement and cotton yarn were not likely to be achieved.

Stating this at the ninth meeting of the Standing Committee of the Central Advisory Council of Industries, he said that shortage of foreign exchange continued to be a major inhibiting factor on industrial growth, and there were no prospects of any immediate easing of the foreign exchange position.

But in many of these industries, the shortfalls were not substantial and in almost all of them, the entire capacity required to achieve the Plan targets had already been licensed. Every effort was now being made to remove impediments in the way of industrial growth.

He referred to the recent meeting of the "Aid-India" Consortium in Paris and expressed the hope that further external assistance would be pledged for India's developmental requirements in 1964-65. There was a growing appreciation of India's need to have external assistance in a more flexible form so that it could be utilized more effectively.

It was expected that more and more countries and institutions, like IBRD and IDA, would provide non-project assistance. Non-project assistance would enable India to make the maximum use of the existing industrial capacity and increase its exports of manufactured goods.

He said that although the trends in industrial production had been satisfactory, it had to be realised that the rate of growth of production was still below what was needed to achieve the targets envisaged in the Plan.

He said that the upward trend in industrial production had been maintained in the last year. The overall index of industrial production for the first 10 months of 1963 showed an increase of about nine per cent compared to the same period in 1962.

During the first half of 1963-64, cloth production increased, although it was lower than the level in the first half of 1962-63.

For the year as a whole, there were indications that the level of output in the cotton textile industry would be higher. The increase was expected to be particularly marked in the case of the decentralized sector. Output of jute and textiles had increased. Sugar production, which had declined by nearly 0.5 million

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tons to 2.2 million tons in 1962-63, was likely to recover to the earlier level attained in 1961-62.

Generally, it was expected that there would be an increase in industrial production based on agricultural raw materials, but the rate of growth was inevitably affected by the relatively slow rate of growth of output in agriculture.

(*The Financial Express*, Bombay)

[Prev. ref. 5656:INI:E]

H. Border Roads Programme: The border roads programme has been revised to include a road from Manali to Leh *via* Rohtang. It will be stretched back to Chandigarh from Manali through Bilaspur and Nangal.

When completed, the road will be able to take 3-ton trucks along its entire length. Stretches subject to rainfall or heavy traffic will be fully surfaced.

The new road represents only one of the further commitments accepted by the Border Roads Organization, whose overall programme has been stepped up from 2,500 miles of new roads and 1,500 miles of improvements in existing roads to 5,300 miles of new roads and 2,300 miles of improvements.

Disclosing this, the annual report for the Ministry of Transport pointed out that the Third Plan provision for roads in general had been stepped up from Rs. 324 crores to Rs. 416 crores. A substantial part of the addition was reserved for meeting the needs of heavy traffic in the north-eastern part of the country.

The Third Plan also included the construction of 300 miles of missing links in the national highway system, the building of 85 major bridges and the improvement of 3,000 miles of low-grade sections. Work completed so far comprises the completion of 120 miles of missing links, construction of 20 bridges and strengthening of 1,200 miles of existing sections.

(*The Times of India*, New Delhi)

[Prev. ref. 5669:INI:G]

I. Expansion Of Steel Plants: According to a Government review, the Bhilai Steel Plant which accounted for 82 per cent of the profit of Rs. 66.36 million made by Hindustan Steel in 1962-63, expects to complete its present expansion programme by the end of 1965.

Bhilai's fourth blast furnace will be commissioned in September, 1964.

The annual report of Hindustan Steel for 1962-63 and its review by the Government was placed on the table of the Lok Sabha on March 28.

The Government review said that the expansion of Rourkela and Durgapur steel plants was expected to be completed in 1966.

The profits made by the three steel plants and two coal washeries administered by Hindustan Steel did not provide for depreciation, and the company placed its net loss in 1962-63, after making provision for depreciation, at Rs. 239.08 million.

The cumulative loss of the company stood at Rs. 615.51 million on March 31, 1963.

The Government had to-date (March, 1964) invested Rs. 447 crores in the company's share capital and had advanced in addition loans totalling Rs. 357.1 crores.

The steel plants undertook production of special quality steels required for defence and also marketed new products during the year.

The gross sale of iron and steel materials during the year amounted to Rs. 130.5 crores as against Rs. 79.3 crores in 1961-62.

All the three steel plants increased the output, which during the year was 89 per cent in their rated capacity in iron, 83 per cent in ingot steel and 76 per cent in "saleable steel."

The Government review said that the general managers of all the three steel plants had now been invested with greater responsibility and authority. The responsibility for the proper and efficient functioning of these plants now rested with the general managers.

The production bonus scheme had helped increase production and had stabilized it at a high level.

(*The Times of India*, New Delhi)

[Prev. ref. 5208:INI:G]

J. Wheat Zones Formed: The Central Food Minister, Sardar Swaran Singh, announced in the Lok Sabha on March 23 the formation of nine zones from which export and import of wheat and wheat products would be banned except by permits issued by the State Governments.

This step had been taken to "improve the price and supply position in important consuming States" and also enable the "Government to meet better the needs of other States for imported wheat".

Since permits for export and import of wheat would "not normally be granted on private trade account", the effect of this would be to allow inter-zone movement of wheat only through Governments or "State-sponsored accounts".

The wheat zones are as follows: (1) Punjab and the Union Territories of Delhi and Himachal Pradesh. Export of wheat and wheat products from this zone to Jammu and Kashmir will be permitted. (2) Uttar Pradesh. (3) Rajasthan. (4) Madhya Pradesh. (5) Bihar. (6) Maharashtra. Export of wheat and wheat products from this zone to Goa will be permitted. (7) Gujerat. (8) The southern States of Andhra Pradesh, Madras, Mysore, Kerala and Pondicherry. (9) The residual zone of the States of West Bengal, Orissa, Assam, Nagaland and the Union Territories of Tripura and Manipur.

(*The Statesman*, New Delhi)

[Prev. ref. 3086:INI:G]

K. Rocket Launching Site At Thumba—UN Sponsorship Recommended: It was stated in New York on March 19 that an international group of scientists had recommended that United Nations sponsor the rocket launching site at Thumba in Kerala which is to be used for research in the peaceful uses of outer space.

The "sponsorship" could take the form of financial, technical or other assistance. The recommendation has finally to be approved by the General Assembly, but this is considered a formality.

The rocket launching facility near Trivandrum became operational on November 21, 1963 when a **Nike-Apache** rocket carrying sodium vapour was fired. This was a joint India-France-USA research project and others are planned between India and the Soviet Union. India may invite other States to use the facilities.

The recommendation for sponsorship was made by the scientists appointed in accordance with a General Assembly resolution of 1963. Headed by Mr. Georgy Golyshev, Vice-President of the Soviet Geophysical Committee, the other members were from Sweden, Japan, Brazil, Argentina and USA. Its report was made public in a note from the Secretary-General to the Committee on the Peaceful Uses of Outer Space (COSPAR).

Under UN sponsorship, information about the site's facilities and experiments will be available to all States, and India as the host State will report regularly to COSPAR on its work.

(*The Hindu*, Madras)

[Prev. ref. 5644:INI:D]

L. Increase In Procurement Price Of Rice: It was announced in New Delhi on March 24 that in order to build up a rice stock of one million tons, the Central Government had increased the procurement price of different varieties of rice in the main producing States.

This was in pursuance of the unanimous recommendation of the Food Ministers' Conference held in New Delhi in February that the farmer must receive a fair price for his produce. This price should bear some relation to the price paid by the consumer.

The price increase announced varies from Re. 1 to Rs. 2 a maund.

In 1963 nearly 7,00,000 tons of rice was procured, of which 4,46,000 tons was on the Central Government account. This year more than 4,00,000 tons of rice has been procured so far against a target of 7,50,000 tons set by the Centre. From the progress made in Punjab and Madhya Pradesh, where 1,65,000 tons and 1,00,000 tons of rice respectively has been procured, the target appears to be within reach.

The revised procurement prices are: Andhra Pradesh (Akkullu variety) Rs. 19.50; Madras (Kattai Samba) Rs. 19.25; Madhya Pradesh (Gurmatia) Rs. 17; Assam (coarse) Rs. 19.29 to Rs. 20.59; and UP (gadre, grade four) Rs. 17.

Corresponding changes have been made in the prices of other varieties of rice on the basis of the existing differentials.

The Centre has taken various steps to intensify purchases of rice. Paddy will be procured directly from cultivators in areas where prices have shown a tendency to decline to levels needing price support. In Assam, the system of monopoly procurement through co-operatives will continue.

In Punjab, UP, Madhya Pradesh and Orissa, procurement by a system of levy on rice millers and wholesalers will also continue. In UP and Madhya Pradesh the rate of levy has been increased, and in Madras a system of levy has been introduced by voluntary agreement with the trade.

Rice is being procured on the Central account in Andhra, Madhya Pradesh, Madras and Punjab, Assam, Orissa, UP and Tripura are procuring rice on their own accounts.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 3630:INI:E]

M. National Debt: The national debt of India was Rs. 7,621 crores on March 31, 1963, including market borrowings totalling Rs. 2,871 crores.

Comparatively, the Central Budget crossed the Rs. 2,000-crore mark for the first time this year.

Giving the debt figures in its latest report, the Lok Sabha's Public Accounts Committee has pleaded for the second year in succession that the Finance Ministry should make a study of the procedure followed in democratic countries to obtain parliamentary approval for Government borrowing.

The Committee favours an act of Parliament to fix a limit on Government borrowings. The two opportunities Parliament has of reviewing the Government

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borrowing programme—at the time it approved the Plan and again when it approved the Budget—are not sufficient to make an intelligent appraisal of the issues involved.

(*The Times of India*, New Delhi)

[Prev. ref. 5527:INI:M]

N. Causes Of Air Accidents—Inquiry Committee Appointed: The Defence Minister, Mr. Y. B. Chavan announced in New Delhi on March 23 the setting up of a committee to investigate the causes of recent air accidents in operational areas and suggest remedial measures.

The committee with Mr. S. S. Khera, Cabinet Secretary, as the Chairman, will have Mr. R. N. Katju, Director-General of Civil Aviation, and Air Vice-Marshal Arjan Singh, Vice-Chief of the Air Staff, as members.

Mr. Chavan turned down the suggestion for a parliamentary commission on the ground that it might have a demoralizing effect on members of the IAF and also because of the large amount of operational data that would have to be sifted.

While agreeing that accidents were bad, he pointed out that the ratio of flying hours to the number of air accidents was within reasonable limits.

The terms of reference of the committee are:

(1) To examine the existing regulations and arrangements for flying and flying-safety and for clearing an aircraft as fit for flying and the standards of training of a pilot in relation to the task entrusted to him;

(2) To examine past regulations and arrangements and their implementation; and,

(3) To recommend remedial measures, if any, to minimize air accidents in the Air Force.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5743:INI:Q]

O. Prospects Of Shipping Industry: An article in *Indian Shipping*, the journal of the Indian National Steamship Owners' Association, says that the prospects for the current year appear quite bright for shipping companies.

The conclusion was based on an analysis of the statements of accounts for 1962-63 of 17 shipping companies, which accounted for nearly 88 per cent of the Indian tonnage at the beginning of 1963, and the subsequent favourable developments.

Income by freight, passage money and charter hire of these companies increased by Rs. 4.27 crores, or by a little over nine per cent, to Rs. 49.85 crores. Operating, establishment and other expenses moved up by only Rs. 1.98 crores, or by five per cent, to Rs. 41.42 crores.

Provision for depreciation at Rs. 6.42 crores was at about the previous year's level, but the tax provision more than doubled from Rs. 40,12,000 to Rs. 92,19,000. In the result, the net profit at Rs. 2.78 crores, although small in relation to fleet-at-cost of Rs. 118.75 crores, showed a substantial improvement over the previous year's figure of Rs. 68,75,000.

Among the 17 companies, only four (India Steam, Bombay Steam, Kamal and one small company) suffered losses, but the rest were able to show modest profits. India Steam's loss was very much less than in the previous year.

Only four companies, however, were able to declare dividends, while one company decided to issue bonus shares instead of paying a dividend.

The total paid-up capital of the 17 companies remained stationary at Rs. 41.95 crores and the over-all increase in the fleet-at-cost was small—only Rs. 4.4 crores. Several of the companies, however, made substantial additions to their fleets subsequently and these will be reflected in the statements of accounts for the current year.

The article pointed out that the year, covered by the balance-sheets of the companies, was one of continued depression in world freight markets and increasing competition in securing cargoes. The directors of practically all the companies stated in their reports to the share-holders, that operating costs like wages, port dues, cargo handling charges etc. had kept on increasing.

In the face of these difficulties, the improvement in the results of working must be attributed first to the increase in freight rates on various routes such as the American and the UK-Continent routes and on the Indian coast by 10 to 12½ per cent effected at various points of time since 1961; secondly, to the slight improvement in the Hooghly drafts and to the absence of strikes of any serious nature directly affecting operation of ships on the coast; and also to the increase in the strength of fleet of some of the companies.

(*The Financial Express*, Bombay)

[Prev. ref. 5680:INI:L]

P. Progress Of Irrigation Schemes: Through the execution of major and medium irrigation schemes, 16.3 million acres of land in the country is now assured of water supply for agriculture as against 14.3 million acres in 1962-63.

This was revealed in the annual report of the Ministry of Irrigation and Power for 1963-64 released in New Delhi on March 22.

The installed power capacity in the country has risen to 7.5 million kw compared to 6.7 million kw in 1962-63 showing an increase of 800,000 kw during the year.

By the end of 1963-64, about Rs. 291 crores will have been utilized for irrigation against the Plan provision of Rs. 600 crores.

The utilization of the water resources by irrigation has risen to 80 per cent of the potential created.

Although "these are advances in the right direction, in the context of the leeway to be made up and the national emergency, the pace and magnitude of achievement have to be further stepped up to the maximum extent possible."

The total generating capacity in the country by the end of the Third Plan will be of the order of 12.5 million kw. The benefits in the Fourth Plan from schemes continuing from the Third are estimated at 5 million kw.

The estimated cost of the power programme in the public sector during the Third Plan is Rs. 1,039 crores. Investment in the private sector is expected to be about Rs. 50 crores.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5633:INI:T]

Q. Record Production Of Iron-ore: Production of iron-ore in the country during 1963 touched a record figure of just over 20 million tonnes, according to official figures.

This means an increase of more than one million tonnes over the previous year's output.

Production in all the States, except Goa, totalled about 15 million tonnes, while Goa alone contributed over five million tonnes.

(*The Financial Express*, Bombay)

[Prev. ref. 5269:INI:E]

R. Industrial Production During 1963: According to the annual report of the Ministry of Industry, industrial production in India rose by 8.9 per cent during 1963.

The index of industrial production, with 1965 as base, touched an average of 161.4 during January-October, 1963.

With the exception of cotton cloth, where production recorded a "small decline", steady progress was maintained in other items.

In the case of aluminium and domestic refrigerators, the increase in output was remarkable. There was 30 to 40 per cent increase in the production of other items such as weighing machinery, machine tools, aluminium conductors, paper and paper board.

In steel castings, power-driven pumps, electric motors, electric lamps, radio receivers, paper, insulated cables, automobile tyres and tubes, bicycle tyres and leather footwear, the increase in production was between 10 and 30 per cent.

Substantial additions to capacity were made in a number of industries, such as sewing machines, electric fans and aluminium power transformers.

Production of jute manufactures and their exports touched record figures during the year.

Priority continued to be given to measures to increase the output of defence oriented industries. In commodities such as steel, engineering goods and chemical products, the report said it was possible to switch to defence production without much dislocation.

Referring to the licensing of industries, the report said that cumbersome and time-consuming procedures were being drastically simplified so as to accelerate the establishment of new units. Establishment of new industrial units with fixed assets up to Rs. 25,00,000 had been exempted from licensing.

The report noted that foreign financial participation in Indian industries had been gradually increasing, thus bringing in foreign exchange as well as technical 'know-how' in specialised fields.

As against 299 cases of foreign collaboration approved in 1962, 309 cases were approved in 1963, of which eight cases related to the establishment of consultancy engineering units in the country.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5438:INI:I]

S. Progress Of Telephone Industry: According to the annual report of the Department of Posts and Telegraphs for 1963-64, the Indian Telephone Industries (ITI), Bangalore, has now taken up the manufacture of a number of new items of telephone equipment.

The report stated that for the first time co-axial line equipment was manufactured in the country without any foreign assistance. This equipment had been tested and had been passed for installation.

Another item taken up for manufacture for the first time at the ITI factory was the supervisory remote control machine for railways.

In a number of other cases, such as ampliphone and telephone with visual indicator, bulk production had been started for the first time in the factory.

On the side of electronic measuring instruments, the report observed that 700 different instruments had already been manufactured in the ITI factory. Another

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1,000 instruments were expected to be completed by the end of 1963-64.

According to the report, the sales from ITI during 1962-63 was Rs. 7.73 crores as against Rs. 7 crores targeted. For 1963-64, the value of sales was anticipated to be of the order of Rs. 9 crores.

Exports of telephone equipment during 1963-64 had been estimated at about Rs. 9,00,000, the importing countries being Nepal, Ceylon, Sudan, Egypt, Uganda and Kuwait.

The report observed that continued efforts were being made towards securing more exports, particularly in countries of South-East Asia, Middle East and Africa.

The report said that the Hindustan Teleprinters factory in Madras had progressively increased the indigenous content in the teleprinters manufactured by them. Indigenous content was expected to be about 60 per cent by March, 1964. A target of 1,326 teleprinters for the period May, 1963 to April, 1964 had been fixed, which was expected to be achieved.

(*The Financial Express*, Bombay)

[Prev. ref. 4287:INI:R]

T. **State Film Awards For 1963:** *Shehar aur Sapna* has been adjudged the best feature film of 1963 by the Central Committee of State Awards for Films.

It thus wins the President's Gold Medal. The producer of the film will get a cash prize of Rs. 20,000 and the director Rs. 5,000.

The all-India Certificate of Merit has been awarded to **Narthanasala** (Telugu) and **Mahanagar** (Bengali).

Of the 123 films entered for the awards, 70 were feature films, 40 documentaries, 15 educational films and three children's films.

The Central Committee has recommended the Certificate of Merit for **Panch Puthliyan**, a children's film in Hindi.

The awards for documentary films go to **Song of the Snow, Malwa** and **Jain Temples of India.** All these films were produced by the Films Division.

The educational film, **Indian Ocean Expedition**, and the filmstrip, **Historical Monuments of Delhi**, have been selected for the Certificate of Merit.

The regional awards will go to **Bandini** (Hindi), **Ha Maza Marg Ekala** (Marathi), **Uttar Falguni** (Bengali), **Maniram Dewan** (Assamese), **Jeeban Sathii** (Oriya), **Nanum Oru Penu** (Tamil), **Lava Kusa** (Telugu), **Sant Tukaram** (Kannada) and **Ninamaninja Kalpadukal** (Malayalam). These will get the President's Silver Medal.

The Certificate of Merit will be awarded to **Mere Mehboob** and **Gumrah** (Hindi), **Te Maze Ghar** (Marathi), **Jevi Chhun Jevi** (Gujerati), **Saat Pake Bandha** and **Jatugriha** (Bengali), **Nari** (Oriya), **Karpagam** and **Karnan** (Tamil), **Amar Silpi Jakkanna** and **Moogamanasulu** (Telugu), **Mangala Muhurtha** (Kannada), and **Doctor** and **Kalayum Kaminiyum** (Malayalam).

(*The Times of India*, New Delhi)

[Prev. ref. 5193:INI:F]

U. **Goa Government's Token Defeat:** The Government of Goa, Daman and Diu suffered its first defeat on March 19 when one of the amendments moved by the Opposition to the Entertainment Bill was accepted by the House. Some other consequential amendments were also accepted.

Another amendment was rejected and two others were accepted by the Government without a division.

The 30-member Assembly has 14 Maharashtrawadi Gomantak (ruling party) members, two P-SP members supporting the ruling party, 12 United Goans, one Independent (Diu) and one Congressman (Daman).

One Maharashtrawadi Gomantak member being absent and one occupying the Speaker's chair, the ruling party had only 14, including two P-SP members present in the House. The Congressman and the Independent voted with the Opposition. In the resulting tie the Speaker cast his vote with the Opposition.

Explaining his vote, the Speaker said his duty was to vote for the status quo or any proposal that was nearer the status quo. The amendment of the Opposition sought to revise the officially proposed rates of taxation and he felt that the amendment was nearer to the status quo.

During the voting on the Opposition amendment that was rejected the members from Daman and Diu abstained.

(*The Times of India*, Bombay)

[Prev. ref. 5609:INI:K]

V. **Parambikulam-Aliyar Multi-purpose Project—Agreement Between Madras And Kerala:** The Madras Minister for Irrigation and Public Works, Mr. V. Ramiah, said in the State Assembly on March 20 that a final understanding had been reached between Madras and Kerala on the outstanding points in regard to the mammoth multi-purpose Parambikulam-Aliyar project, now under execution.

This being a project of inter-State rivers, he said, an agreement with Kerala was necessary.

The Parambikulam-Aliyar project estimated to cost over Rs. 35 crores and included in the Second Plan was carried over to the Third Plan period. It was designed to provide irrigation facilities to an extent of 2,40,000 acres and to produce power with an installed capacity of 1,80,000 kw in five power stations. The Aliyar reservoir of the project had been completed and water had been let down to irrigate 17,500 acres.

He said that all the new irrigation schemes taken during the Second Plan period had been completed and full potential created except in the case of the Parambikulam-Aliyar project.

(*The Hindu*, Madras)

[Prev. ref. 5439:INI:Q]

W. **Lead Deposits In Andhra Pradesh:** Deposits of lead have been discovered in Khammam district in Andhra Pradesh.

The discovery was made in the third week of March by Dr. N. Ramana Rao of the Geology Department of Osmania University while prospecting for a private party.

Dr. M. S. Krishnan, former Director of the Geological Survey of India and at present Professor of Allied Geology, said the 3-kg. lead ore sample brought from the area showed that further exploration of the area might solve the problem of shortage of the base metals in the country.

(*The Hindu*, Madras)

[Prev. ref. 5031:INI:O]

X. **No-Confidence Motion Against Pondicherry Government Defeated:** A no-confidence motion against the Pondicherry Government, headed by the Chief Minister, Mr. Edward Goubert, was defeated on March 18 by 6 votes 10, 10 members of the Opposition People's Front Party and the Independents voting for the motion and 25 Congress members and one P-SP member voting against it.

The motion, which was moved by the leader of the Opposition, charged the Government with having failed to fulfil the wishes of the people in bringing about a fundamental change in the old colonial pattern.

(*The Hindu*, Madras)

[Prev. ref. 5319:INI:M]

Y. **Sikkimese Boy Declared Re-incarnation Of Head Lama:** A seven-year-old Sikkimese boy was formally declared a re-incarnation of the Rimpoche (head lama) of the Tscholing monastery near Lhasa at a religious function held in Gangtok in the third week of March.

The declaration was made by the Dalai Lama on an epistle certifying that the boy was the Rimpoche. The epistle with the Dalai Lama's red seal was presented at the function by his representatives.

The young Rimpoche attended a ceremony at Kalimpong on March 20. Later, he will be taken to Tscholing's branch monastery in Nepal after some years of study of Buddhist scriptures.

The young incarnation is a grandson of Sikkim's Senior Executive Councillor, Mr. Martam Topo. The boy's father was a doctor in the Indian Mission at Lhasa.

(*The Statesman*, Calcutta)

Z. **K. M. Nanavati Released:** K. M. Nanavati, formerly of the Indian Navy, who was undergoing a sentence of life imprisonment for the murder of a Bombay businessman, was released by a decree of the Governor of Maharashtra on March 18.

The Governor, Mrs. Vijayalakshmi Pandit, passed the decree ordering remission of the sentence under Article 161 of the Indian Constitution in view of Nanavati's "good behaviour" and "distinguished record of service to the Indian Navy."

Nanavati had been on parole since the middle of September, 1963 on medical grounds and it expired on March 16, 1964 after which the decree for the remission was passed.

Nanavati was convicted and sentenced by the Bombay High Court on March 11, 1960 for causing the death of Prem Bhagwandas Ahuja under a grave provocation in which Mrs. Nanavati was involved.

The trial of Nanavati had aroused countrywide interest. After a long-drawn sessions trial, the jury's verdict by eight to one went in favour of the accused. The Sessions Judge, holding the verdict as perverse, referred the case to the High Court.

A Division Bench of the Bombay High Court, composed of Mr. Justice J. M. Shelat and Mr. Justice V. A. Naik, held Nanavati guilty and gave him a life sentence.

The then Governor of Bombay, Mr. Sri Prakasa, suspended the sentence till the appeal filed by Commander Nanavati in the Supreme Court against his conviction and sentence was disposed of. Meanwhile, Nanavati was detained in Naval custody. The Governor had relied on Article 161 of the Constitution to pass the decree.

The Governor's decree, according to constitutional experts, was unprecedented in the legal history of the country.

In the subsequent hearing in the Supreme Court, Commander Nanavati was found guilty. The Supreme Court confirmed the sentence of life imprisonment

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passed on him by the Bombay High Court.

(*The Times of India*, Bombay)

[Prev. ref. 3554:INI:I]

INDONESIA

A. Dr. A. Sukarno On Foreign Aid: President A. Sukarno said in Djakarta on February 20 that foreign countries which were giving aid to Indonesia, but did not approve of the Indonesian revolution, were welcome to withdraw their support.

"You may withdraw your economic aid. We will not withdraw one step because we are rich in natural wealth, man-power, while all groups and layers of people—workers, farmers, soldiers and private businessmen—fully support the revolution."

He said Indonesia was a country rich in resources and man-power and the people were united behind the common cause.

He was speaking to a gathering of private businessmen on the occasion of the inauguration of a Government-controlled "consultative body" which will advise them on ways to conduct their activities.

Antara news agency, in its official report of the speech, said he had addressed his remarks about aid withdrawal to foreign countries which were "enemies of the Indonesian Revolution."

During his speech, he said the friends of the Indonesian Revolution were well known because they held aloft the same ideals to create a new world of the "New Emerging Forces." "This ideal will certainly be achieved because the slogan of Indonesia and the other new emerging forces is 'onward, no retreat', to a new just world in which exploitation of man by man does not exist.

"The enemies of our revolution are also well known. They try with all their means to destroy us. They paint the Indonesians black, saying things like 'Indonesians eat stones', 'Sukarno will topple', and 'Disaster in Indonesia'. But we face these accusations unflinchingly."

(*The Nation*, Rangoon)

[Prev. ref. 5719:MAL:A]

JAPAN

A. US Ambassador Stabbed —Mr. T. Hayakawa Resigns: The American Ambassador, Mr. Edwin O. Reischauer, was stabbed in the leg by a Japanese youth in Tokyo on March 24.

The alleged assailant—19-year-old Kazua Shiya—was arrested immediately.

The stabbing incident was not linked with any organization or group in the country.

On March 25, Mr. Takashi Hayakawa, Home Affairs Minister, tendered his resignation, assuming "political responsibility" for the stabbing.

The Prime Minister, Mr. Hayato Ikeda, accepted the resignation and appointed Mr. Mazamichi Akazawa, a member of the House of Representatives as the new Home Affairs Minister.

Mr. Ikeda called on Mrs. Reischauer at the US Embassy to apologize for the attempt on the life of Mr. Reischauer. Earlier he had sent a cable of apologies to President L. B. Johnson of USA.

President Johnson in reply to Mr. Ikeda's message assured the Japanese Premier that the incident would not affect the deep-rooted US-Japanese friendship.

The Tokyo Police announced that the alleged assailant was mentally deranged and no group, Right or Left, was involved in the incident.

The number of such mentally deranged people in Japan, according to the Health and Welfare Ministry, was 1,240,000 and two-thirds of them were at large.

(*The Japan Times*, Tokyo and *The New York Times*)

[Prev. ref. 5634:JAP:A]

B. Right To Renounce No-War Clause In Constitution—Study Council's Report: A Constitution Study Council, in its report made public in the first week of February, maintained that Japan as an independent country had a right to defend itself and that Article 9 of the Constitution should be revised.

The majority members of the Council, organized seven years ago by the Government, claimed that even under the existing war-renouncing Article, Japan could possess self-defence power and that the present self-defence forces were not unconstitutional.

[The post-War Constitution, which stripped the Emperor of political power, said in Article 9: "Aspiring sincerely to an international peace based on justice and order, the Japanese people forever renounce war as a sovereign right of the nation and the threat of force as means of settling international disputes. In order to accomplish the aim of the preceding paragraph, land, sea and air forces, as well as other war potential, will never be maintained. The right of belligerency of the State will not be recognized."]

The report held that Japan could cooperate with UN and participate in collective security alliances and that the existing US-Japan Security Treaty was not a violation of Japan's Constitution.

In one of its most controversial subjects, the majority opinion supported the present status of the Emperor as a symbol of the nation without political power.

The minority opinion, however, insisted that the Emperor should assume the authority of a ruler or a constitutional monarch.

Some members of the Prime Minister, Mr. Hayato Ikeda's ruling Liberal Democratic Party have urged revision of the Constitution to restore the Emperor as Head of the State with appropriate political prestige. But Mr. Ikeda has refused to support the movement. He has steadfastly declared that the Constitution will not be revised until there is such a demand from the nation at large.

The Opposition Socialists have campaigned to protect the Constitution in its present form.

(*The Japan Times*, Tokyo and *The Statesman*, Calcutta)

[Prev. ref. 4629:JAP:A]

KOREA (South)

A. Anti-Japanese Demonstrations: About 3,300 students clashed with riot police, using tear-gas bombs and clubs, in street demonstrations in Seoul on March 24 against Government attempts to resume normal relations with Japan.

Radio reports said the police used about 20 tear-gas bombs against the students. About 30 policemen were injured in the clashes. About 300 students were arrested.

The demonstrations were the biggest since the student uprising four years ago which led to the collapse of President Syngman Rhee's Government.

The main opposition Civil Rule Party decided that its members in the National Assembly should resign in protest if the Government continued negotiations with Japan.

The Prime Minister, Mr. Too Sun Choi, called an emergency Cabinet meeting to discuss the demonstration.

Talks On Normalization Of Relations:

Meanwhile, according to Tokyo sources, the 12-year-long talks on the normalization of relations between Japan and South Korea will conclude in May.

Despite the insistence of a section of the ruling Japanese Liberal Democratic Party and business and industrial circles, the Japanese Government was lukewarm because the normalization of relations would not benefit it as much as South Korea.

For Japan, the conclusion of the prolonged talks would mean the execution not only of heavy economic but also political commitments which are in essence no more than reparations for the damage inflicted during World War II and the occupation of South Korea years before that.

The two countries have agreed that Japan should make available to South Korea a grant of $300 million and a credit of $200 million.

Talks on fishing rights are in progress. They are expected to end in the virtual abolition of the restrictive Peace (Rhee) Line (the post-Korean War designation of the MacArthur Line) and the establishment of two fishing zones—one under exclusive Korean control and the other to be jointly controlled by the two countries.

So far as the Korean fishing industry is concerned, the elimination of the Peace Line would mean a loss of precious sanctuary to a fishing population of 800,000.

Many Koreans are not only opposed to the fishing concessions which their Government is understood to be willing to make but also to the whole concept of establishing relations between the two countries on the pattern which they say "helps restore Japanese rule" over South Korea through "economic exploitation."

South Korea as a whole is nervous over Japan's economic advance into the country whose economy has depended largely on the $55,200 million military and economic aid USA has made available in the past 18 years.

Japanese capital and consumer goods industries are busy preparing themselves to make a substantial advance into South Korea once normal relations between the two countries are formally established. Several Japanese firms are engaged in economic activities largely catering for State projects of heavy and medium industries.

Negotiations between Japan and South Korea had been characterized by two factors. One was that the talks were held between a vanquished colonial Power and its former territory in which an embittered people had sought freedom from half-a-century of "oppressive" rule. Indeed, this emotional factor complicated and prolonged an issue which was otherwise a straight one.

The other factor was that USA is known to be a positive supporter of normalised

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relations between the two North-East Asian countries for military and political reasons.

Though the allegation that USA wanted to form a North-East Asian Treaty Organization (N-EATO) when Japan and South Korea normalized relations has lost much of its initial force, opposition to such normalization carries considerable weight mainly because of the argument that the establishment of normal relations with one half of Korea would help perpetuate the division of the peninsula between the north and the south.

(*The New York Times* and *The Times of India*, Bombay)

[Prev. ref. 5043:JAP:A, 5104:KRS:A]

KUWAIT

A. Cabinet Re-shuffle: *Kuwait Radio* reported on March 14 that the Cabinet had been re-shuffled under a Decree issued by the Emir of Kuwait.

The Decree said that the resignations of the Posts and Telegraphs Minister, Mr. Khaled Abdullah Al-Salim Al-Sabah, and the Wakfs Minister, Mr. Mubarak Al-Hammd Al-Sabah, had been accepted.

Mr. Khaled Al-Massoud had taken over the Electricity and Water portfolio and Mr. Youssef Al-Sayed Hashem Al-Ramai that of Posts and Telegraphs.

The Electricity and Water Minister, Mr. Jair Al-Ali Al-Salem Sabah, had been appointed Guidance and Information Minister in place of Sheikh Sabbah Al-Ahmed Al-Sabbah, who had been acting in the post.

The Decree said that the Justice Minister, Mr. M. Himould Bin Khaled, would also become acting Wakfs Minister.

(*Dawn*, Karachi)

[Prev. ref. 5104:KWT:A]

MALAYSIA

A. Call-up Of Reservists: The Malaysian Government on March 21 issued a proclamation recalling to the colours Army and Air Force reservists.

Members of the Territorial Army, the Royal Malaysian Naval Volunteer Reserve and the Royal Malaysian Air Force Volunteer Reserve also become liable for full-time duty under the proclamation.

A Defence Ministry official, however, emphasized that the proclamation did not constitute general mobilization.

He said that reserve resources would be tapped as and when required. Notices recalling individuals would be sent within the next few days, and the first categories affected would be officers and technicians. Others would be called up later to relieve regular forces of duties of a static or administrative nature, but men recalled would be liable for service in Borneo if the need should arise.

The Government had earlier decided that all able-bodied male citizens aged from 21 to 28 should be called up for national service either in the armed forces or civil defence to bring the nation to a full state of preparedness to meet any situation that may arise from Indonesia's "confrontation" policy.

The call-up would apply to Singapore, Sabah, and Sarawak and it was expected that the measure would eventually affect about 500,000 men.

A Cabinet statement had described the present situation as serious and announced the appointment of a committee to implement the decision immediately.

(*The Malayan Times*, Kuala Lumpur and *The Times*, London)

[Prev. ref. 5719:MAL:A]

NEPAL

A. Restrictions On Circulation Of Indian Currency: On April 1 the circulation of Indian currency in Nepal was restricted further and Indian Government establishments in Nepal switched over to the use of Nepalese currency.

The treasury at the Indian Embassy in Khatmandu, which was handling a few crores of Indian rupees every month, started dealing only in Nepalese currency for departmental purposes from that date.

In mid-August, 1963, the Nepalese Government made its currency the only legal tender in the country. At that time, the Government of India asked for a grace period to enable its establishments to fall in line with this change. The treasury had long been maintaining sufficient stock of Indian currency to pay not only the Embassy staff but also Indian military liaison group and Indian aid mission personnel, contractors and pensioners, mainly Gorkha ex-Servicemen living in the country.

Since August, 1963 the circulation of Indian currency stopped in about 24 districts. In some other districts, particularly in the terai area and the northern region, Indian currency continues to be circulated. While pensioners and businessmen in these places receiving payment from Indian official sources may experience some initial difficulty after the changeover, it is likely to help in preventing the export of Indian currency to other countries.

(*The Statesman*, Calcutta)

[Prev. ref. 4086:NEP:A]

B. India To Build Five Airports: The Indian Minister of State for External Affairs, Mrs. Lakshmi Menon announced in the Lok Sabha on March 23 that India had agreed to build five airports in Nepal and also construct a hangar at the Gauchar airport in Nepal.

She said that the proposal to construct these airports had been finalised between India and Nepal. The terms of an agreement for the purpose were under negotiation.

The facilities which India would be given in regard to usage of the airports would be determined by the terms of the agreement.

She said that the construction of the hangar at Gauchar might cost about Rs. 4,64,000 while the cost of construction of other airports over Rs. 6,00,000. The offer made by India was a part of the aid to be given to Nepal.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5358:NEP:C]

C. Loan Talks With Japan Fail: It was officially announced in Khatmandu on March 19 that talks between Nepal and Japan on the latter's offer of a $1 million loan for Nepal's industrial development had broken down.

The negotiations came to a deadlock on the rate of interest and grace period offered by Japan.

(*The Times of India*, New Delhi)

PAKISTAN

A. President A. S. Arif's Visit: The President of Iraq, Field-Marshal Abdul Salam Arif, arrived in Karachi on March 20 on a State visit.

He was received at the airport by President Ayub Khan who referred to the "everlasting ties of Islam" between the peoples of Pakistan and Iraq.

The first round of formal talks between President Arif and President Ayub Khan were held in Karachi on March 21. They were understood to have covered a wide range of subjects, closely surveying the international situation.

Civic Reception:

Addressing a gathering at a civic reception in his honour in Karachi on March 21, President Arif said that Pakistan and Iraq were in agreement on the question of implementation of the Bandung Conference resolutions.

He said the people of Iraq and Pakistan, having "common faith and historical and cultural ties," would continue co-operating with each other like brothers for the protection of world peace "which is so vital to us."

The welcome address pointed out to President Arif that "tyrannic domination by the Indian Government of 40,00,000 unarmed Muslims of Jammu and Kashmir was a big challenge not only for Pakistan but also for United Nations and the entire civilized world."

It assured him that Pakistan considered all problems faced by the Arab world as her own, and stressed that their common ideals demanded that the entire Muslim "Millat" should also treat Pakistan's problems as its own.

Drawing his attention to "this important problem" of Kashmir, it expressed the hope that the love for Islam of Iraq and other Arab countries would help truth and justice emerge victorious.

State Banquet:

President Ayub Khan gave a State banquet in honour of President Arif in Karachi on March 21.

In his speech President Ayub Khan said: "We are honoured by your presence among us this evening, and let me say once again that it gives me great pleasure to welcome you and your distinguished companions to Pakistan.

"Your country, Mr. President, has been the cradle of ancient history, the home of many a venerable prophet and the scene of some of the biggest events of the Middle Ages. Your land lay in the way of travellers, conquerors, traders and scholars in search of knowledge and truth. It was the natural meeting place between East and West when the land route was the common link between the two.

"Mr. President, I am happy to note that our two peoples cherish the most friendly feelings towards each other, and that relations between Iraq and Pakistan have always been based on goodwill and understanding. I hope and pray that our relations grow friendlier as time passes. I can assure you Mr. President, and through you the people of Iraq, that we

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wish nothing but the best to you and your people."

President Arif said: "It is a pleasure to me to stand here thanking my brother Ayub Khan, the President of the Republic of Pakistan. I can truly say that this meeting is an expression of the meeting of the two brotherly peoples who have the strongest ties. These ties, which have never been ruptured and which grow every day, are based on culture, faith and history.

"We have a unity of purpose: both of us seek peace, both of us combat colonialism and both of us aim at international brotherhood.

"We regard Pakistan with deep affection and we try our best to strengthen our mutual political, cultural and commercial relations. The strong ties between us which go a long way back in history may be a help in this. If our faith has united our common endeavour and cemented our relations, it has helped us to understand each other; we are united, still more, in trying to act according to the principles of Islam and the UN Charter and in agreement as to the need to bring into force the resolution of the Bandung Conference.

"We are confident that we are brothers trying to co-operate in preserving world peace and in making a contribution to civilization."

In Dacca:

President Arif was honoured at a civic reception in Dacca on March 25.

He assured the people of Pakistan that Iraq would always stand by Pakistan in her trials and tribulations.

He extended an invitation to the East Pakistan Governor, Mr. Abdul Moneim Khan, to visit Iraq.

He left Dacca for New Delhi on March 26.

Joint Communique:

The following is the joint *communique* signed by President Arif and President Ayub Khan in Rawalpindi on March 23:

"The President of Iraq and the President of Pakistan held talks in Karachi and again at Rawalpindi, during which they exchanged views on a wide range of subjects affecting the interests of this region generally and their two countries in particular. These talks were held in an atmosphere of understanding and deep fraternal goodwill. The Presidents were gratified to note that relations between Iraq and Pakistan were moving ever closer and were based on complete mutual trust and understanding. They expressed their belief that the ties of faith, culture and history that bind their two peoples would become increasingly stronger. The visit of the President of Iraq to Pakistan had helped cement those ties.

"The two Presidents noted that both Iraq and Pakistan were engaged in a common struggle for the economic betterment of their respective peoples. They considered that the maintenance of international peace was a vital need for the survival and progress of mankind; it was a most important prerequisite for the success of their own endeavour in national reconstruction. In their view, international peace and progress could be maintained only if international disputes were not allowed to fester but were solved peacefully in accordance with the dictates of justice and equity with all possible speed.

"Both Presidents expressed their firm faith in the justice of the cause of the people of Palestine. They welcomed the resolutions adopted by the recent Arab Summit Conference to protect the rights of the Arab people to the waters of the Jordan River. The President of Pakistan expressed gratification at the spirit of unity shown by the Arab States at that Conference.

"The President of Pakistan explained the current situation in regard to Kashmir. The President of Iraq evinced a deep understanding and expressed the hope that the dispute will be resolved early in accordance with the spirit of Afro-Asian solidarity and in conformity with the principles of the United Nations resolutions.

"The two Presidents welcomed the proposals to hold a second Conference of Afro-Asian countries. They agreed that the Conference would serve to strengthen solidarity among the Governments and peoples of Asia and Africa and further the cause of international harmony and peace.

"Warmly welcoming the emergence of new independent States in Asia and Africa, the two Presidents agreed on the need to continue to oppose colonialism and racialism wherever and in whatever form it existed. They considered that there was a need also for continued vigilance on the part of the emergent nations against likely inroads by neo-colonialism in different guises.

"The two Presidents agreed that further consultations should be held between their Governments to devise measures that would promote trade and cultural relations between the two countries.

"The President of Iraq extended an invitation to the President of Pakistan to visit the Republic of Iraq at a time convenient to him. The President of Pakistan accepted the invitation with pleasure."

(*Dawn*, Karachi)

B. Pakistan Day Celebrations: Ceremonial parades by armed forces, prayers in mosques for the solidarity of Pakistan, scout rallies and illuminations formed the highlights of the Pakistan Day celebrations throughout the country on March 23.

In a message on the occasion, President Ayub Khan said: "We celebrate Pakistan Day once in 12 months. What we need is to make every day of our life, in thought and action, something of a day for Pakistan, so that each day that we live should become a proud heritage for the future generations.

"Our thinking can have meaning and our action can acquire purpose only if they contribute to the advancement of the nation as a whole.

"By the circumstances of our origin and because of the way we are placed today, we must adopt the task of developing a national outlook as a mission in life.

"Parochialism and patriotism are mutually exclusive and incompatible with one another. The evil consequences of parochialism ramify through every level of our society; they lie insidiously at the very root of all our troubles today, and if they are not attacked with vigour here and now will, slowly but surely, weaken our position as free people.

"No small, or even parallel loyalties should be tolerated, no matter what the gains to a group or a section thereby. The national perspective should be basic and all-pervading.

"Without national unity there can also be no socio-economic progress. We must ensure that Pakistan grows from strength to strength, and that the tempo of its advancement is quickened. We do not have time to lose.

"The maxim of historians and theoreticians, who think in terms of centuries and millenia, that a decade or two are nothing in the life of a nation, is not relevant to us. Every day of our life counts, and every week that passes must produce clear and perceptible signs of progress in national life.

"The nabu'at of our Prophet lasted only for 23 years; but within that short span of time, it brought about a momentous change in the minds and the life of his people. Those who were low and degenerate before his time were able, soon after him, to break out into the world, and to change the whole course of history. We have the Prophet's life and teachings before us to inspire us to greater effort.

"We are living in a time when no country lives in isolation. There are events that are none of our making, and yet they impinge upon us sufficiently to impel us to take cognizance of them.

"Also, not all our neighbours are our friends. One such neighbour has enormously aggravated our difficulties, especially recently. There may be more trying times ahead of us. This makes it all the more imperative that we develop our own resources as fast as possible.

"What use we make of our freedom will, in the end, be our choice. It will be easy to be carried away by catch-phrases, by slogans, and by emotional evocations of what has only a specious relevance to our conditions or our time. It is comparatively difficult to be realistic, to weigh things and reach conclusions on merit. I shall, however, commend the latter course.

"Whenever things seem unhappy as sometimes they well may, and you feel impatient, it will only be fair if you ask yourself whether you yourself are making an honest effort in your own field, whether you are doing your own bit for the good of the nation."

(*Dawn*, Karachi)

[Prev. ref. 5202:PAK:A]

C. Franchise Committee Report Presented To National Assembly: The report of the Franchise Committee, which was presented to the National Assembly in Rawalpindi on March 21, called for giving the provision of indirect election in the Constitution a fair trial.

Of the 17 members of the Committee, seven belonging to the Opposition submitted a note of dissent. The rest of the nine members, belonging to the ruling Party, signed the report. The Chairman of the Committee was Ch. Zahur Ilahi.

The report signed by the nine members said: "We, the undersigned members of the Special Committee to which the report of the Franchise Commission was referred to have given our very serious consideration to the various aspects of the recommendations made by the Franchise Commission and have the honour to submit this report.

"The provision in the Constitution with regard to the election of the President and the members of the National and Provincial Assemblies is contained in Chapter 2 of Part VII which prescribes the method of election in an indirect manner by dividing each Province into not less than 40,000 territorial units and for the creation of an electoral college consisting of persons elected by each of these units on the basis of adult franchise. This electoral college of Pakistan is to elect the President of Pakistan and the members of the National and the two Provincial Assemblies.

"The Constitution also provides that the members of the electoral college shall in addition to their functions under the Constitution have such other functions as may be conferred on them by law, in particular provision may be made by law for conferring on the members of the electoral college functions in relation to matters of local Government.

"The provision for indirect election provided for in the Constitution became the subject-matter of comment both in the Press and on the platform. Therefore, the Government appointed a Franchise Commission in August, 1962.

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"The Franchise Commission inter alia, was of the view:

"(a) That the electoral system prescribed by Chapter 2 of Part VII of the Constitution is not an efficacious and appropriate instrument for a realistic representation of the people.

"(b) That universal adult franchise, should be the basis of election of the President and members of the National and the Provincial Assemblies.

"(c) That the next presidential election alone may be held indirectly through an electoral college but all successive presidential elections thereafter should be held direct on the basis of universal adult franchise.

"The Government presented the report of the Commission to the National Assembly and on December 13, 1963 the report of the Franchise Commission was referred to this Special Committee, consisting of 17 members, for suggesting suitable legislation. The Special Committee held several meetings. Some of the members, at one stage, refused to participate in the proceedings of the Special Committee and abstained from the meetings.

"The Special Committee, however, after giving anxious consideration to the report of the Franchise Commission have come to the conclusion that the provision of indirect election made in the Constitution should be given a fair trial.

"In a direct election the electors choose their representatives by actually voting for them. Whereas in an indirect election the electors choose an intermediary body which chooses the representatives. This body is called the electoral college. Under the transitional and temporary provisions of the Constitution the electoral college for the first election of the members of the National and Provincial Assemblies was constituted by the members of the Union Councils. Union Committees and Town Committees elected under the Basic Democracies Order, 1959. The election of these members under the Basic Democracies order took place during the Martial Law regime when no political parties were functioning. Now the political parties are functioning and the persons who will be elected as members of the electoral college of Pakistan will come with clear mandate from the people for election of the President and the members of the National and Provincial Assemblies.

"The system of election of the President and the members of the Legislatures by electoral college is favoured in some modern democracies.

"The philosophy on which electoral college system provided in the Constitution is based is that it provides a simple and effecitve electoral machinery, best suited in the circumstances and conditions of our country to ascertain the will of the people.

"The indirect elections as provided in the Constitution are not only administratively better manageable and comparatively less expensive for the public exchequer but also less costly and troublesome for the candidates.

"The cost in the last General Elections of the members of the three Assemblies was only Rs. 12,00,000 compared with the estimated cost of Rs. 2 crores under the direct system.

"Apart from these, the cost of printing the voters list on adult franchise basis for direct election would require crores of rupees whereas under the present system each electoral unit will have a separate electoral roll which will not be of any interest or value to the neighbouring electoral units. Such electoral rolls, therefore, do not require printing in large number because under Article 158(I), the persons enrolled on the electoral roll for an electoral unit are required to elect from amongst themselves a person who shall be known as 'elector' of that unit.

"This Committee, after giving its anxious consideration to report of the Franchise Commission, has come to the conclusion that the system of electoral college as provided in the Constitution be given a fair trial and recommend that the Government should bring suitable legislation, which would, inter alia provide for:

"(a) Election of the members of the electoral college, election of the members of the National and Provincial Assemblies, election of the President and conduct of referendum. The life of the electoral college should be co-extensive with the tenure of the President and the National Assembly but it should come into existence six months earlier.

"(b) An electoral roll shall be maintained for each electoral unit in manuscript form. To safeguard against tampering, a copy may be kept in the office of the Union Council, Tehsil, Thana Council, District Council, Divisional Council, Collector and Commissioner. Such copies be made available for purchase for 25 paisa. Provision may be made for insertion of new names and for deletion of those who have become ineligible.

"(c) Maximum expenditure to be incurred at an election by a candidate should be fixed at Rs. 10,000 in the case of a Provincial Assembly and Rs. 15,000 in the case of National Assembly. The power to conduct elections should be delegated by the Central Government to the Provincial Governments.

"(d) Certain prescribed principles are to be observed for the delimitation of the electoral units.

"(e) Provision for ensuring secrecy of the ballot in election should be made.

"(f) In the case of a joint sitting of the three Assemblies under Article 167 for selecting three candidates for the Presidential election, each member of the Assembly attending the joint session shall have only one vote and the three candidates securing the highest number of votes shall be considered to have been selected.

"(g) Article 169 should be suitably amended to provide that the members of the National Assembly can elect three members from each Province to the seats in the National Assembly reserved exclusively for women."

Dissenting Note:

Six Opposition members in a Note of dissent supported the direct system of elections, but showed their readiness to accept the recommendations of the Franchise Commission as a compromise measure.

The dissenting members in a joint Note said that the direct system of franchise was the undisputed system prevalent in all those countries where representative democratic form of government was in existence.

Tracing the history of the franchise question in the Indo-Pakistan subcontinent, the Note said that Minto-Morley Reforms of 1909 inaugurated partially the system of direct elections in India, but after the Montague-Chelmsford Reforms in 1919 elections to all legislatures became direct and they were a great success.

The members, in their Note, said: "But we cannot help remarking that it is such a tragedy that the people of Pakistan should be deprived even of those rights which they had been enjoying under alien rule."

Of the present system the Note said that it had been given a trial in 1962 and in the numerous by-elections and it proved that the system had been found disastrous and wanting.

In the light of past experience it would be a fraud on the people of this country to persist in the present discredited system of indirect elections.

The report said that during the course of the Special Committee's meetings, the Opposition members were informed that the Government did not intend to bring about any change in the present system of indirect elections and that it could not accept the recommendations of the Franchise Commission and wanted to maintain status quo.

The announcement of the Government produced a complete deadlock but in order to resolve the constitutional impasse they showed their readiness to accept the recommendations of the Franchise Commission as a compromise measure, but the Government spurned their offer summarily. In view of the diametrically opposed and unbridged views, they decided to walk out of the meeting and boycott future meetings of the Committee.

The report said: "It appears to us totally superfluous to enumerate the advantages of direct system of election on the basis of universal adult suffrage, for this is the demand of the people. Moreover, this is the undisputed system prevalent in all those countries where representative democratic form of Government is in existence."

It added that in fact "we cannot do anything better than to refer any one who wants to convince himself of the excellence of that system of direct elections on the basis of universal adult suffrage to the report of the Franchise Commission where the whole issue is discussed exhaustively. But we cannot help remarking that it is such a tragedy that the people of Pakistan should be deprived even of those rights which had been enjoyed under alien rule.

"The majority report of the members of the Special Committee again and again pleads for a fair trial for the present system, forgetting that the system was given a trial in 1962 and in the numerous by-elections held during this period and that the system has been found disastrous and wanting.

"The widespread corruption prevalent in these elections have become a nightmare and what is more this system makes it an ideal one for an unscrupulous executive who can and wants to corrupt and intimidate the electoral college.

"The existing electoral college does not perform only the functions of an electoral college as they have been also entrusted with numerous other duties of local self-government. The members of electoral college have been clearly defined as public servants under Article 97 of the Basic Democracies Order. This makes any election by them a mockery of representative institutions. They are an appendage of the Government and it is almost impossible for them to say 'no' to the Government at the time of election.

"We are firmly of the opinion that the present system is a denial of the rights of the people and that it would only perpetuate a thinly veiled dictatorship in the country. For these reasons we cannot agree with the views expressed in the majority report."

Maulvi Farid Ahmad (Cox's Bazar Islamic Democratic Front) in a separate note of dissent supported the direct system of elections, but also entirely agreed with the unanimous recommendations of the Franchise Commission.

He said that universal adult franchise was the concept of free men all over the globe and had been adopted almost everywhere (excepting a couple of South American States) where the Government of the country was run by the elected representatives of the people.

(*Dawn*, Karachi)

[Prev. ref. 5731:PAK:H]

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ASIAN RECORDER

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BURMA

A. New Law On Museums And Libraries: A new law entitled the Libraries, Museums and Exhibitions Control Law was promulgated by the Revolutionary Council on February 5.

Under the new law, any one who wants to open or maintain a library or a museum is to apply to the registration officer concerned within the stipulated period and in the prescribed form.

No one is to open or maintain a library or a museum except in accordance with the conditions prescribed in the registration certificate.

No person is permitted to run an exhibition, either temporary or permanent, without the permission of the registration officer.

Registration offices and personnel for carrying out the provisions of the law are to be appointed by the Minister for Information.

The registration certificate issued by the registration officer for libraries or museums will be valid for the period stated in it. It may be renewed in the manner prescribed by the registration officer. The same also applies to permits issued for exhibitions.

A Police Officer, or any other person authorized by the Government in this behalf has power to close down any library, museum or exhibition opened in violation of the provisions of the law.

A District Magistrate or a Sub-divisional Magistrate, or a 1st Class Magistrate, has power under the law to direct any Police Officer not below the rank of a Sub-Inspector to inspect with a warrant any library, museum or exhibition. Such an officer may seize books or other materials in the library, museum or exhibition if he thinks necessary and produce them before the Magistrate as soon as possible. If the Magistrate finds that these books and materials have been kept at the library etc. in violation of the provisions of the law, he may order their confiscation or destruction.

Any one who contravenes the provisions of Section 4, 5 or 6 of the Law (those relating to registration of libraries, museums, exhibitions) will be liable to be punished with imprisonment not exceeding three years and/or with fine not exceeding K2,000.

(*The Nation*, Rangoon)

[Prev. ref. 4965:BUR:B]

B. Baluchaung Project: The stage is set for work to begin on the second stage of the Baluchaung project.

The first stage covers construction of:

(1) A hydro-electric power station at Lawpita Falls in Kayah State with a capacity of 84,000 kw (three generators each with a capacity of 28,000 kw).

(2) 250 miles of 230 kw transmission line from Lawpita to Rangoon, a primary sub-station near Hlawga Lake, and a sub-station at Toungoo;

(3) 223 miles of 132 kw transmission line to Mandalay, and sub-stations at Kalaw, Thazi, and Mandalay.

Work on the project began in 1953-54. The total cost is estimated at K25 million, including K137 million received in yen from Japanese reparations. On completion of the transmission line, the power station at Lawpita, and the primary sub-station at Hlawga Lake, hydro-electric power was brought to Rangoon and Pegu Division in April, 1960. Under consideration is the building of a transmission line to Kalaw and a sub-station there.

Increase in power supply will be of immense help in the Government's efforts to build industries for producing consumer goods and utilizing indigenous raw materials. The second stage of the project is designed to meet such a call for more power, as well as to provide for the annual increase of 10 per cent in power consumption.

The first part of the second stage is the building of a dam at Mobye, 19 miles upstream from Loikaw. The Mobye Dam will supply more water power as well as irrigating about 20,000 acres of agricultural land in the Kayah and Shan States. The second part will be the building of three more generators each with a capacity of 28,000 kw at the Lawpita power station.

The estimated cost stands at K28 million for the Mobye Dam and K17 million for the three generators. Work on the Dam begins this year and the second part will be implemented according to the demand for power.

From the Baluchaung project alone a production of 240,000 kw is possible. When the two stages of the project are completed, all towns and villages between Rangoon and Mandalay will have enough power at low cost. But those places beyond the hydro-electric power grid will still have to depend on diesel generation, which is more expensive. Preliminary investigations are being made to explore the possibility of establishing small hydro-electric power plants in these areas also.

Meanwhile, a diversionary weir, the first of its kind in Burma, is to be built across the southern part of the Man River in Minbu District, at a cost of K5 million.

Work is to be started by the Irrigation Department during the current financial year and the project is to be completed in three years.

When completed, the weir will help bring more than 20,000 acres of land in Sagu township under cultivation by means of irrigation.

Under the project, water from the left bank of the Man River will be diverted to the right bank by means of a flume to be constructed across the river.

(*Far East Trade*, London)

[Prev. ref. 3223:BUR:A]

BRUNEI

A. Legislation On Petroleum Leases: The Legislative Council has passed the Petroleum Mining Enactment and the Income-tax (Petroleum) Enactment, providing legislation to govern the terms of leases that may be granted to oil companies, and to bring into effect new arrangements that benefit the economy of the State.

An approved company, according to the new law, will be required to make fixed yearly payments calculated on the basis of the acreage held by the company from time to time.

The enactment also provides for the payment of royalties on crude oil won by the company, casing head petroleum, and all natural gas obtained from land leased by the company. In each case the amount of royalty has been fixed at 12½ per cent.

Provision is, however, made for the State to elect to take a proportion of each type of crude oil not exceeding 12½ per cent of the total volume in lieu of royalty.

The enactment provides for a variation in the rate of royalty on oil won from the State's territorial waters, to allow for the higher cost of drilling in deep water.

During the agreement period the company will be liable to pay to the Government a tax on income, and this is provided for in the Income-tax (Petroleum) Enactment. During the last few years there have been significant changes in the oil industry; several new arrangements have been concluded during the post-War period in various countries between oil companies and Governments. The Bill is designed to bring into effect new arrangements that will benefit the economy of the State.

The enactment provides for the payment by every company engaged in petroleum operations in the State of a tax on the chargeable profits. The tax on income has been fixed by the enactment at 50 per cent of the chargeable profits of the company.

Provision is made in the enactment that in ascertaining chargeable tax payable by the company, deductions be made from the assessable tax of royalties paid or payable by the company to the State, and of sums paid or payable by the company by way of taxes, rates, Customs dues, imposts, fees, and rents.

Provision is also made in the enactment for the company to employ and train suitable Bruneis in every phase of its operations and management.

(*Far East Trade*, London)

CEYLON

A. Prorogation Of Parliament: Parliament was prorogued at midnight on March 12 until July 10 under a proclamation issued by the Governor-General, Sir William Gopallawa.

This set off a wave of rumours about the instability of the Govern-

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ment and possibility of Cabinet reshuffles or a *coup d'etat*.

Commenting on these reports, the Prime Minister, Mrs. Sirimavo Bandaranaike, said on March 28: "I shall allow no one to overthrow the duly elected Government of the people. I shall allow no one to establish dictatorships, and, what is more, I shall allow no one to dictate to me."

She was speaking at a co-operative rally in the hill town of Nuwara Eliya.

She said: "I shall not run away from my obligations to the people whatever difficulties I am called upon to face, even though I am a woman." She added that rumours began after the prorogation of Parliament and remarked that it was both lawful and customary for Parliament to be prorogued. In 1963 she had prorogued Parliament for 2½ months, and this year she had prorogued it for four months.

She was aware that there was a great deal of parliamentary business that required attention, but she felt that even if Parliament were continuously in session during these four months there was little or no chance of the work being done, considering how little had been done in the last session. She mentioned a law for the control of prices which had been debated inconclusively for several days, even though most of the political parties favoured it, and said: "I am well aware of the limits of the law and the Constitution, and shall do nothing that is contrary to the law or the Constitution.

"In July, 1960, I was given a mandate by the free votes of the people to govern this country for a term of five years, and until the people are called upon once again to exercise their free choice I mean to exercise that trust."

She had assured Mr. Dudley Senanayake, the leader of the Opposition, immediately after prorogation that she had no intentions of doing anything unconstitutional, but Mr. Senanayake did not seem to have accepted that assurance, as he had appealed more than once to his party youth leagues, and even to the people generally, to get ready to fight a dictatorship. She asked people not to be stampeded by such false stories.

(*The Times of Ceylon*, Colombo and *The Hindu*, Madras)

[Prev. ref. 4741:CEY:A]

B. Monetary Board's Report: The monetary board of the Central Bank of Ceylon, in its annual report published on April 1, drew attention to a significant change in the relationship between the country's subsidies, Budget deficits and price levels.

"As long as external assets were plentiful and imports flowed in freely", it said, "expansionist financing of Government Budgets, whether for the maintenance of subsidies or otherwise, had no impact on consumer prices or living costs. The cost of subsidies, in other words, was not borne by consumers through increases in other prices but by the decline in external reserves.

"In the present situation, on the other hand, although the prices of subsidized items remain low, excessive expansionary financing results in a sustained increase in other consumer prices as well as in shortages of several categories of goods."

The report said that in the final analysis it was only an acceleration in the pace of economic growth that could provide a solution to Ceylon's basic problems. "It is because such an acceleration will prove difficult in a context where the monetary expansion is excessive and inflationary pressures too severe that there is need for a reduction in the fiscal and monetary imbalance in the economy."

In 1963, the report said, Ceylon's gross national product increased at current prices, according to provisional estimates, by 4.8 per cent. In real terms, however—namely, at constant prices—the increase was only 1.8 per cent. When allowance was made for the increase in population, real product for each person declined by .8 per cent and the rate of increase in the total gross national product in real terms was smaller last year than in the previous year.

"This was the result of a decline in production in the export sector and a smaller rate of increase in production in the domestic sector. Industrial production, however, continued to expand significantly last year. Domestic rice production also increased during the year, but the rate of increase in production was 2.3 per cent as against 11.3 in 1962.

The monetary board observed that the monetary expansion of the earlier years and the consequent decline in external assets resulted in the need to maintain extensive restrictions on imports so as to ease the pressure on Ceylon's balance of payments. These developments were accentuated by a deterioration in the terms of trade during the year on account of a rise in import prices. Since increases in food prices were not passed on to the consumer, there were further pressures on Ceylon's balance of payments and on the Government's budgetary calculations.

At the end of 1963, Ceylon's external assets, exclusive of those set apart in sinking funds for the redemption of sterling loans, were Rs. 358 million. The decline in the international reserves was particularly steep towards the end of 1963 and was largely associated with high payments for food and the drop in exports accounted for partly by the port strike.

The report added: "Ceylon's problems are, however, by no means intractable. Despite the adverse developments in the monetary sphere, the relatively slow rate of economic growth, and the weakened position in respect of the external assets, in Ceylon economy has a substantial potential for future progress.

"Standards of living or income a head of population are higher in Ceylon than in many other developing countries. Ceylon receives substantial earnings of foreign exchange through an export sector which is large in relation to national income, and which has shown a capacity (especially in the case of tea) for sustained expansion in recent years. There have also been welcome signs of a growth in the productive capacity of her domestic agriculture where the potential for further development remains great.

"Most evident of all, a significant beginning has been made in the process of industrial development which, if effectively carried forward, could signify a transformation in the basic structure of the Ceylon economy. All these and other advantages provide an opportunity for rapid progress. But its full utilization could be jeopardized by an excessive imbalance in the monetary field, which, if allowed to persist too long, could gain in momentum and give rise to tendencies which could hamper the productive process itself."

(*The Times*, London)

[Prev. ref. 5652:CEY:A]

CHINA

A. Attack On Soviet Party Leadership Resumed: The Chinese Communist Party on March 29 called upon the international communist movement to repudiate the leadership of the Soviet Premier, Mr. N. Khruschev.

It asserted that the Soviet leader had assumed "the mantle of Trotsky." Peking urged all communist parties to abandon the Soviet "revisionist quagmire" and adhere to a line of the Chinese Communist Party, which was described as Marxist-Leninist.

The declaration, according to Western Press reports, was an obvious summons to communist parties throughout the world to follow the lead given the previous week by a pro-Peking faction of the Australian Communist Party. The faction there split away and announced the establishment of a separate organization to be known as the "Communist Party of Australia (Marxist-Leninist").

The resumed attacks on Soviet leadership came on the eve of the arrival of Mr. Khruschev in Budapest for celebrations of the 19th anniversary of the liberation of Hungary from Nazi occupation.

The Peking statement was issued in the form of the eighth comment on an open letter of July 14, 1963 from the Soviet Communist Party, (see page 5376) which accused the Chinese communists of shattering communist unity and risking world nuclear war.

It was published in **Red Flag**, theoretical organ of the Chinese Communist Party and **People's Daily**, the party newspaper. The text was transmitted abroad by the **New China** news agency.

It described Mr. Khruschev as the most pernicious of revisionists and the "greatest capitulationist in history" in the face of capitalism. "Now is the time—now it is high time—to repudiate and liquidate Khruschev's revisionism".

The article declared: "Here we would give leading comrades of the Soviet Communist Party a piece of advice; since so many opportunists and revisionists have been thrown on the rubbish heap of history, why must you obdurately follow in their wake?"

The article declared that "Khruschev's revisionism is leading the Soviet Union along the road" back to capitalism.

It discussed in detail what it described as a "gross error" of Mr. Khruschev in expounding at the 20th Party Congress of the Soviet Union the theory that in certain conditions there could be a peaceful transition from capitalism to communism.

Peking insisted that the platform of a Parliament could be used only for tactical purposes and that violent revolution was the universal law of revolution.

"To realize the transition to socialism the proletariat must wage armed struggle, smash the old state machine, and establish a dictatorship of the proletariat."

The Chinese Communist Party said it was willing to accept criticism for compromising with the Soviet party on this question in the formulation of statements at the Moscow Conferences of 1957 and 1960.

It said that its delegation had met the wish of the Soviet party, "for the sake of the common struggle against the enemy", but now the parties must rule out acceptance of the "parliamentary road to socialism".

Soviet Indictment Of Chinese Leadership: Relations between the Soviet and Chinese parties came nearer to breaking point on April 3 as a result of the publication of the sharpest and most comprehensive Soviet indictment of China's leadership so far.

Pravda published for the first time a speech made on February 14 by Mr. Mikhail Suslov, one of the secretaries of the Central Committee of the Soviet Communist Party, in which he called for a new meeting of world communist parties.

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He said that such a meeting would "hold the broadest possible exchange of opinions in the interest of surmounting the difficulties which have arisen in the communist movement". Observers in Moscow pointed out that the meeting would not necessarily bring about a complete breach between the Soviet and Chinese parties.

Pravda also printed an editorial article saying that the latest intensification of Chinese propaganda attacks against Russia was a "terrible insult to our party, and the entire Soviet people". It indicted the Chinese leadership for "passing all limits in their political struggle against the world communist movement".

He said matters had now reached a stage where the Chinese Press and radio were calling upon the Soviet people to oppose the Communist Party of the Soviet Union and the Soviet Government.

The editorial article said that the Soviet Central Committee had decided to publish Mr. Suslov's speech because of Chinese attempts to "blackmail" Marxist-Leninist parties with the threat of a split.

Mr. Suslov said Peking was openly combating the agreed line of the socialist countries in the world arena and was bent on discrediting economic relations between members of the Council for Mutual Economic Aid (COMECON).

All the indications were that China's leaders "would like to be able to give orders in the socialist commonwealth as in their own estate, to impose their will on other countries, and to dictate the terms on which they would either admit parties and peoples into the socialist system or 'excommunicate' them at will".

While criticizing Russian trade moves with the West, Peking was making feverish efforts to establish relations with Britain, France, Japan, West Germany and Italy. From the 1960 Moscow meeting the Chinese leaders had been trying to make the differences of opinion more acute, instead of trying to eliminate them. The "love of peace" now emanating from Peking was nothing but an ostentatious screen masking their real intentions which had received a rebuff and had been censured by world public opinion.

The Chinese had concentrated their fire on Mr. Khruschev, trying to isolate him from the rest of the Soviet party leadership and from the Soviet people. "This dirty attempt is adventurist and hopeless, and doomed to complete and shameful failure."

The Chinese leaders had suggested to the peoples of Asia, Africa, and Latin America that a policy of peaceful economic competition was against their interests. In fact, the growing economic potential of the socialist countries was in their best interest, since it enabled socialist countries to help the developing nations.

"The peoples of the newly free countries... are in a position to see for themselves what the Chinese leaders are really driving at and what they really want, and will reject a policy aimed at subordinating them to the selfish plans of the Chinese leaders."

Mr. Suslov's report also gave figures showing the "tremendous" economic aid that Russia had given to China, and said that in giving it Russia had "never sought any advantage or profit". Such co-operation had reached its peak after 1953, "when elements of inequality in the relations between our countries, imposed during the Stalin personality cult, were removed on the initiative of the CPSU and Comrade Khruschev".

He quoted Mr. Mao Tse-tung as saying in 1957 that "the credit for removing the disagreeable and the extraneous belongs to N. S. Khruschev".

Mr. Suslov said that ever since 1958 the Chinese Government had taken various measures undermining Soviet-Chinese friendship. Chinese propagandists had tried to blame Russia for reducing its aid and creating serious difficulties for the Chinese economy, and at the same time had spread rumours that Soviet aid was insignificant. "Yet if it were granted that our assistance was 'ineffective and insignificant', then how could its cessation hurt China's economy?"

The curtailment of economic and cultural exchanges with Russia had only one explanation. "The Chinese leaders want to fence their people off from the Soviet Union. They are afraid their people will learn the truth about the selfless fraternal Soviet proposals for the development of relations... and that then their vicious slander... will explode in their faces."

Russia had suggested consultations to establish the borders between the two countries at certain points. "We do so in the belief that no territorial issues exist between the Soviet Union and the Chinese People's Republic".

The Chinese leaders were attacking the Soviet party because it wanted to improve peoples' standard of living. "They say that the improvement of the standard of living is making the Soviet people 'go bourgeois'. Behind these cowardly words is a deep-seated contempt for the vital requirements of men, for the principles and ideals of the Socialist society."

In their attacks on Soviet communist theory "the Chinese theorists ignore the new phenomena of social life and refuse stubbornly to see that the new conclusions and propositions of the Soviet Communist Party programme were not framed arbitrarily and that they express what has become part of life. As they attack the course charted by the 20th and 22nd (Soviet Party) Congresses, they go to the length of questioning the very right of our party and people to build communism".

He said the Chinese conception of socialism was far removed from Marxist-Leninist theory. Neither Marx nor Lenin had anywhere even remotely hinted that the rock-bottom tasks of socialist construction might be realized by the method of "leaps" and "cavalry charges".

"If the Chinese leaders want to impose their practice on us as a 'universal truth', if they want us to accept for a 'model' a society in which violence is idealized and democracy restricted, in which the personality cult thrives and care for the working people is neglected, we shall say bluntly: Such a 'universal truth' and such a 'model' do not suit the Soviet people and, we are sure, will not suit other peoples either."

The Chinese leaders had apparently decided to carry through to the end their subversive activity against the Leninist unity of the world communist movement. They had spoken of a split as inevitable, but only those who were breaking with the principles of proletarian internationalism could say this, because a split would inevitably undermine the world socialist system.

The policy and activity of the Chinese leaders were at present the main danger to the unity of the world communist movement. The Chinese leaders had been the first among the "opportunists and splitters" in world communism to put forward the thesis that the existence of several communist parties in the same country was normal. "From what they say, these parties should fight not so much against the enemies of the working class as among themselves."

The Chinese position on the communist parties in the capitalist countries was particularly outrageous. "To date, anti-party groups of renegades and splitters have been set up, with help and support from Peking, in Belgium, Brazil, Australia, Ceylon, Britain, and some other countries."

The Chinese leaders had "abolished" the central committees of the Belgian and certain other parties. "We must say plainly that there has never been anything like this in the history of the communist movement."

Such splitters' groups were outside the world communist movement, and he noted that their rise had been "very well received by the ruling circles of the capitalist countries, which see them as a gratuitous 'fifth column' in the working class movement."

At present the Chinese leaders plainly intended to form a "block of their fellow-thinkers which will have its own platform and group discipline and will centre on Peking". This block was being set up to fight against the world communist movement for the benefit of the Chinese leadership.

The entire range of the Chinese party leadership's theoretical and political views was in many ways a re-hash of Trotskyism.... "Small wonder that the Trotskyites openly link up their hopes for a revival of their long-withered movement with the present political line of the Chinese leadership".

Nationalism was inexorably gaining the upper hand in the entire policy of the Chinese leaders and it was becoming the mainspring of their actions. The "Great Leap Forward" had obviously been planned as an attempt to overtake all the socialist countries in one bound and to occupy a dominating position in the world system.

These nationalistic tendencies had later begun to gain even greater momentum, showing in such actions as the artificial fanning of nationalistic passions around frontier issues, the behaviour of the Chinese party leaders during the Caribbean crisis, and the stand of the Chinese Government in the nuclear problem.

Chinese propaganda reduced the entire struggle against imperialism solely to a struggle with the United States, by-passing its allies, the Japanese, West German, and French imperialists. The nationalist policies of the Chinese leaders had nothing in common with the actual national interests of the Chinese people.

The Mao Tse-tung personality cult was having an increasingly negative effect on the activities of the Chinese Communist Party. It was obviously the Chinese idea to spread this cult to the whole world communist movement, so that Mao, "like Stalin in his day, should sit aloft like God above all the Marxist-Leninist parties."

Stalin had turned the sword of the dictatorship of the proletariat against officials of the communist party and the socialist State. It was evidently this aspect of Stalin's activities that the Chinese leaders liked most. "That is why they identify this incorrect method of leadership with the dictatorship of the proletariat."

The policy augured no good to the Chinese people. The Soviet anti-party group banished from power after Stalin's death had been responsible for the whole-sale persecution of guiltless people during the Stalin era. "Is it to restore such inhuman practices that the Chinese leaders are so concerned?"

Mr. Suslov added: "The world communist movement faces a tangible danger of petty-bourgeois nationalist deviation that disguises itself with 'left' phrase-mongering. The danger of this deviation is all the greater because we are dealing with leaders of a party in power which disposes of a large machinery of state and of means of mass ideological indoctrination.

"It is clear that the Soviet Communist Party, like all the other Marxist-Leninist parties, cannot but take measures in order to accentuate as much as possible the harm that this petty-bourgeois deviation may inflict on the world communist movement."

Russia had done everything in its power to overcome the differences, but each time the Chinese leaders had mounted fresh attacks. "They are concentrating their assault most of all on Nikita Ser-

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geyevitch Khruschev. To be sure, they cannot fail to see that it is Nikita Sergeyevitch Khruschev who stands in the van of the wonderful processes that have sprung up in our party and country....

"That is why they would like to isolate Comrade Khruschev from the central committee for their subversive ends and to oppose our central committee to the party and the Soviet people.... The Chinese leaders, and not they alone, should put it in their pipes and smoke it that our central committee, headed by Nikita Sergeyevitch Khruschev, that loyal Leninist, has never been so united and monolithic as now."

Nearly 24 hours after Moscow had published the long indictment, Mr. Khruschev spoke in Budapest of the reasons for the Russian decision.

He said that in view of China's persistent "disruptive policy" the Soviet leaders had no choice but to make their views public. He called upon the communist parties to strengthen their unity and find new organizational forms to correlate their policies.

He said that the Soviet Communist Party was constantly striving for unity, especially now that the Chinese were openly trying to revise the policy documents which the communist parties had jointly signed in Moscow in 1957 and in 1960.

Peking's "disruptive activity" was a serious danger to socialism and it was necessary for the communist parties to strengthen their unity in this struggle against Chinese distortion. He was sure that the struggle would lead to new historic victories and that the ranks of the communist movement would emerge even stronger.

He did not indicate what he had in mind when he spoke of new effective forms whereby unity would be strengthened.

Hungary came to the support of Russia earlier in the day (March 30) with a document accusing China of organizing factions within communist parties, of political adventurism and of wanting to impose its policy upon others.

The Hungarian resolution, which was approved by the central committee two months earlier, was the first of its kind to come from a Soviet bloc country. It was a strong defence of the Soviet party and of Mr. Khruschev personally.

Cultural Agreement With USSR:

It was announced in Moscow on March 24 that Soviet and Chinese Army song and dance groups were to make exchange visits to Peking and Moscow under a Cultural Agreement recently reached between the two countries (see page 5748).

Mr. Sergei Romanovsky, chairman of the Soviet State Committee on cultural contacts with foreign countries, said the Agreement covered a wide field of cultural links, including the exchange of 100 Russian and Chinese choreographers. The new Agreement was considerably bigger in scope than last year's programme.

Mr. Romanovsky told a news conference that Russia had Cultural Agreements with 43 countries and cultural contacts with more than 100.

(*The Times*, London, *The Statesman*, Calcutta and *The Hindu*, Madras)

[Prev. ref. 5748:CHI:A]

B. Cultural Exchanges With Britain: The British Foreign Secretary, Mr. R. A. Butler, told Parliament on March 23 that the Chinese Academy had agreed to a programme of exchanges with Britain's Royal Society.

He gave no details, but an authoritative source said that under this programme a number of Chinese professors and scientific research workers had come to Britain.

The source said that the fields from which the Chinese were being drawn included organic chemistry, quantum electronics, optics, physical chemistry, physiology, mechanics and communications.

The number of Chinese coming and the timing of their visits was not known.

The source said that reciprocal arrangements for British scientists to go to China had not yet been finalised. Five senior Chinese scientists had come to Britain on short visits during the past year. Five junior research workers were studying at British universities as part of the programme.

(*The Times of India*, Bombay)

[Prev. ref. 4587:CHI:E]

INDIA

SUMMARY: UN Security Council Meeting On Kashmir Issue; President Arif's Visit; Steps To Prevent Corruption; Import Policy; Steel Targets For Fourth Plan.

A. UN Security Council Meeting On Kashmir Issue: The UN Security Council met in New York on March 17 at Pakistan's request to resume the discussion on Kashmir.

After a two-hour session, the Council suspended further debate for 48 hours to decide whether to go on with the debate or meet India's request for six weeks' adjournment.

India's Permanent Representative, Mr. B. N. Chakravarty, had sought the adjournment on the ground that only after the Budget session of Parliament could Mr. M. C. Chagla, the Education Minister (who had been representing India in the debates) go to New York to participate in the debate.

He said that Pakistan could not ask the Council to take up, then adjourn, and again resume the debate just to suit her convenience, and in complete disregard of India's own convenience. Scant heed had been paid to the fact that the last adjournment was opposed by India and that it had been a sine die adjournment.

The Czechoslovak proposal backing India's request for a long adjournment was supported by the Soviet Union.

It was at the suggestion of Brazil that the Council took 48 hours off to decide on the proposal. The Czech delegate readily agreed to the Brazilian suggestion and did not insist that his proposal be put to vote itself as he had a right to under the Security Council rules.

At the outset the Council President, Mr. Liu Chieh of Kuomintang China noted that Pakistan had made the request for a resumption on March 8 and that India had expressed objections on the same day to the holding of an early meeting.

He added: "Faced with these conflicting views of the interested parties, I felt obliged to consult the members of the Council on the matter and, as a result, the meeting is convened this afternoon".

The Pakistan Foreign Minister, Mr. Z. A. Bhutto and Mr. B. N. Chakravarty were at the Council table for the debate in which Mr. Bhutto was the first speaker on the substance of the matter.

He said that during the interval since the Council's last meeting on the question, there had been "no mitigation of the gravity of the situation between India and Pakistan."

He said there had been important developments since the last Council session. Among these was that on February 2, the Indian Home Minister, Mr. G. L. Nanda had told Parliament that the provisions that differentiated Kashmir from other States of the Indian Union "would soon disappear". A "new puppet Premier" was installed despite warnings from "some elements" in India. He had been nominated because he had been demanding complete integration of Jammu and Kashmir with the rest of India. The "Indian-sponsored regime" had proposed such moves as replacing the flag of Kashmir by the Indian flag.

"India's new agent" had called for the appointment of the Governor of the State by the Indian Government instead of being elected. Key police and other posts had been turned over to non-Kashmiris. These measures were designed to carry out the annexation of Kashmir into India "designed to destroy the identity of the people of Jammu and Kashmir."

The question now was whether India intended to help the people express their will or was working to prevent it. India was attempting to present UN with a fait accompli. Protests had been made about the imprisonment of the "accredited leaders" of Kashmir.

He added: "Now we are witnessing the wholesale imprisonment of a whole people." Nothing could be more provocative to Pakistan and more defiant of UN than India's recent actions.

He asked how else could these steps be understood than that India intended "to bring matters to a head and stage a showdown?"

India was proceeding with "greater speed" to integrate Kashmir into the Indian Union. She was also threatening stern measures against any one in Kashmir who stood in the way. When the Government of India threatened dire consequences for the people of Jammu and Kashmir taking a stand that they were entitled to, to decide their own destiny, it brought out the explosive nature of the situation more clearly than it could be described.

But there were other disquieting factors. "The situation on the cease-fire line always uneasy, is to-day more troubled than ever before. Serious incidents have taken place in recent weeks leading to heavy exchange of fire, resulting in several deaths."

"No international agency but the Security Council could meet the situation and avert the danger which was being augmented daily.

"The danger to peace was indicated in the statements of responsible Indian statesmen". On March 15, the Indian Minister of Works and Rehabilitation had said that "Pakistan was India's enemy No. 1" and had urged students to follow the path of Shivaji and Guru Gobind Singh, the "warlords of Indian history who fought Muslims and were defeated by Muslims". The Defence Minister of India had stated that India would be Pakistan's "graveyard".

Pakistan remained unafraid of these threats, Mr. Bhutto said, but it was obvious that they could not be disregarded in an appraisal of the present situation. The Council's consideration of the question in February helped to bring out again those aspects of it which must not be obscured if a just and peaceful settlement were to be achieved.

The pronouncements of the members showed that UN was not insensitive to those principles on which alone the structure of peace could be enduring built. Those pronouncements had to be

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"brought concretely on the situation that confronts us."

After Mr. Bhutto's speech the Indian delegate, Mr. B. N. Chakravarty replied to the Pakistani charges. Then he made a request that the Council meeting be adjourned until May 5.

Professor Jiri Hajek of Czechoslovakia supported Mr. Chakravarty's request for the adjournment of the Council for six weeks.

He said he regretted that no progress had been made to bring India and Pakistan together since the last meeting. In February it was Pakistan which had asked for an adjournment. Now it was the Indian delegate who said that his delegation was not at present in a position to continue the discussion but was ready to do so at some forthcoming date.

In a desire to contribute to the utmost to creating an atmosphere for better understanding, Czechoslovakia saw only one way out. He, therefore, proposed that the Council adjourn until May 5.

Mr. Carlos A. Bernardes of Brazil suggested that the Council might adjourn until March 20 so that members might consider the proposal for a longer adjournment.

He appealed to India and Czechoslovakia to consider this suggestion. Any decision should be made "after sober discussion." An adjournment for six weeks might have a bearing on the situation in Kashmir and he was sure all members of the Council would do everything they could to "alleviate" the situation.

Dr. Nikolai Fedorenko of the Soviet Union urged the Council to accede to the Indian request for a postponement. This would be only "logical and just".

He hoped the Council would show the necessary "appropriate objectivity" by adopting an equally equitable attitude towards both India and Pakistan. The Council could not fail to take into account the Indian request, just as it had agreed to the Pakistani request for a postponement the previous month.

Professor Hajek said that taking into account the "good intentions" of Brazil, to facilitate the consideration of the item, he would accede to the request for an adjournment until March 20 on the understanding that his own proposal be put to the vote immediately upon resumption.

Mr. Chakravarty said the Brazilian request did not meet India's requirements.

Mr. Bhutto said he understood the proposal as meaning that a short period was required for the Council to consider whether "in view of the fast deteriorating situation in the sub-continent and the uneasy cease-fire line," it would be appropriate for the Council to have a long adjournment or a short one.

Mr. Bernardes said he thought his suggestion was "quite clear."

The President adjourned the meeting until March 20.

Debate Adjourned:

On March 20, the Security Council adjourned further debate on the Kashmir issue until May 5 as desired by India.

The Council as a whole agreed to a Czechoslovak motion to this effect, but the nine non-communist members joined together in an appeal to both parties "to refrain from any action, or threat of action, capable of endangering peace and security or likely to make this already complex and delicate problem still more intractable".

Brazil which coined this appeal on behalf of her eight colleagues, left no room for doubt that the appeal was mainly directed against India. She said she considered May 5 only as a target date and that should "new developments of a political or military nature alter or worsen the situation in Kashmir", that would be ample justification for an earlier meeting of the Council.

The Soviet Union and Czechoslovakia dissociated themselves from this attempt by the nine members to make the adjournment conditional.

Mr. B. N. Chakravarty, Permanent Representative of India, declared that Kashmir was an integral part of India and that therefore India was not prepared to recognize any right on the part of Pakistan or the Security Council to put an injunction on her sovereign rights to make whatever constitutional changes she considered necessary in a part of her territory.

The Pakistan Foreign Minister, Mr. Z. A. Bhutto, on the other hand, tried to rub in the point contained in the nine-member appeal by saying that he had "carefully noted the conditions under which the nine members were agreeable to an adjournment." He said that he would be forced to ask for a meeting earlier than May 5, if India "increased tensions in Kashmir." He challenged India to give an assurance that she would not make any judicial, administrative or constitutional changes in Kashmir between now and May 5.

Mr. Chakravarty replied that India refused to do any such thing. India had not started any military incidents and never would. It had always been Pakistan which had engineered incidents in order to justify her requests for periodic Council meetings. He told the nine members that by attaching conditions to their order of adjournment they were only giving a handle to Pakistan to precipitate new incidents. Their appeal in this context was superfluous.

The Soviet Union drove home this last point by telling the Council that it was hardly fair to try and attach a condition to an adjournment when India sought it and not doing so when Pakistan asked for one as she did in February.

Both the Soviet Union and Czechoslovakia also pointed out that the debate was to have been confined to a procedural issue, namely, the Czech motion to adjourn. But several members had imported substantial questions into the debate.

A despatch from UN Headquarters said the appeal itself was only an expression of a common sentiment held by nine of the eleven members. It did not have the validity of a unanimous appeal from the Council as a whole. Nevertheless it amounted to a majority of the Council members setting a price for granting India's request for adjournment to a date convenient to her. Also, it was once again made apparent that but for the Soviet Union's unqualified support, India might have faced the prospect of a unanimous directive issuing from the Council telling her what to do and what not to do in Kashmir.

The despatch added that Pakistan, meanwhile, was going away with the satisfaction that even though she could not prevent an adjournment she could bank on the support of nine members for an earlier meeting should she want to get one convened.

The Indian delegate's forthright statement as also the statements earlier by Soviet and Czechoslovak delegates that the motion for adjournment was a purely procedural one and could not attempt to force any conditions for it on India, frustrated a Western move on behalf of Pakistan to give the six-week adjournment India had asked for at the price of tying Indian hands, in going ahead with the constitutional changes in Kashmir.

Cease-fire Line Might Be Crossed—Mr. J. Nehru's Warning:

The Indian Prime Minister, Mr. J. Nehru told the Lok Sabha on March 18 that Indian troops would cross the cease-fire line in Kashmir if it became necessary in the defence of Indian territory.

He added, however, that this was not a policy.

He was answering a question from Mr. Hem Barua (P-SP) after the Defence Minister, Mr. Y. B. Chavan had made a statement on Pakistani raids on March 15 and 16 in the border village of Bhulwal Mulo in Jammu, killing four persons including a boy of 11 and seriously wounding three.

Mr. Barua asked if the Government was prepared to tell the United Nations observers that if they could not defend the cease-fire line, it would be India's painful duty to cross the cease-fire line and occupy the "so-called" Azad Kashmir.

Mr. Nehru replied: "No, sir. We are not prepared to do all that."

He added that obviously it was the duty of the people to defend Indian territory. That was being done. But Pakistanis did occasionally come over and create mischief.

Mr. Z. A. Bhutto's Letter To Security Council:

The Pakistan Foreign Minister, Mr. Z. A. Bhutto, in a letter to the President of the Security Council on March 19 said that Pakistan considered the statement by Mr. Nehru that Indian troops would cross the Kashmir cease-fire line if necessary for the defence of Indian territory "as an unmistakable threat of the renewal of India's aggression on Kashmir."

The letter said: "I have the honour to draw the attention of the Security Council to the statement made by the Prime Minister of India yesterday in the Indian Parliament. Mr. Nehru is reported to have said: 'While we are not prepared to go across the cease-fire line and attack the territory occupied by Pakistan, obviously, if it becomes necessary for the defence of our territory to cross the line, we will cross it'.

"It needs to be pointed out here that the qualifying clause in Mr. Nehru's statement (about India not being prepared to go across the cease-fire line) is of no significance because it does not detract from the categorical assertion that India (A) regards Kashmir as its territory, and (B) considers it within its right to cross the cease-fire line under the pretext of 'defence' whenever, according to India's own judgment, it becomes necessary to do so.

"Since the cease-fire arrangement in Kashmir stems from, and is based upon, the resolutions of the UNCIP of August 13, 1948, and January 5, 1949, the statement of the Prime Minister of India is the most forcible indication yet given of India's determination to violate these resolutions.

"The Government of Pakistan considers the statement as an unmistakable threat of the renewal of India's aggression on Kashmir.

"My Government desires to inform the Security Council that we consider it our urgent duty to take whatever measures may become necessary to counter this threat promptly and effectively. It is our obligation to protect Azad Kashmir from the danger of armed attack to which it has now clearly become exposed."

Indian Reply:

In a letter to the President of the Security Council, India refuted the Pakistani distortion of Mr. Nehru's remarks in Parliament on crossing the cease-fire line in self-defence.

The letter said: "In Parliament the Pri-

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me Minister made it clear that it was not India's policy to cross the cease-fire line into Pakistan-occupied Kashmir. The obvious meaning of the Prime Minister's answer to interpellations in Parliament is that India will observe scrupulously the cease-fire line contrary to what Pakistan has been doing. But if India is attacked by Pakistan from across the cease-fire line, then in exercise of her right of self-defence, it may become necessary to cross the cease-fire line.

"What the Prime Minister said was nothing new. It had been said many times in Parliament in the past and is a wholly defensible proposition in international law. On the other hand, Mr. Bhutto's assertion in his letter to the President of the Security Council that 'we consider it our urgent duty to take whatever measures that may become necessary to counter this threat promptly and effectively' shows clearly Pakistan's aggressive intentions."

Pakistan To Accept Chinese Help:

At a luncheon meeting of the UN Correspondents' Association in New York on March 20, Mr. Bhutto said that his Government would accept the help of China if it thought such assistance would be necessary to repel Indian aggression across the Kashmir cease-fire line.

Quoting remarks made in Parliament by Mr. Nehru, that Indian troops would cross the cease-fire line if it was necessary to defend Indian territory, Mr. Bhutto emphasized that "if India embarks on such an adventure, we will vigorously counter the aggression and crush it." He thought that Pakistan would be able to resist such an aggression alone, and expressed confidence that the world conscience would come to Pakistan's help in the form of UN support.

However, when asked directly about assistance from China, he answered that Pakistan "would take all measures it would deem necessary to repel Indian aggression."

In answer to another question he said he did not exclude the possibility of granting independence to "Azad" Kashmir, adding that one had to wait for events and that all avenues for a solution had not been explored.

He said Pakistan would attend a new Bandung Conference if one was called, but not a conference of non-aligned nations of the Belgrade type "since Pakistan had not yet mastered the art of being at the same time aligned and non-aligned."

Moroccan Stand:

On March 20, Morocco assured India that she would not take any initiative on Kashmir which might be prejudicial to her interests.

The Moroccan Ambassador in New Delhi, Mr. Alarabi Bennani, met the Commonwealth Secretary, Mr. C. S. Jha, to present a statement clarifying his country's position in the Security Council debate on Kashmir.

He requested Mr. Jha to release the statement to the Press to remove the misunderstanding, if any, in the minds of the Indian people that Morocco was siding with Pakistan.

The following is the text of the Moroccan statement:

"In the Indo-Pakistan conflict, Morocco does not intend to part with its impartiality and has no wish to support one party against the other. India and Pakistan are equally our friends. We only wish to help them in finding the best solution of their conflict.

"In United Nations, Morocco would not take any initiative prejudicial to one or the other.

"His Majesty the King while receiving, a few days ago, the Pakistani delegation now touring Africa did not omit to mention to them that India is also a friendly country and that the course of justice and peace alone will inspire our action. His Majesty's instructions to our delegate to the UN have always been to this effect."

(*The Hindu*, Madras, *The New York Times* and *The Times of India*, Bombay)

[Prev. ref. 5724:PAK:A]

B. India To Recover Territory From China—Mr. J. Nehru's Assurance: The Prime Minister, Mr. J. Nehru told the Lok Sabha on April 6 that India intended to recover from China "all the territory that is supposed to be ours."

He said there was no change in India's policy of engaging in negotiations with China only on the basis of China's total acceptance of the Colombo proposals.

He was replying to supplementaries on a question addressed to the Defence Minister, Mr. Y. B. Chavan about China's increased defence build-up on the frontier and India's preparations to face it.

Mr. Nehru assured the House that India's defence potential was growing. The purpose of this was "to face Chinese aggression and the Chinese menace", he said.

Earlier, Mr. Chavan said, in answer to the main question, that the Chinese defence build-up on the border was now bigger than that during 1962, and posed a threat to the country's security.

He said he had seen the threatening statement of China's Defence Minister that while earlier the Chinese soldiers had outnumbered Indian troops by three-to-one, now they were five-to-one.

India had taken note of all this. The main thing was to give logistical support to troops and the Defence Ministry was paying attention to it and the proper training of the Army.

Mr. Kapur Singh asked whether "for all practical purposes" Aksaichin and other occupied areas had become an integral part of the Chinese empire and whether they could not be reclaimed without an all-out war with China. "Does Government propose to go to the country with this state of affairs?" he asked.

Mr. Nehru replied: "It is rather difficult for me to answer this question, that Aksaichin is part of the Chinese empire. Certainly it is occupied by China at present and how and what will be its fate in the future, I cannot say. I cannot say what the future would bring, but we intend to try our best to get back all the territory that is supposed to be ours."

A few members took exception to Mr. Nehru using the expression "supposed to be ours."

One member said: "It is ours."

Mr. Nehru replied to Mr. Barua: "So far as Aksaichin is concerned, we consider it as our territory and so we claim it."

Mrs. S. Bandaranaike's Letter To Mr. J. Nehru:

The Ceylon Prime Minister, Mrs. Sirimavo Bandaranaike has written to Mr. Nehru to ascertain whether India would be willing to start border talks with the Chinese if the latter were to vacate the seven posts in Ladakh. The seven posts are: Shensenwian, Tienwentian, Hot Springs, Kongka Pass, Nyagzu Pass, Khurnak Fort and Spanggur.

In her letter, Mrs. Bandaranaike was believed to have said that the offer to vacate the seven posts was not that of the Chinese Government, but of certain quarters close to it. She said Peking's condition for vacating the posts was that India should thereafter sit with China at the conference table and hold talks until such time as a settlement was reached.

This was regarded as quite a departure from the stand of China which had so far insisted on occupying the posts exclusively and not letting India set up similar posts in the area as the Colombo proposals had suggested.

On this point, the Colombo proposals say: "Pending a final settlement of the border dispute, the area vacated by the Chinese military withdrawals will be a demilitarized zone to be administered by civilian posts of both sides to be agreed upon...."

The possibility of China's vacating the seven posts in the hope of India's agreeing to begin talks was a major topic of speculation at the time of the Chinese Prime Minister, Mr. Chou En-lai's visit to Ceylon in February (page 5747).

At that time, Mr. Chou was reported to have told Mrs. Bandaranaike that he could not commit himself to the proposal of vacating the seven posts till he had discussions with his colleagues in Peking.

Since then, he had presumably intimated to Mrs. Bandaranaike, at least indirectly, his Government's readiness to vacate the seven posts if India were to start talks on the over-all issue of the Sino-Indian border.

(*The Times of India* and *The Hindustan Times*, New Delhi)

[Prev. ref. 5747:CEY:A]

C. Peking-Rawalpindi Highway—Indian Objections: The Prime Minister, Mr. J. Nehru, told the Lok Sabha on March 23 that India's objections to the reported move by China and Pakistan to construct a highway between Rawalpindi and Peking had been repeatedly stated and every foreign country was aware of these objections.

He was replying to Dr. L. M. Singhvi and several others who had asked about the "dangerous implications" of the proposed move to the security of India.

Dr. Singhvi inquired whether India had communicated its objections to friendly Powers.

To further questions, Mr. Nehru replied that work on the road had not yet started. The proposed road would have to pass through Indian territory at present in the illegal occupation of Pakistan. But the concept of a road project between Rawalpindi and Peking was beset with practical difficulties and it would not be easy for Pakistan or China to build the road, but nevertheless they might try to build it.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5183:CHI:A]

D. President A. S. Mohammed Arif's Visit: President A. S. Mohammed Arif of Iraq was given a warm welcome on his arrival in New Delhi on March 26 on a week's visit.

The President, Dr. S. Radhakrishnan, the Central Ministers, Mr. Lal Bahadur Shastri, Sardar Swaran Singh and Mr. H. C. Dasappa, the Mayor of Delhi, Mr. Nuruddin, diplomats and others received the Iraqi President at the airport.

President Arif came at the conclusion of a visit to Pakistan. The 22-member presidential party, including the Iraqi

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Foreign Minister, Mr. S. A. Hamid, and two other Ministers, flew from Dacca in a Pakistan Air Force plane. As President Arif stepped down from the aircraft bedecked with the Indian tricolour and the Iraqi national flag, he was greeted with a 21-gun salute.

In his welcome speech, Dr. Radhakrishnan said: "In Iraq you have introduced stability and consolidation. It is our earnest hope that under your administration things will settle down and people will prosper. We welcome your speech as President of the Arab summit conference in January. Your declaration that you will not resort to military force while dealing with the problems that confront you is something that gratifies us also."

In his reply President Arif said he was happy to be in India, "a friendly land which has contributed so much to culture." He recalled the ties between India and Iraq in olden times when, he said, Indian scientists used to visit Baghdad, the haven of learning. He hoped that his visit would strengthen ties between the two countries.

State Banquet:

At a State banquet in his honour on March 26, President Arif said that there was need for peoples and countries to come closer to one another.

Relations between peoples did not depend on proximity or good communications. "If we come closer to each other now, we are building on surer foundations, for our objects are cultural and commercial. We desire to promote peace and serve humanity."

Dr. Radhakrishnan said that the world was "still in its infancy. We should try to see to it that when we become adults we behave well towards other human beings."

Great civilizations in this world had come to trouble because of lack of probity in the administration. "Many civilizations in this world have crashed because they did not attend to conditions which make for peace.

"It is our duty, therefore, to see that essential conditions are preserved by us and that the people who are entrusted to our care get real conditions for peaceful living."

He stated that President Arif had been doing his very best to develop industrial progress, educational reform and social advancement in his country. "Your one idea seems to be that the people must become happy. Democracy is a commitment to hope, to the advancement of the human race and to the future development of human beings."

Civic Reception:

At a civic reception at Red Fort on March 27, President Arif expressed the hope that his visit would promote mutual understanding between Iraq and India.

He said that India and Iraq had a common policy based on peaceful co-existence and active contribution towards non-alignment, universal prosperity and world peace.

He said that the objectives of both Indian and Iraqi Governments were to establish economic and social justice. No effort should be spared to establish a social structure which would fulfil the hopes and aspirations of the people of the two countries.

He said that his visit had brought back to his mind a long and eventful historic period in which cultural co-operation and contacts between scholars of the two countries had developed.

The Mayor, Mr. Nuruddin Ahmed, urged President Arif to persuade Pakistan not to squeeze out the minorities from the country. He hoped that President Arif would ask other Arab nations to use their good offices to dissuade Pakistan from committing atrocities on the minorities.

Departing from his printed welcome address, the Mayor said that 50 million Muslims in India were enjoying "full citizenship rights in their own beloved country." They did not want any interference in their affairs by Pakistan.

Mr. Lal Bahadur Shastri, Minister without Portfolio, diplomats, members of Parliament and Delhi Corporation and a large number of distinguished citizens were present on the occasion.

President Arif earlier visited the National Physical Laboratory and the Indian Agricultural Research Institute.

He attended prayer at Jama Masjid. Over 5,000 Muslims participated. He attended a reception given by Khwaja Pir Zamin Nizami, Head Priest of Dargah Hazrat Khwaja Nizamuddin Aulia. Addressing the gathering, President Arif said that the influence of Khwaja Nizamuddin Aulia had spread far and wide in Arab countries. The people in Iraq held the Aulia in great esteem.

Joint Communique:

In a joint *communique* issued on April 1 at the end of his visit, President Arif supported India's view that "differences" between India and Pakistan should be resolved by reducing current tensions and creating the necessary atmosphere for "direct negotiations" between them.

The **communique** showed a wide area of agreement between India and Iraq on various subjects of mutual interest. These included the India-China border dispute, the treatment of 50 million Muslims in India, the Jordan waters dispute between the Arab nations and Israel, and the rights of the Palestinian refugees wishing to return to their homes.

The **communique** was interpreted in New Delhi as the best denial of the Pakistani claim that during his recent visit to that country President Arif had supported Pakistan's stand on Kashmir.

It was pointed out that all that he had said in Pakistan was that he had fully understood the Kashmir problem and that it should be resolved in the context of Afro-Asian solidarity and the UN resolutions.

President Arif's stand is a departure from the policies of his predecessor, President A. K. Kassem, who had supported a plebiscite in Kashmir. President Arif did not formulate his view during his brief stay in Delhi but had given a clear indication of it in a message he sent to Mr. Nehru through Mr. Hasheed, Governor of the Reserve Bank of Iraq, in February when the Security Council was meeting to discuss the issue. The message, which was delivered to Dr. Zakir Hussain, the Vice-President, as Mr. Nehru was ill, had said that the Kashmir dispute should be tackled in a brotherly manner by India and Pakistan and without international intervention.

In the **communique** issued on April 1, President Arif expressed "gratification" at the fact that India was the homeland of 50 million Muslims and millions of people belonging to other faiths who "enjoyed the fullest freedom of religious faith and worship on a basis of complete equality under law".

During his week-long stay in India, he said he had opportunity to meet Muslim leaders in the country and attend prayers at Muslim shrines.

On the India-China dispute, he expressed appreciation of the Colombo proposals and expressed the hope that China would do "everything necessary" to facilitate direct negotiations.

The **communique** also said, without naming any dispute, that "all disputes between States, including boundary disputes", should be settled by peaceful means and not by resort to force. If aggression was committed in pursuit of territorial aims, "its fruits must be denied to the aggressor".

In keeping with India's "traditional friendly relations" with Arab countries, Mr. Nehru expressed his support for the "just claims" of the Arab countries to the waters of the Jordan river and for the rights of the Palestinian refugees wishing to return to their homes.

The **communique** envisaged greater trade and technical co-operation between India and Iraq.

Farewell Messages:

In a farewell message to Mr. Nehru from aboard his aircraft as he left for Baghdad, President Arif said:

"While leaving your great country I thank you on behalf of myself and party for giving the opportunity to meet you and acquaint ourselves with the progress achieved by your country under your wise leadership. I wish you good health and wish the people of India progress and wealth for more fruitful co-operation between our two countries, for the happiness of humanity and peace of the world."

He also sent the following message to the President, Dr. S. Radhakrishnan, at the conclusion of his visit to India:

"I have the honour to convey to Your Excellency on behalf of myself and party our thanks for inviting us to visit your beautiful country and for the opportunity to meet Your Excellency and the esteemed members of your Government. We feel our visit has achieved benefits for mutual interest between our countries, the result of which, may I proudly say, shall be for the betterment of our people and all the people of the world, whom we wish all progress and prosperity."

(*The Times of India, The Statesman* and *The Hindustan Times*, New Delhi)

[Prev. ref. 3168:IRQ:B]

E. Soviet Help For Projects—Protocol Signed: A Protocol for two new projects to be set up in India with Soviet assistance was signed in Moscow on March 28.

One project envisages production of 10,000 tons of steel castings annually while the other is for the manufacture of pumps, and compressors having an annual capacity of 16,000 tons. These projects will cover entirely new fields of collaboration between India and the Soviet Union.

The Protocol was signed by Mr. R. Jaipal, Counsellor of the Indian Embassy in Moscow and Mr. V. A. Sergeev, Deputy Chairman of the Soviet Committee for Economic Relations with foreign countries.

(*Tass*)

[Prev. ref. 5714:INI:E]

F. Parliament Committee Recommendations On 17th Amendment Move: The Joint Committee of Parliament on the 17th Constitution (Amendment) Bill has recommended that personally cultivated lands within land ceiling limits should be compensated if they are to be acquired under any land reform legislation.

The Committee has recommended that compensation should be fixed at not less than the market value and be paid not only for the land to be acquired but for buildings and other structures standing on it.

The proposed amendment seeks consti-

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tutional protection to land reform laws affecting ryotwari settlements and others lands in respect of which provisions are normally made in land reform enactments.

The Committee in its report, presented to the Lok Sabha on March 25 made the following observation about the major change it has proposed in the amending Bill:

"The Committee feels that where any law makes a provision for the acquisition by the State of any estate and where any land comprised therein is held by a person under his personal cultivation, it should not be lawful for the State to acquire any land as is within the ceiling limit applicable to him under any law for the time being in force or any building or structure standing thereon and appurtenant thereto, unless the law relating to the acquisition of such land, building or structure provides for payment of compensation at a rate not less than the market value thereof."

The Committee, to which the Constitution Amendment Bill was referred in September, 1963 proposed that only 44 land reform enactments be added to the Ninth Schedule of the Constitution which puts those legislative measures above litigation.

The Bill originally sought incorporation of 124 legislative Acts in the Ninth Schedule.

The report of the Committee, headed by Mr. S. V. Krishnamoorthy Rao, Deputy Speaker of the Lok Sabha, said 83 Acts had been struck off the original list because the Government had informed that a number of them had been fully implemented without being challenged in courts of law, and that several others had stood the test in courts, while others did not raise any major controversial issue.

The Committee added to the Ninth Schedule eight enactments not in the original list of the Bill.

The Committee proposed that the Bihar Land Reforms (Fixation of Ceiling Area and Acquisition of Surplus Land) Act be included in the Ninth Schedule with the exception of its Section 28.

It expressed the view that this Section of the Bihar Act was not in accordance with its recommendation governing compensation.

It recommended constitutional protection to the Rajasthan Tenancy Act of 1955 on condition that no acquisition was made under it without payment of compensation as fixed by the 17th Amendment to the Constitution.

Of the eight new enactments included by the Committee in the Ninth Schedule, three were meant to validate with retrospective effect the Hyderabad Tenancy and Agricultural Lands Act of 1950 which was struck down by the Andhra High Court on the ground that it had not received the assent of the President.

These three enactments are the Andhra Pradesh (Telengana Area) Tenancy and Agricultural Lands (Validation) Act of 1961 which validates the Hyderabad Act in respect of the Telengana area of Andhra Pradesh, and the corresponding Maharashtra and Mysore Acts for the Marathwada area of Maharashtra and "Karnatak area" of Mysore.

Three others—Gujerat Surviving Alienations Abolition Act, Kerala Land Reforms Act and Orissa Merged Territories (Village Officers Abolition) Act—were enacted after the Constitution Amendment Bill was introduced in May, 1963 in Parliament.

The remaining two—Jemmikaram Payment (Abolition) Act and Kerala Land Tax Act of Kerala—were struck down by courts but considered by the Committee as requiring constitutional validation.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5247:INI:D]

G. Steps To Prevent Corruption —Santhanam Committee's Recommendations: The constitution of a national panel by the President, on the advice of the Prime Minister, to deal with corruption charges involving Central or State Ministers has been recommended by the Santhanam Committee on Prevention of Corruption.

The Committee's report, running into 302 pages, which was presented to the Lok Sabha on April 2 by the Home Minister, Mr. G. L. Nanda, said that there was no need for a permanent tribunal for this purpose.

It said that public belief in the prevalence of corruption at high political levels had been strengthened by the manner in which funds were collected by political parties, especially at the time of elections. "Such suspicions attach not only to the ruling party but to all parties, as often the Opposition can also support private vested interests as well as members of the Government party."

If even one family in three paid a rupee a year to a political party, the total annual contribution would be more than what was needed for all legitimate purposes of all political parties in India. It was the reluctance and inability of political parties to make small collections on a wide basis nd the desire to resort to short-cuts through large donations that constituted the major source of corruption and even more of suspicion of corruption.

In conditions prevailing in India, companies should not be allowed to participate in politics through donations. Nothing but a total ban on all donations by incorporated bodies to political parties and purposes would clear the atmosphere.

Another essential step was for all political parties to keep a proper account of their receipts and expenditure and to publish annually an audited statement of such accounts, giving details of all individual receipts. Failure to do so should debar a political party from recognition by the Election Commission, the postal authorities and banks.

The Press could do a great deal in creating a proper social climate for the public services. It was certainly the privilege of every free newspaper to expose or condemn corruption on the part of public servants or their failure to perform their duties properly.

While responsible newspapers should be encouraged to assist the public against corrupt officials, drastic action should be taken against irresponsible newspapers which made reckless allegations. It should become an invariable practice to prosecute such newspapers unless they could establish the truth of their allegations. It should not be left to individual officers or Ministers to take such action. The existing law and procedure would have to be reviewed from that point of view.

The Committee suggested that the Chief Justice of India, in consultation with the Chief Justice of the High Courts should arrange for a thorough inquiry into the incidence of corruption in the judiciary, and evolve in consultation with the Central and State Governments, proper measures to eliminate it.

The report contained exhaustive recommendations in regard to methods of combating corruption among officials.

It said that the existence of large amounts of unaccounted black money was a major source of corruption in the country.

There was no justification to treat income-tax returns and assessments secret. It recommended the lifting of the security provisions of the income-tax law—a proposal that has already been anticipated in the Finance Bill passed by Parliament.

It recommended that in order to strike a blow against black money, a corporation be set up to acquire at stated value properties deliberately undervalued in conveyance deeds—a common method of "cheating the Central Government of income-tax and other taxes and the State Government of stamp duty, and a convenient method for transferring black money."

It recommended a system of accreditation business house representatives to keep a check on persons who seek interviews with business matters. It said that officers authorised to deal with business representatives should be required to maintain a diary of all interviews, and companies and businessmen be obliged to keep detailed accounts of their expenses money.

It said that the Indian Penal Code did not deal in any satisfactory way with "social offences", and suggested that special enactments against such offences as tax evasion, profiteering, adulteration, trafficking in licences, and misappropriation of public funds be brought together under a new chapter of the IPC. This would put all social offences in a prominent place in the general criminal law of the country.

Bribing and attempts at bribing should be made "a substantive offence" and not regarded as just abetment of corruption.

The Committee suggested a number of amendments to the Prevention of Corruption Act, the Criminal Procedure Code and related laws to make action against corrupt officials effective.

It suggested a number of measures designed to prevent corruption; some of the general suggestions were:

(1) Only members of recognized trade organizations should be eligible for licences and permits. The trade organizations should screen their members and also help authorities in investigating misuse of licences.

(2) Administrative delays should be reduced since these delays were often deliberately contrived to seek illicit gratification.

(3) To eliminate touts and intermediaries, a serious attempt should be made to educate the citizens about honest ways of securing help of the administration.

(4) Low-paid Government servants should be provided housing and medical facilities and assistance for education of their children.

The Committee said it was difficult to make a precise estimate of the extent of corruption among Government servants in India.

It, however, gave a number of statistical tables about complaints received by the Government between 1956 and 1962, the vigilance cases disposed of, and the complaints received and investigated by the Delhi Special Police Establishment. It also classified according to rank the gazetted officers whose conduct was investigated between 1947 and 1962.

The Committee's conclusion was: "It is clear that corruption is not confined to lower ranks of public servants and that the number of gazetted officers whose cases had to be investigated is disturbingly large."

(*The Times of India*, New Delhi)

[Prev. ref. 5099:INI:E]

H. Import Policy For 1964-65: Imports for defence and small industries will be substantially liberalized during 1964-65 under the import policy announced in New Delhi on March 31.

Explaining the policy, a spokesman of the Ministry of International Trade said that maintenance imports for industry may also be larger. But this would be entirely dependent on the availability of

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additional non-project assistance from foreign countries and was not part of the import policy.

Apart from these increases, he explained, the overall import picture remained the same as in the previous year. Slight increases had been allowed in the interests of export promotion and development. But they had been offset by equivalent decreases in some non-essential imports or in spheres where the imported items could be substituted by indigenous materials.

Except for the additional needs of defence and small industries and the possible increases in non-project assistance, the foreign exchange outlay on imports during the year would remain the same as in the previous year.

Established importers would "broadly speaking" get the same amount of exchange as the previous year, that is, around Rs. 8 crores for six months.

Though the import policy announcement covered the whole year, licences would be issued for the year with the condition that only goods worth 50 per cent of the licence value would be imported during the first six months. The remaining half would be imported after October 1.

Small importers with annual licences up to Rs. 5,000 could, however, import their quota any time they like.

Under the new policy, cuts have been imposed on items like highly polished zinc sheets, component parts of knitting, hosiery and embroidery machines, dental instruments, filter paper, silk or artificial silk goods needed for medical use and rubber chemicals.

The import of a number of motor vehicle parts will also be further restricted.

Quotas have, however, been increased for items like steel belt lacing, drugs and medicines, machine cloth, grinding rollers, surgical instruments, arms and ammunition and certain motor vehicle parts.

(*The Statesman*, New Delhi)

[Prev. ref. 5689:INI:D]

I. Progress Of Joint Enterprises —Indo-Kuwait Commission To Be Set Up: India and Kuwait have proposed to set up a joint commission which will review the progress of proposals for joint enterprises and diversification of trade between the two countries.

The commission will meet every six months alternatively in Bahrain and New Delhi.

This was disclosed in a joint communique signed in the last week of March by Mr. Manubhai Shah, India's Minister for International Trade, and Mr. Jabir Ahmed Al Jabir, Kuwait's Minister for Finance and Industry.

Now, following the understanding reached between the two countries, investment institutions and businessmen of Kuwait are likely to invest Rs. 50 crores for developing a wide range of industries in India.

The investment, which may be in share capital and credits, is likely to cover 30 industries. Among these are food products, the hotel industry, steel tubes and pipes, fertilizers, ready-made garments and sugar and cement machinery.

Kuwait, which is now nearing the final planning stage of its vast petro-chemical industries, can look forward to India as a natural market to absorb the by-products of its oil refining industry.

Mr. Shah said that India could become a regular buyer of sulphur, expected to be produced in the proposed refinery in Kuwait.

(*The Financial Express*, Bombay)

[Prev. ref. 5235:INI:O]

J. Steel Targets For Fourth Plan—Steering Group's Recommendations: The steering group on steel has recommended the production targets of 17 million tonnes of steel ingots, four million tonnes of pig-iron and one million tonnes of alloy and special steels for the Fourth Five-Year Plan.

This was stated in the annual report of the Department of Iron and Steel released on April 5.

The steering group has stated that the Fourth Plan targets should be achieved by expanding the existing mills in the public and private sectors and establishing four new mills in the public sector in addition to Bokaro. One of the four mills would be the proposed plant in South India based on Neyveli lignite.

Two of the four mills would produce ordinary steel, the third to produce tool and alloy steel, and the fourth ferro alloys.

The steering group has also recommended the setting up in the public sector of five or six blast furnaces to produce pig-iron for sale.

It said that action was being taken to manufacture steel-making equipment by expanding machine-building capacity.

Steel production during 1963-64 was estimated at 4.4 million tonnes which, despite the import of 1 million tonnes, is short of the total demand by 0.2 million tonnes. Pig-iron production was estimated at 1.2 million tonnes, 0.8 million tonnes short of the internal demand.

The report said that the expansion programme of the public sector steel mills was gaining momentum. Considerable progress had been made to increase the capacity of the Bhilai steel plant from 1 million tonnes to 2.5 million tonnes.

The expansion of the Durgapur plant, from a million tonnes to 1.6 million tonnes capacity, and of the Rourkela plant, from 1 million tonnes to 1.8 million tonnes capacity was under way and likely to be completed by 1966.

The report said that trial production in the 60,000-tonne capacity alloy steel plant at Durgapur would commence by the end of this year.

The capacity of the Mysore Iron and Steel Works at Bhadravati was being raised from 35,000 tonnes to 85,000 tonnes of finished steel. The expansion scheme was being converted into an alloy steel plant of a capacity of 77,000 tonnes in collaboration with an Austrian firm at an estimated cost of Rs. 10.7 crores.

About Bokaro, the report said that the technical report prepared by Messrs Dastur and Co. was being considered by the board of directors of the newly constituted company, Messrs Bokaro Steel Limited. Equipment for the plant would be purchased from the world market on the basis of "competitive prices and available credits" after making a careful assessment of the equipment which can be fabricated in the country.

The Government had approved in principle the expansion of the Tata Iron and Steel Works from 2 million tonnes to 3 million tonnes capacity and of the Indian Iron and Steel Company from 1 million tonnes to 2 million tonnes.

Steps were also being taken to train more steel technicians. The training institutes at Bhilai and Rourkela had been expanded and the expansion of the institute at Durgapur was being considered. The number of trainees at the three institutes at the end of 1963 was about 30,000.

A total of 529 foreign technicians were working in the three public sector steel mills at the end of 1963.

The Rourkela plant had 253 technicians, the Bhilai plant 216 and the Durgapur plant 57. These foreign technicians were working both on the operational side and the expansion programme, and were also training Indian engineers.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5715:INI:H]

K. Two Central Loans: The Central Government announced on March 30 the first phase of its market borrowings programme for 1964-65 with two new conversion loans—(i) four per cent loan, 1970 to be issued at Rs. 99 per cent and (ii) 4¾ per cent loan, 1989 to be issued at Rs. 100 per cent. Subscription was received from April 15 to 22.

Conversion facilities have been offered for holders of 3½ per cent National Plan loan, 1964 (amount outstanding Rs. 158.17 crores) and three per cent loan, 1964 (amount outstanding Rs. 30.33 crores).

The yield on the six-year loan works out at 4.16 per cent and for the 25-year loan at 4.75 per cent which is much higher than the rates of securities of similar periods.

The interest rate at 4¾ per cent offered on the 25-year loan is the highest ever offered by the Government in its market borrowings. For gold bonds, 1977 the interest offered was 6½ per cent but the valuation of gold offered was done at international price which was nearly half of the ruling market price.

The 25-year maturity period of the 4¾ per cent loan is the longest for any loan floated in the current Plan period.

Among the current loans, the longest is the three per cent 1986 floated as a conversion loan of 1964.

It is expected that in time with the current policy the interest rates on State loans may also go up.

The Government's borrowing programme for 1964-65 is Rs. 295 crores. The 3½ per cent National Plan loan matured on April 18 and the three per cent loan matured on April 14.

(*The Financial Express*, Bombay)

[Prev. ref. 5438:INI:J]

L. Oil Output At Ankleshwar: The Ankleshwar oilfield in Gujerat has rigged out for itself the pride of place in the oil map of the country.

Of the 115 wells dug in the 12-square-mile area, 107 produced high quality oil which, according to Mr. R. L. Sarna, director of the oil field, is a world record. Normally only 10 to 15 per cent of the wells dug produce oil.

Drilling in the Ankleshwar oil-field is expected to be completed by this year-end when about 125 oil wells are expected to produce 2.4 million tons of crude annually. At present Ankleshwar is supplying 2,250 tons of crude a day to the Burmah-Shell and ESSO refineries at Bombay. The gross value of the crude sent to refineries so far amounts to Rs. 8.50 crores.

The estimated oil deposits in the Ankleshwar field is 80 million tons, of which only 60 per cent—50 million tons—can be recovered. This field is expected to supply oil to the Gujerat refineries for 20 years.

The Cambay structure, which has proved to be a gas field, would shortly start supplying gas to the Dhuvaran thermal power station. Gas from the 41 wells drilled in this region so far would be carried through a 26-kilometre-long pipeline which is now nearing completion. Crude oil from the Ankleshwar field will be transported to the Gujerat refinery at Koyali by a 98-kilometre-long pipeline.

Till the Koyali refinery is commissioned, Ankleshwar crude is being carried by

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two special trains daily to the private refineries at Bombay.

The Oil and Natural Gas Commission is employing about 9,000 persons in Gujerat State alone and the experience of several thousand young Indian technicians will be useful for drilling oil in other parts of the country. Mr. Sarna said that from the experience gained in Ankleshwar, he was hopeful of oil finds in Jwalamukhi in Punjab and the Cauvery basin in Madras.

He said that the real impact of the achievements of the Commission and the discoveries made by it would be felt in the next few years, when major industries and a petro-chemical complex based on refined by-products of the crude oil come up in Gujerat.

(*The Times of India*, Bombay)

[Prev. ref. 5354:INI:H]

M. LIC Enters General Insurance Business: The Life Insurance Corporation (LIC) entered the general insurance business in April as a non-tariff insurer in the eighth year of its being set up as a public sector organization.

The public sector in general insurance covers at present about 12 per cent of the business. The entry of the Corporation with a field personnel of 1,75,000 and assets worth Rs. 800 crores may, therefore, mark the beginning of a significant expansion of the public sector in the next few years.

The Corporation has evoked about two dozen risk covers under fire, marine and miscellaneous sections. It would consider proposals for other types of covers if approached by concerned interests.

In the first year of its working as a general insurer, the Corporation is expected to write business with a premium income of over Rs. 1 crore. Among nearly 156 general insurers, including about 70 non-Indian insurers, there are hardly half-a-dozen companies writing business with a premium income of over Rs. 1 crore per year.

Initially, the Corporation proposes to follow tariff rates in respect of business like fire and motor insurance, workmen compensation and certain types of marine business for which tariff rates have been laid down.

In respect of business for which no tariff rates have been laid down, the Corporation is adopting rates more or less at par with those followed by Oriental Fire and General Insurance Company.

The Corporation will evolve in due course its own rating structure based on statistical data.

(*The Financial Express*, Bombay)

[Prev. ref. 5583:INI:M]

N. Progress Of Panchayati Raj —Ministry Of Community Development's Annual Report: Panchayati raj has now been fully established in 10 States and legislation for its introduction has been passed in three others, according to the annual report of the Department of Community Development, Ministry of Community Development and Co-operation for 1963-64.

Panchayati raj legislation has been passed in 13 States, i.e. Andhra Pradesh, Assam, Bihar, Gujerat, Madras, Madhya Pradesh, Maharashtra, Mysore, Orissa, Punjab, Rajasthan, Uttar Pradesh and West Bengal. Bihar, Madhya Pradesh and West Bengal have yet to implement the legislation.

In Kerala, a draft Bill was introduced in the State Legislature in February; in Jammu and Kashmir a committee has been formed and it has yet to submit its recommendations.

During the year under review, three study teams made detailed reviews of specific aspects of panchayati raj. A study team on Gram Sabha suggested various measures to activize the institution, which is now statutorily recognized in nine States. Another team studied panchayati raj finances; its recommendations are being examined. There was also a study group on budgeting and accounting procedure of panchayati raj institutions.

For 1964-65, an outlay of over Rs. 51 crores for community development programme has been proposed.

The report revealed that the Khadi and Village Industries Commission had agreed to promote four village industries as a minimum target for each block.

During October, 1962-September, 1963, 46,703 adult literary centres were started, in which 772,254 adults were made literate, bringing the total number of adults made literate till now to about 7,800,000.

The Village Volunteer Force scheme has been introduced in all the States. By the end of January, over 14,600,000 volunteers had been enrolled in the Force. The donations amounted to over 107,000,000 man-days and about Rs. 19,00,000 in cash. Of this about 22,000,000 man-days had been utilized.

(*The Statesman*, New Delhi)

[Prev. ref. 5209:INI:K]

O. Central Government's Stand On Suits Against Former Indian Rulers—Supreme Court Ruling: The Supreme Court observed on March 23 that the Central Government should not attempt to assume the jurisdiction of a civil court and decide whether a claim was well-founded before according consent to a suit against former Indian rulers.

The Court accordingly granted a declaration to Maharajkumar Tokendra Bir Singh of Manipur that an order passed by the Central Government "is an order which accords consent to the institution of the suit which he proposes to file against Maharaja Okendrajit Singh." The petitioner had challenged the validity of Section 87-B of the Civil Procedure Code under Article 32 of the Constitution and the order passed by the Government of India according partial consent to a suit which the petitioner proposed to file against the minor Maharaja, Mr. Okendrajit Singh. The proposed suit was for partition of property.

As required by Section 87-B the petitioner had applied to the Government for its consent to the proposed suit against the Maharaja. The Central Government gave consent for the suit in respect of certain properties only.

The Supreme Court judgment, read by the Chief Justice, Mr. P. B. Gajendragadkar, said that the relevent Section was intended substantially to save the rulers of former Indian States from harassment which would be caused by the institution of frivolous suits.

The petitioner had contended that the relevent Section imposing a condition was unconstitutional and had urged that there was no jurisdiction with the Government of India to accord consent in respect of some others.

(*The Times of India*, New Delhi)

INDONESIA

A. Relations With Holland—Dr. R. Subandrio's Visit: It was announced in The Hague on April 3 that "a sound foundation has been laid for new relations between Indonesia and Holland."

The statement was issued at the end of a three-day visit to Holland by Dr. R. Subandrio, the Indonesian Foreign Minister.

The statement announced the following "most satisfactory" results of the "most cordial" talks:

Ambassadors will be exchanged "as soon as possible within this year."

The two Foreign Ministers, Dr. Subandrio (Indonesia) and Dr. J. Luns (Holland), have signed an Agreement for technical co-operation. This provides for an exchange of "knowledge and experience in the broad sense, possibly accompanied by material aid".

Commenting on the new Agreement, the statement said: "The Ministers regard this agreement as constituting an important general basis for the development of future co-operation in the promotion of scientific and economic progress."

The two Foreign Ministers agreed that Dutch and Indonesian delegations will meet within three months, either in The Hague or Djakarta to discuss outstanding financial problems.

Diplomatic relations between Indonesia and the Netherlands, which were broken off in August, 1960, were restored in March, 1963 after the New York agreement of August 15, 1962, by which West Irian was handed over to Indonesia.

Although Indonesia expelled most Dutch citizens in 1958, when practically all Dutch property was expropriated, personal relations between many Indonesian leaders and their former friends in Holland remained cordial. These feelings of mutual affection had never died out completely, but after the West Irian settlement the first contacts between Dutch and Indonesians were not altogether successful.

When the Dutch left, the railways, the ports, the roads, the oilfields and the mines were already in a bad state. This situation has worsened considerably. Some factories have come to a standstill for lack of maintenance and a few spare parts, obtainable only in Holland. In the tin mines alone £3 million worth of new equipment is needed. The Dutch trade mission has asked the Government for a long-term credit for Indonesia. A sum of £50 million is mentioned.

When an Indonesian trade mission paid a return visit to Holland a number of contracts were made.

(*The Times*, London)

[Prev. ref. 5166:IND:A]

ISRAEL

A. Zionist General Council Meeting: The problem of the future of the Jewish people was the central theme in the deliberations of the Zionist General Council, which opened in Jerusalem on March 16. The session was the last before the 26th World Zionist Congress in December, 1964.

Mr. Yaakov Tzur, Chairman of the Zionist General Council, opened the session.

On the day before the opening session, a joint communique of the Israeli Government and the Zionist Executive declared that the Government pledged its "full moral, public and economic support" for the educational and cultural

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activities of the World Zionist Organization.

The communique said: "The members of the Executive expressed the determination of the Zionist Movement, whilst continuing to discharge its functions in the spheres of immigration, absorption and settlement on the land, as provided for in the Covenant, to concentrate, intensify and invigorate its efforts in the Diaspora in the fields of the education of children and the youth, as well as by active participation in the activities of Jewish communities and Jewish international organizations.

"It was explained that the purpose of these endeavours will be to strengthen the attachment of Jewish communities in the Dispersion to the State of Israel as a centre of their spiritual life; to enlist their effective co-operation in responsibility for the further development of the State and the safeguarding of its future; to intensify among them the consciousness of the unity of the Jewish people, the solidarity of its various parts and its efforts for self-preservation through organized effort; to assist in the extension and development of Jewish education with a view to imparting to the young generation the values of Judaism and its spiritual heritage; to spread the knowledge of the Hebrew language and Israel's renascent Hebrew culture; and to awaken and cultivate the mental readiness and active desire to settle in Israel.

"On behalf of the Government of Israel, the Prime Minister expressed his agreement with this analysis of the situation and the programme of action entailed thereby.

"It was agreed that the effort aiming at the enhancement of the Zionist spirit in Jewish life is a matter of joint concern for the State of Israel and the World Zionist Organization."

Dr. Nahum Goldmann, President of the World Zionist Organization, declared at the opening of the Council that Jewish survival was the greatest problem confronting the Jewish people today.

Dr. Goldmann, who had taken up residence is Israel as an immigrant the previous week, said: "For all the positive changes in our position as a people—equality of rights, economic affluence, the establishment of the State of Israel—the problem of Jewish survival is, in my opinion, more serious and more difficult than it was when Zionism first brought its revolutionary message to the Jewish people."

Asserting that the sense of Jewish unity was a sine qua non for Jewish survival, he listed a number of factors that undermined it. In some countries, "because of extreme State nationalism, no citizen or group has the right to belong to international organizations". There were other countries where "public opinion and Governments regard it as an act of disloyalty for Jewish communities to participate in world Jewish conferences or organizations."

There were also "great communities—the most important of which is the American Jewish community—where the majority is far from accepting the principle of united international Jewish action... and shies away from joining international Jewish organizations."

Another symptom of disintegration, he said, was the effort to define Jewish peoplehood in terms of one factor to the exclusion of others. He emphaiszed that "it would be a complete distortion of our history to eliminate the religious element" in such a definition, but that it would be a similar distortion to "limit Jewish world to a purely religious conception."

A third symptom was the fear of many Jews "to insist on the unique and specific character of our people." The task of the Zionist Movement, in the days ahead, was to lead the "fight for Jewish survival in the Diaspora," in defending the rights and positions of the Jewish people, developing Jewish culture, and fighting tendencies to assimilation.

He described the American Zionist Movement as the "weakest link" in the world movement. "There is no greater task, none as decisive for our future as a movement, than regaining our leading position" in American Jewish life.

The Prime Minister, Mr. Levi Eshkol greeted the delegates "for the first time not as a member of the Zionist Executive." The Zionist Movement, he declared, "must be young and fresh in thought, in its way of doing things. While it is good to see old comrades here, if the Movement, the Jewish people and the State of Israel are to be rejuvenated the Movement needs masses of youth."

He said that in the Zionist Movement's new campaign to "conquer the communities" of the free Diaspora, the Government would give "every moral and political support. And if it should happen that the Movement and the Jewish people cannot bear the material burden alone, the Government will also lend a hand here—if asked and to the limits of its capacity."

A I£340 million budget for the coming year was submitted by the Jewish Agency Treasurer, Mr. Arye Pincus. It was about I£35 million less than the current one. Fifty-one per cent of the new budget was earmarked for immigration and absorption, as compared with an average of 38 per cent in the budgets of the past 15 years. Agricultural settlement will take 25 per cent of the total (as compared to a 45 per cent average), while activities in the Diaspora will account for eight per cent (4 per cent average in past 15 years).

Mr. Pincus stressed that budgetary difficulties in the current year were greater than contemplated, because immigration and absorption costs were higher, and income from campaigns had not reached the level expected.

(*The Israeli Digest*, Jerusalem)

[Prev. ref. 5347:ISR:D, 5424:ISR:A]

JAPAN

A. Road Construction Programme: Japan has embarked on some major highway construction plans which are tied up with her commercial and industrial development programme.

The World Bank is lending money for this development.

The World Bank has approved a loan of $75 million to help finance the continuing construction of a total express highway that will become one of the principal commercial arteries of Japan. It will finance a 100-mile section connecting Tokyo and Shizuoka; earlier loans have financed parts of the same highway, which ultimately will extend 335 miles from Tokyo to Kobe.

The expressway will relieve the serious shortage of transport capacity in the most heavily industrialized and populated region of Japan; it will lower operating costs of highway users, of which more than half are trucks, will speed up travel time, and should sharply reduce the high accident rate now prevailing.

Vereinsbank in Hamburg is participating in the loan, without the World Bank's guarantee, to the extent of $50,000, representing part of the first maturity which falls due on May 15, 1969.

The Tokyo-Shizuoka region is Japan's most important centre of commerce and industry, as well as the centre of national government. More than a quarter of the country's businesses are located there, and nearly a third of its production originates there. The region accounts for nearly half of all passenger-cars, about a quarter of all trucks, and a fifth of all buses. About 80 per cent of freight tonnage through the region is moved by truck, and since 1955 bus traffic has doubled. The area is served by the railways, but only one highway traverses its entire length. The existing highway is heavily congested and completely inadequate to handle the rapidly growing vehicular traffic.

The loan was made to the Nihon Doro Kodan (Japan Highway Public Corporation), a Government corporation responsible for the construction, operation, and maintenance of toll roads and related facilities in Japan.

Designs, plans, and specifications of these toll roads are prepared by the corporation, assisted by outside consultants when necessary. Construction work is executed by contractors on a unit price basis under the supervision of the Corporation; operation and maintenance of the facilities are carried out mainly by its own forces.

This project includes heavy earthworks, construction of bridges, tunnels, viaducts, interchanges, service areas, bus stops, toll stations, traffic-control facilities, and connecting links with the existing road network. Almost one-quarter of the expressway, extending from the south-western suburbs of Tokyo, will be bi-lane, the remainder four-lane.

The total cost of the project, including construction, land acquisition, engineering, and interest during the construction period, is estimated at the equivalent of about $630 million. Although no bids were received from non-Japanese firms on the sections of this highway that were previously financed by the Bank, Nihon Doro Kodan will continue to provide opportunity for international competitive bidding on major contracts.

The 114-mile section of the expressway between Kobe and Nagoya, being built with the assistance of two earlier Bank loans totalling $80 million, is partly open to traffic, and all of it should be finished by the end of this year.

The Tokyo-Shizuoka section now being financed is scheduled for completion by March, 1969. Construction of the remaining 121 miles of the expressway from Shizuoka to Nagoya will proceed concurrently with the Bank project.

(*Far East Trade*, London)

[Prev. ref. 4352:JAP:D]

JORDAN

A. King Hussein's Visit To UAR: King Hussein arrived in Cairo on March 10 on a four-day visit to UAR.

He was welcomed at the airport by President G. A. Nasser and other members of the UAR Government.

Some hours after the King's arrival, the two Heads of State had their first formal meeting. Present at the talks were Field-Marshal Abdul Hakim Amer, Vice-President and Deputy Supreme Commander of the Armed Forces, and Mr. Kamal Eddin Rifaat, member of the Presidential Council and head of the King's Mission of Honour.

President Nasser gave a banquet in honour of King Hussein the same night.

Display At Air Base:

On March 12, King Hussein and President Nasser visited an air base.

King Hussein inspected a heavy bomber and a modern jet fighter. He also had a discussion with a number of pilots before

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going onto a rostrum to watch a big air formation.

He saw a number of demonstrations. A group of fighters launched their rockets on a fixed land target. The first rocket succeeded in hitting and destroying the target.

A heavy bomber, escorted by two fighters, flew close to the reviewing ground and bombers followed.

The parade was concluded by the appearance of a number of supersonic aircraft.

King Hussein and President Nasser and the reviewers afterwards visited a rocket launching station where they were met by the Commander of the Artillery, leading officers of the Artillery and the Commandant of the Station.

A mock air raid was staged to demonstrate the efficiency of the ground-to-air rockets. When a supposed enemy jet fighter approached, the warning system announced its appearance. In a few seconds, the rockets were ready to work and the first rocket succeeded in scoring a direct hit on the target. All were able to see the target blown up.

President Nasser and King Hussein left Cairo early on March 13 for a visit to Hurghada on the Red Sea coast.

From Hurghada airport, President Nasser saw the King off for home.

Farewell Message:

Immediately after his arrival in Amman, King Hussein sent the following message to President Nasser:

"Brother President Gamel Abdul Nasser ... At the very moment of my return to Jordan, it gives me pleasure to convey to Your Excellency the most profound feelings of cordiality and gratitude for the kind feelings and welcome expressed by Your Excellency and the brotherly people of the UAR. During my visit to the UAR, I felt at home."

The message said that "these days would be as immortal" as the links that would realise the unity, freedom, dignity and glory of the Arabs.

The progress in UAR would remain a source of pride and security for the Arab nation. "Through our co-operation and by closing our ranks, we will realise our hopes, praying Almighty God for further co-operation towards the building of a better future for our nation and the coming generations."

(*The Egyptian Gazette*, Cairo)

[Prev. ref. 4291:SYR:A]

PAKISTAN

A. US Report On Salinity: The US President, Mr. Lyndon B. Johnson, on March 25 sent a detailed report to President Ayub Khan on "land and water development in the Indus plain".

In a letter presenting the 454-page report, President Johnson hoped that the data and conclusions contained in the report would be of practical help to Pakistan. He said that the report was "a good example of how sharing of scientific and technical knowledge can contribute to the welfare of our people and to the cause of peace and understanding."

"Our people learned much from your people in working on this challenging project. I hope the future will draw us closer together as together we solve the common problems."

The Indus land and water development report is a greatly modified version of the interim draft submitted to Pakistan in September, 1962. It is more comprehensive and contains an embracing plan for agricultural development in West Pakistan.

The report was finalised under the guidance of Dr. Jerome Wiesner, formerly special White House Assistant for Science and Technology. He set up a task force under Dr. Roger Revelle, formerly scientific advisor to the US Interior Department which went into the entire land and water problems of West Pakistan, rather than concentrate on waterlogging and salinity problem which was originally raised by President Ayub Khan with the late President J. F. Kennedy during his official visit to Washington in July, 1961. President Kennedy had responded by creating a panel of American experts to study the problem.

Authors of the report believe that waterlogging and salinity problem was only one of many problems in West Pakistan agriculture and could not be effectively solved in isolation. They suggest that existing cultivable land in West Pakistan should be cultivated on a planned basis using modern methods. American scientists estimate that some 6½ million acres of land is either actually or potentially affected by waterlogging and salinity. They do not think this rate is accelerating more than 0.2 to 0.4 per cent of irrigated area per year, at least in former Punjab.

The report holds that by properly irrigating the existing areas, waterlogging and salinity problems can be controlled. Although American scientists do not suggest that a vigorous attack should not be made on the problem of waterlogging and salinity problem, they do not share the fear commonly expressed that West Pakistan agriculture faces an early catastrophe. They emphasize the need for a broad assault on the many problems that depress agricultural production in West Pakistan. What is needed and what can be accomplished in the Indus plain is a large, rapid, continuing and economically beneficial increase in agricultural production.

The panel of scientists was convinced that within a generation West Pakistan's agriculture can be revolutionised to achieve standards of Japan, USA and other advanced countries.

The report recommends a plan of action to be spread over 25 years. It suggests that there should be a re-orientation of strategy to concentrate efforts on limited project areas.

It is proposed that the major part of cultivable lands of the Indus plain be divided into some 25 to 30 project areas of roughly a million acres each. In each project area tubewells or other means of drainage would be constructed to control the level of groundwater and soil salt content and, where possible to increase the supply of irrigation water. The timetable for a typical project area would include a two-year preparatory period during which tubewells and drains would be constructed; a five-year period of intense development during which a target increase of 15 per cent per year would be set or 100 per cent during the five-year period.

This would be followed by a growth rate of about seven per cent indefinitely. After 25 years, the American scientists predict per capita yields would be twice the present ones, even with a population increase of 3 per cent per year.

The report estimates that capital costs for 16.4 million acres in former Punjab and former Bahawalpur and for 9 to 10 million acres in former Sind would be Rs. 11 billion. If this expenditure were spread over the next 25 to 30 years, the annual average investment would be Rs. 380 to Rs. 430 million. It was pointed out that during Pakistan's Second Five-Year Plan the average annual expenditure for water and agricultural sector projects was Rs. 735 million. Experts say "this required expenditure for the Plan constitutes a major fraction of the total allocations to these sectors. However, they do not appear excessive in terms of the entire Five-Year Plan."

Some 625,000 tons of nitrogen fertilizer would be needed each year for 25 million cultivated acres, annual cost of which to farmers being Rs. 600 million.

The main idea behind the American scientists' report is that West Pakistan should concentrate more on exploiting fully and mechanically the existing 30 million or so acres of cultivable land rather than embark upon an expensive reclamation project for five or six million acres of land affected by waterlogging and salinity.

In an interview, Dr. Roger Revelle, chairman of the panel of scientists, admitted that their report would not be popular. But he was convinced that if existing lands available were cultivated to increase per capita yield to even three times the existing yields, West Pakistan could support twice the present population. He pointed out that in UAR with only 7 million acres of cultivable land the country supported nearly 30 million people.

(*Dawn*, Karachi)

[Prev. ref. 5239:PAK:D]

TURKEY

A. Foreign Trade In 1963: Trade figures for the calendar year 1963 by the State Institute of Statistics show that exports in 1963 fell by 3.5 per cent, while imports rose by 10.8 per cent.

Total exports were valued at $368,100,000 compared with $381,300,000 in 1962 and imports amounted to $690,700,000 against $622,200,000 the previous year.

The trade gap has thus considerably widened to $322.6 million from $241 million in 1962 and $162 million in 1961, but even so, the value of exports has exceeded the figure of $348 million estimated for the first year of the Five-Year Economic Plan (1963).

The exports which showed the sharpest decrease were tobacco, which fell from $96.2 million in 1962 to $66.7 million in 1963, and minerals which decreased from $20.6 million to $12.4 million. Exports of cotton and cotton goods, however, rose from $64.5 million to $81.2 million.

The largest category of imports was, as in the previous year, machinery, imports of which rose to $189.7 million from $180.4 million in 1962. Wheat imports rose from $50.6 million to $57.8 million but, as anticipated, imports of petroleum products fell from $77.3 million to $66.7 million. Imports of transport materials and equipment also fell from $95.9 million to $79.9 million. The USA and Canada supplied Turkey with 30.8 per cent of her total imports last year, $212.8 million compared with $181.6 million in 1962 and purchased from her goods to the value of $59.7 million, compared with $75.8 million the previous year. Combined exports to the Common Market countries were $139.9 million or 38 per cent of the total 1963 exports.

(*Middle East Economic Digest*, London)

[Prev. ref. 5226:TUR:A]

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ASIAN RECORDER

April 29—May 5, 1964

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ADEN

A. Federal Government Takes Over Maintenance Of Army: It was announced in Aden on April 1 that the South Arabian Federal Government had taken over from the British War Office financial control and responsibility for the maintenance of the Federal regular Army.

This step was part of the Arabization of the Federal Army raised in November, 1961 from the old Aden Protectorate levies.

British officers command and staff four battalions of the Federal Army and a fifth battalion is in process of formation.

The Federal Government has no navy or air force.

In the 1964-65 financial year, the Federal Government will spend over £4,000,000 on its 250,000-strong, well-trained Arab force. It was understood that the British Government would pay this amount.

(*The Egyptian Gazette*, Cairo)

[Prev. ref. 4355:ADN:A]

B. Development Of Fishing Industry—FAO Aid: A message on March 27 said that the Food and Agriculture Organization (FAO) was sponsoring a £400,000 fisheries project in conjunction with the South Arabian Federal Ministry of Agriculture and Fisheries with the object of increasing the supply of fresh fish.

The size and distribution of fish stocks along the Federation's 750-mile coast line is to be examined, fishing crews are to be trained, and advice given on the possible mobilization of domestic and foreign capital to accelerate the growth of the fishing industry.

(*Middle East Economic Digest*, London)

C. Port Activities During 1963: There has been an increase in the activities of the Aden Port Trust during 1963, as follows:

	1962	1963
Number of ships calling (Ships)	5,929	6,206
Tonnage of dry cargo discharged (Tons)	522,524	553,564
Tonnage of dry cargo exported (Tons)	202,987	170,945
Oil bunkers supplied to ships (Tons)	3,621,522	3,721,398
Oil cargo exported (Tons)	3,297,107	3,868,675
Fresh water supplied to ships (Tons)	376,183	432,134

The Secretary of State for the Colonies, Mr. Duncan Sandys, gave the following figures in the House of Commons on March 18, for the annual value of the entrepot trade of Aden from 1953 to 1963 (in £'000):

1958	18,960	1961	17,935
1959	19,410	1962	16,532
1960	17,499	First half of 1963	8,882

Mr. Sandys stated that no direct revenue accrues to the Aden Government in respect of the entrepot trade as Aden is a free port, and duties on tobacco, alcohol, perfume and petroleum products are levied only on imports used in Aden itself, and, since January, 1963, in the South Arabian Federation.

He added that it was not possible to assess with any accuracy the value of indirect revenue accruing from entrepot trade.

Recommendations On Future Of Port:

The Commission set up in October, 1963 under Colonel T. F. Hood to inquire into the present and future position of the port of Aden recommended on March 25 that the port should be run as a commercial enterprise and should fully co-operate with the British forces stationed in the area.

The Commission was appointed at a time when it seemed possible that the Aden Government intended to take over control of the port, one of the economic pillars of the British-protected South Arabian Federation.

In its report the Commission said the port should be free of Government control over both its day-to-day activities and its long-term development and finance. It added that the presence of British forces in the area made "a substantial contribution to the area's economy in many ways; stability and security from outside interference is ensured, which is basically essential for the continued prosperity of the port. The port should therefore fully co-operate with the Royal Navy and give whatever assistance it can to all three services."

The port of Aden has been a trust since 1889 and the Commission recommended its conversion into a port authority (which should in no way be regarded as a Government department), with members drawn from the Government and users of the port. It also recommended modernization of the port to bring it into line with general conditions in other large ports—but said this should be carried out gradually in order not to disturb trade and commerce with the South Arabian Federation, the Eastern Aden Protectorate, and southern Yemen on which the future prosperity of the port depends.

(*The Times*, London)

[Prev. ref. 5507:ADN:A]

BURMA

A. One-Party State Proclaimed: The Government promulgated on March 28 a law setting up a one-party State and confiscated the property and assets of the banned parties.

The sole party allowed is the Government-sponsored Burma Socialist Programme Party.

The new law, called the Law to Protect National Solidarity, said in a preamble that political parties and other organizations were working against the interests of the Burmese Union and solidarity.

A Revolutionary Council announcement said: "The Government has formed a Burmese way to socialism, i.e., a one-party system of government along the lines of Nasser's UAR and Tito's Yugoslavia".

The major parties thus outlawed were the Pyidaungsu of the deposed Premier, U Nu, the Anti-Fascist People's Freedom League, many of the leaders of which are in detention, and the Leftist National United Front.

On April 2, the Government directed all organizations in the country, other than political organizations and their affiliates, to apply for registration to the authorities by April 30.

The directive said that organizations formed strictly for the purpose of carrying on religious activities did not come under the purview of the Law.

It, however, added: "As it is necessary to prevent the use of religious name or religious reason for carrying on other activities, all such organizations also must register themselves with the Government."

(*The Statesman*, Calcutta)

[Prev. ref. 5182:BUR:B, 5412:BUR:A]

B. Control Of Libraries: The registration of libraries, required by the Control of Libraries, Museums and Exhibitions Law, promulgated on February 5 (see page 5783) has been enforced.

It is estimated that there are more than 700 reading rooms and public libraries, including those run by the British Council and the United States Information Service, in Rangoon and Mandalay. With the exception of the few libraries maintained by municipalities in principal towns, the remaining are just reading rooms organized and maintained by groups of private individuals. At one time there were no fewer than 2,000 such reading rooms, mostly housed on encroached public or Government lands. In 1958, with the clearance of encroachments of roadside areas, most of them disappeared.

In promulgating the control law, the Government announcement said that it was the duty of the Government to promote the educational and cultural standards and patriotic spirit of all citizens in line with the Revolutionary Council's programme and policy. There had been no knowing how many libraries and reading rooms were functioning in Burma under the sponsorship of foreign organizations, what reading matter was being kept in these libraries, how many showrooms and exhibitions were being organized by foreign agencies, and in what kind of activities the so-called cultural groups were engaged.

(*The Nation*, Rangoon and *The Statesman*, Calcutta)

[Prev. ref. 5759:BUR:A, 5783:BUR:A]

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C. Take-over Of Timber Shops: The Government extended its policy of nationalizing private shops to yet another sector on March 25 when it nationalized the timber shops in Rangoon.

An official announcement said: "The capitalists, who own these shops, are enjoying monopoly in hardwood trade and are selling at exorbitant profits."

There are about 300 timber shops in Rangoon city.

It said that checking of stocks and accounts of these nationalized shops by Army personnel, who had been posted to guard them, was in progress.

[The Revolutionary Government had nationalized on March 19 all privately-owned shops, warehouses and brokers establishments—excepting small retail shops in Rangoon city.]

(*The Nation*, Rangoon)

[Prev. ref. 5759:BUR:A]

D. Minister Relieved Of Post: It was officially announced in Rangoon on April 2 that Col. Chit Myaing had ceased to be a member of the Burmese Revolutionary Council as also the Minister for Trade Development.

Brigadier Tin Pe has taken over the portfolio for Trade Development.

(*The Statesman*, Calcutta)

E. Air Agreement With USSR: Representatives of Burma and USSR signed on April 3 an Air Transport Agreement for establishing direct air communications between the two countries.

(*The Statesman*, Calcutta)

[Prev. ref. 5145:BUR:C]

CAMBODIA

A. Chinese Offer Of Help: The Cambodian Press Agency reported on April 7 that China had promised to come to Cambodia's help in case it was attacked.

The Agency said this assurance was given by the party leader, Mr. Mao Tse-tung, when he received a Cambodian military delegation headed by Gen. Lon Nol, the Defence Minister.

It quoted Mr. Mao as saying: "I admire the attitude of Cambodia in cutting off imperialist United States aid and in preparing to face the imperialist reactions in all forms."

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5687:CAM:A]

CEYLON

A. Emigration Inducement Scheme: The Department of Immigration and Emigration has announced details of the "inducement" scheme under which persons of Indian origin who would be willing to leave Ceylon for good will be paid *ex-gratia* payment not exceeding Rs. 1,000 per family.

The announcement, which applies mainly to plantation workers, who applied for Ceylon citizenship but failed to obtain it, was made in the form of advertisement in a Tamil daily in Colombo.

Though the idea of inducement was raised at the time of the Nehru-Kotelawala Agreement in October, 1954, this was the first time the Government had taken definite action on it. It has provided Rs. 5,00,000 for the purpose in the current year.

Offer of payment will apply to: (1) those who had applied for Ceylon citizenship under the Indian and Pakistani Citizenship Act and had failed to obtain it; (2) those who registered themselves as Indian citizens at the Indian High Commission in Ceylon; (3) those who were in employment in Ceylon on October 10, 1954 (date of Agreement); and (4) those whose assets had to be taken out of Ceylon did not exceed Rs. 5,000.

Wives of married persons applying for this concession should also have registered themselves as Indian citizens and their minor children should also be taken with them.

The amount of payment offered for every such individual ranges from Rs. 100 to those of 55 years and above and Rs. 400 to those below 45.

Those between the ages of 50 and 54 will get Rs. 250 and those between 45 and 49, Rs. 350.

The amount payable to wives and up to three children will be at the rate of Rs. 150 per head. Thus a person above 55 with wife and three or more children will be entitled to a maximum of Rs. 700. A person below 45 with wife and three or more children will be entitled to Rs. 1,000.

(*The Hindu*, Madras)

[Prev. ref. 5663:CEY:A]

CHINA

A. Sino-Indian Border Conflict—Russian View: The report by the Secretary of the Soviet Communist Party Central Committee, Mr. Mikhail Suslov, to its plenary meeting held in Moscow on February 14 contained severe criticism of China in respect of her border conflict with India. [An account of other points contained in Mr. Suslov's report appeared on page 5784 under CHINA].

The report said: "It is a fact that when the Caribbean crisis was at its height, the Chinese Government extended armed conflict on the Sino-Indian frontier.

"No matter how the Chinese leaders try belatedly to justify their behaviour at that moment, they cannot escape the responsibility of the fact that by their actions they essentially helped extreme reactionary circles of imperialism, thereby aggravating an already complicated and dangerous situation in the world".

On the genesis of the Sino-Indian conflict arose over the possession of frontier territories in the Himalayas which had not been disputed either by China or India in the course of many centuries.

"However, inasmuch as this problem arose, everything should have been done to settle it peacefully by negotiation. The Soviet Government has repeatedly advocated such a settlement of this frontier dispute.

"Hostilities broke in the region of the Himalayas. The pernicious consequences of this conflict have now manifested themselves fully. It has rendered a great service to imperialism and inflicted grave harm to the national liberation movement, the progressive forces of India and the entire front of anti-imperialist struggle. Utilizing the Sino-Indian conflict for their own purposes, the imperialists and their supporters are seeking to undermine the trust of the people, of young nations, of States in socialist countries, draw India into military blocs and strengthen the positions of extreme reaction in the country.

"Can any one believe that a rapprochement with Pakistan has been dictated by interests of development of the revolutionary struggle of the peoples of Asia against imperialism that the Chinese leaders talk so much about?"

In a sarcastic reference to Mr. Chou En-lai's visit to Africa where he had made a complete volte face, the report said the "Chinese leaders felt that they had gone too far and in order to extricate themselves from this situation they made a complete volte face in their propaganda. Lately, a stream of "peace-loving statements suddenly gushed from Peking while representatives of the Chinese Government hasten to sign documents concerning the struggle for peace and fidelity to a policy of peaceful co-existence. Such was the vein of many of the statements made by Mr. Chou during his tour of Africa and Asia".

The report said the Chinese leaders were "saying plainly in Peking only yesterday" that a "world war cannot be averted".

"Today they are trying to persuade people to believe that the thesis on averting of war was put forward by none other than the leaders of the Chinese Communist Party. Yesterday they abused peaceful co-existence; today they are posing as practically its only and most zealous supporters.

"Yesterday they declared that disarmament was a deception of peoples; today they sign statements in which they undertake to work for disarmament.

"This volte face could only be welcomed if there had been signs that the Chinese Communist Party leadership really perceives its mistakes and is taking a correct stand. Regretfully everything points to the fact that the aims and objectives of the Chinese leaders have not changed".

The report warned those who might fall for Chinese falsehoods and said: "Their 'love of peace' is nothing but an ostentatious screen masking their real intentions which have received a rebuff and been censured by world public opinion. One cannot fail to see that the 'love of peace' emanating from Peking is in glaring contrast to actual deeds, to the concrete policy of the Chinese Government."

The report said Chinese leaders had stooped to tactics of blackmail and lies to further their "Great Power egotistical interests". It was being done as a "blind arrogance of Chinese leaders who wanted to order others about and to impose their will on other countries and parties."

The report added that the Chinese leaders were using racist tactics and slogans like "East winds will triumph over West winds" to exploit the feelings of some Asian and African peoples against the white people who exploited and ruled them. They were doing it for Chinese hegemonic aspirations.

(*The Statesman*, New Delhi)

[Prev. ref. 5784:CHI:A]

INDIA

SUMMARY: Sheikh Abdullah Released; Mr. Jigme Dorji Assassinated; Pakistan Violations Of Air-space; Democratic Decentralization Of N-EFA; Indo-Pakistan Home Ministers' Conference.

A. Sheikh Abdullah Released: Sheikh Mohammad Abdullah, former

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Kashmir Premier, was released on April 8 from Jammu jail after the court had acquitted him and his 14 colleagues of the charges of conspiracy on a petition by the State.

Thus, the "conspiracy trial," which had been dragging on for the past 5½ years, ended after Additional Sessions Judge M. K. Tikoo had accepted a petition by the State's Advocate-General for withdrawing the case "in the best interests of the State."

Sheikh Abdullah, who was dismissed as Premier and arrested on August 9, 1953, spent 10 years and five months in detention. He was released unconditionally on January 8, 1958, but re-arrested after about three months.

Before the court adjourned, the judge permitted the defence and the prosecution to make brief statements.

This provided Mirza Afzal Beg, a former Revenue Minister, with an opportunity to make a public statement after his detention. Speaking on behalf of Sheikh Abdullah and others, Mr. Afzal Beg said: "We are stepping out of prison to what is called the world of freedom. We have been out of touch and shut out from the world of reality for 11 years. I hope that the withdrawal of the case will be a first step towards a greater goal of giving the subcontinent...." Here he was interrupted by the judge who told him not to make any observations of a political nature inside the court premises.

He agreed and continued his speech. He said this would be a step towards "ushering in a happier, nobler and peaceful Kashmir with a place of honour it deserves."

He said that the Kashmir issue was not difficult of solution and if an effort was made to solve it, "we will not be found lacking in sincere co-operation. Our trial has ended. The real trial has begun." He did not elaborate.

The Central Minister without Portfolio, Mr. Lal Bahadur Shastri, informed the Lok Sabha on April 1 that the Jammu and Kashmir Government had on its own decided to release unconditionally Sheikh Abdullah and others from detention.

Mr. Shastri, who was replying to a call-attention notice by Mr. Jaswant Mehta (P-SP), caused some surprise in the House when he said that the Government of India had been taken by surprise by the announcement of release by the Jammu and Kashmir Premier, Mr. G. M. Sadiq. They had not known that a decision had been taken.

The House greeted the announcement with mixed feelings, Jan Sangh members and some Independents crying 'shame, shame' and Swatantra and P-SP members shouting "hear, hear."

Self-determination Not Exercised By Kashmiris—Sheikh Abdullah's Allegation:

Addressing a public meeting in Jammu on April 9, Sheikh Abdullah said that Kashmiris had not exercised their right of self-determination.

He said that India did not deny the Kashmiris' right of self-determination. But India had declared that this right had been exercised by the people through the Constituent Assembly and the elections held in the State from time to time.

"We differ with this," he said, adding: "Elections have been held in the State but all opposition parties, including the Jan Sangh and Socialists have described them as fake." Even Parliament, he said, had expressed its resentment at the way these elections had been held.

He said he was not convinced that this right of self-determination had been exercised by the people of Kashmir and added: "I am prepared to be convinced of this."

He expressed the desire that the two major issues—communal strife and the future of Kashmir—that confronted the people today, should be settled during Mr. Nehru's lifetime. "We must bury communal strife once for all. This is important if India is to live. It is also possible to settle the Kashmir issue when Mr. Nehru is amongst us."

He said the Kahmir issue could not be settled through force or compulsion. "We have to win hearts and if we fail in this regard we cannot rule by force. Britain ruled us with force. Because it failed to win our hearts it had to depart from India. One can rule by force for some time and not for all time."

He asked his audience to remember how this State had been ruled during the last 11 years. "We stand where we were on August 9, 1953 (when Sheikh Abdullah was dismissed as Premier and arrested). Our disputes continue and our problems remain despite our declarations to the world to the contrary."

He said the Kashmir issue could be settled only through love, honesty and patience.

Sheikh Abdullah's News Conference:

At a news conference on April 9, Sheikh Abdullah said that he needed to test his ideas against the experience of those who had a comprehension of changes in the world situation, and nobody had a greater comprehension of these than Mr. Nehru.

During his remarks on the need for a dispute between India and Pakistan, he made a number of important points:

(1) The only alternative—a clash of arms between the two countries—would be suicidal, especially for Kashmir because "bombs will fall here, not in Madras or Karachi".

(2) He emphasized that most of the great Indian leaders had departed one by one. Mr. Nehru alone was left who was big enough to attempt a peaceful solution and he was in failing health. It was essential that a settlement should be reached during his lifetime or else it might become doubly difficult.

(3) He argued that apart from other irritants, the continuance of the Kashmir dispute was a source of bitterness which lay at the root of every communal conflagration which threatened to destroy both countries.

He said that the people of Kashmir were the direct sufferers as a result of the uncertainty which had not disappeared by slogan-shouting.

He regretted that some people in Jammu and Kashmir had mortgaged their thinking to India, and some others to Pakistan. Both were wrong. While Kashmir could not exist in isolation from the subcontinent, any suggestion coming from either India or Pakistan should be judged entirely by the criterion whether it served the poor and hungry people of Kashmir or not.

Both Sheikh Abdullah and Mr. Afzal Beg spoke at length on the conspiracy case and effectively ridiculed the charges proffered against them as well as the tactics of the previous Kashmir Government to harass them and their families.

Sheikh Abdullah also cleared himself of the charge that he had anything to do with Mr. Shyama Prasad Mookerjee's death in a Kashmir jail a decade ago. He clearly implied that the question might be directed to the man who was then Home Minister.

Referring to the charge against him that he was a Pakistani agent, he declared: "I am neither a Pakistani agent nor an Indian agent. I am a servant of the people of Jammu and Kashmir, the area where God gave me birth."

He prefaced his remarks by the declaration that although he had been out of touch with events for 11 years, he felt called upon to answer the question which was understandably uppermost in the minds of his audience. "I have been acquitted by the court, but I am facing the bigger and more important court—the court of the people, the final arbiters. I am grateful for your welcome and affection but I want to make sure that you consider me as innocent."

He told a questioner that fair and free elections could be a possible mode of ascertaining the people's wishes, provided the people were confident that their views were recorded correctly; in reply to another question he added that any fair method of determining popular wishes would do.

A correspondent asked Sheikh Abdullah if as a person with an open mind he would accept Mr. Z. A. Bhutto's invitation to Pakistan to discuss Kashmir with President Ayub Khan. The Sheikh replied that he would say nothing on the subject, because it might come up during his discussions with Mr. Nehru.

Another important question put was whether in any settlement of Kashmir he considered the Kashmir Valley, Jammu and "Azad Kashmir" as indivisible or whether these areas could be divided. He replied that he would never countenance a solution which would sacrifice the right of Jammu for the sake of Kashmir or vice versa.

He told a questioner that the atmosphere in Jammu and Kashmir now was much better than at the time of his last release six years ago, but he would not comment on the Sadiq Government.

He said that it might have been possible for him to go to Delhi immediately to meet Mr. Nehru had the Prime Minister's letter been delivered in time. Surprisingly, Mr. Nehru's letter, dated April 2, had reached him only on April 7, by which time he had made arrangements to go to the Valley.

He made a prepared statement stressing his need for time to think things over before speaking.

In this statement he said, however: "After more than 10 years of my enforced absence from public life our problems in this part of the world remain basically the same. Indeed, they have intensified. Yet I am convinced that a breakthrough will come."

Later, discussing the possibility of a negotiated settlement between India and Pakistan, he said it would involve give and take. Neither party should have a sense of defeat.

There had been great changes during his imprisonment, some of them "in the right direction" and some others which "have put us back and distressed all".

He added that Mr. Nehru had a clearer idea of changes in the world situation and could therefore give him a wider perspective. "For me," he said, "as one trial ends another, a far bigger one, begins. I feel encouraged by the trend towards a friendlier atmosphere."

Asked how long he would take to make up his mind about an appropriate solution of the Kashmir problem, he said: "Obviously not years." But he could not say exactly how long.

Mr. Lal Bahadur Shastri's Comment:

The Central Minister without Portfolio, Mr. Lal Bahadur Shastri on April 11 cautioned Sheikh Abdullah against giving unbridled expression to his views which would complicate the Kashmir problem internally and internationally.

"There is, of course, complete freedom of expression," he said, intervening in the

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Lok Sabha debate on the demands for grants of the External Affairs Ministry, "but there can be no freedom for preaching some kind of independence or secession from the Indian Union."

No Government could allow that kind of propaganda, he declared amid cheers and added: "I hope the Sheikh will not create further complications."

He assured the House that the Government was not frightened of any situation that might arise and was strong enough to deal with it.

His declaration, which came towards the end of his 45-minute speech, set at rest the misgivings that had been growing over Sheikh Abdullah's speeches.

"I must admit," he said, "that I am surprised that he should have made such categorical statements in regard to various matters.

"What has pained me most is that he (Sheikh Abdullah), without meeting others or getting in touch with various people, should have expressed views which are very controversial.

"It clearly shows that he has not fully assessed and understood the situation in the country. If he had come here, as he wanted to, he would have got a feel of the situation. I do not want to say anything which might add to the difficulties.

"I still feel that Sheikh Abdullah should carefully express his views on important matters which are closely connected with Kashmir as well as India."

The Security Council was meeting on May 5. He hoped the Sheikh would not create further complications, Mr. Chagla had made it clear to UN that Kashmir's accession to India was irrevocable.

The decision to release Sheikh Abdullah was correct. "It is not that we did not know the risks involved in it. The Prime Minister himself had described it as a calculated risk. We knew that the Sheikh holds certain views."

Mr. M. C. Chagla's Criticism:

The Central Education Minister, Mr. M. C. Chagla, said in Patna on April 12 that the "law will take its own course if Sheikh Abdullah does not maintain his loyalty to the Constitution and the country of which Kashmir is an integral part."

He told a news conference: "We have done the right thing in releasing Sheikh Abdullah and are prepared to discuss with him anything in the context of Kashmir's irrevocable accession to India."

He said that though the Constitution gave a great deal of freedom to a citizen, "there is no freedom to preach secession or sedition."

Certain views expressed by the Sheikh, he stated, had caused concern among the people. He expressed the hope that these views were only tentative and that Sheikh Abdullah would revise them after his meeting with Mr. Nehru.

He asked Sheikh Abdullah to realise that the "peace and security of Kashmir would be best guarded by its remaining in India." Kashmir was "a symbol and guarantee of secularism of India."

Despite propaganda to the contrary, the release of the Sheikh by Mr. G. M. Sadiq as Premier of a democratically constituted Government had amply proved that there was peace and security in that part of the country.

He said the release of Sheikh Abdullah no doubt marked a shift in Kashmir affairs; so had Mr. Sadiq's coming into power. But this did not amount to any change in India's basic policy in relation to Jammu and Kashmir.

Replying to a question, he said a confederation of India and Pakistan appeared at present to be a difficult proposition. "But some day in future, when men are wiser, when passions cool down and statesmanship prevails, there is bound to be some sort of a confederation in this part of the world". Ultimately "the entire world will have to function as a family if it is to survive."

He considered the "hate India" campaign launched by Pakistan as a great hurdle in the way of closer relations between the two countries.

A newsman asked: "Now that Sheikh Abdullah is released do you foresee any change in the attitude of the UK and the USA over the Kashmir issue?"

Mr. Chagla replied: "I cannot say about the UK but there might be a change in the attitude of the USA because it had pointed out to us that Sheikh Abdullah's continued detention was weakening our case."

Asked if he thought that the US Assistant Secretary of State for Asian affairs, Mr. Phillips Talbot had a hand in the release of Sheikh Abdullah, Mr. Chagla's reply was an emphatic "no". He said: "No, no, Mr. Talbot was nowhere in the picture. He had nothing to do with the release. The decision was Mr. Sadiq's own."

Sheikh Abdullah's Rejoinder:

In a sharp rejoinder to Mr. M. C. Chagla in Doda on April 13, Sheikh Abdullah said that the Indian Constitution recognized the provisional character of Kashmir's accession.

By questioning the finality of accession he was not guilty of violating the Constitution of which he was one of the founding fathers.

Describing Mr. Chagla's interpretation of the Constitution as defective, he said Article 370 only confirmed his statement that Kashmir had acceded only in respect of Defence, External Affairs and Communications and had not surrendered residuary sovereignty to the Centre. Kasnmir had its own Constitution unlike other States and the State's accession would become final only when people had decided so after a plebiscite.

Being a signatory to the Constitution, he said, his understanding of its provisions was perhaps better than Mr. Chagla's. He maintained that the condition of plebiscite was attached by India and repeated by Indian representatives in the Security Council.

It was a strange way to interpret the Constitution by threatening action against him and his colleagues for stating the truth. A strange type of democracy, he said, was being projected by India which denied people their fundamental rights.

He said he still failed to understand under what provision of the State's Constitution had the Sadar-i-Riyasat dismissed him in 1953. The democratic way was to move a no-confidence motion against him, but India instead chose to set up a puppet regime under Bakshi Ghulam Mohammed with the help of bayonets.

He reminded Mr. Chagla that to preserve the prestige of democracy and the sanctity of the Constitution he should desist from making such statements. He emphasized that plebiscite did not mean that the State should join Pakistan or India or remain independent.

The solution of the problem, he said, was possible only when leaders of Kashmir as well as 'Azad Kashmir' sat together because the same must apply to Kashmiris in areas under Pakistan's occupation.

(*The Times of India, The Statesman* and *The Hindustan Times*, New Delhi)

[Prev. ref. 4419:INI:G]

B. Mr. Jigme Dorji Assassinated: Bhutan's Prime Minister, Mr. Jigme Dorji, was shot dead by an assassin on April 5.

He was shot in his back through a window at the dak bungalow in Phuntsoling where he was staying with his wife and younger brother. The town is on the Bhutan-India border.

The shooting took place soon after Mr. Dorji had returned after seeing off the Indian Political Officer, Mr. Avtar Singh, at Samchi, a town near the West Bengal border. Mr. Avtar Singh had paid a courtesy call on Mr. Dorji.

According to details available, Mr. Dorji, after seeing off Mr. Singh, was joined by his wife who had earlier returned from Calcutta. They went to Phuntsoling.

The assailant fired one bullet and Mr. Dorji was wounded. He died two hours later.

Mr. Avtar Singh had sought the immediate despatch of a medical team from India, but before its arrival Mr. Dorji died.

The assailant escaped.

The offices of the Indian Political Officer at Gangtok remained closed on April 6 as a mark of respect to the memory of Mr. Dorji.

Mr. Dorji, who was 45, was well known in Calcutta as "Jigme". He was of an extremely amiable nature and was easily approachable to the common man.

In December, 1963 at a news conference at Gangtok he had expressed his sincere appreciation of India's aid to Bhutan for her development.

Mr. Avtar Singh, who reached Gangtok on April 5, said: "India has lost an extremely good friend in the death of Mr. Dorji. I am very much stunned by this tragic occurrence. This morning when I left I found Mr. Dorji hale and hearty. I offer my condolences to Mrs. Dorji and members of the bereaved family".

Arrests:

It was announced on April 14 that 41 persons had been arrested on suspicion of complicity in the assassination of Mr. Jigme Dorji.

Mr. Avtar Singh, India's Political Officer in Sikkim and Bhutan, now at Thimpu, told newsmen at Gangtok, linked by radio-telephone, that among those arrested were Brig. Namgyal Bahadur, Deputy Commander-in-Chief of the Bhutan Army, and Mr. Tasho Pafho, retired Quarter Master General.

Lt-Col. Thangpi, at present Chief of the General Staff, Bhutan Army, had taken over the duties of Deputy Commander-in-Chief.

Lt.-Col. Thangpi supervised the arrests of 17 officers, three non-commissioned officers and 18 other ranks at the Bhutan Army Training Centre, about seven miles from Thimpu. One Lama was also arrested.

Chinese Implication In Murder:

The alleged assassin of Mr. Jigme Dorji is a Chinese accomplice, a Government of India official indicated to newsmen in New Delhi on April 15.

While declining to spell out more details at present, as the case is sub judice, the official explained that the Bhutanese investigators had gathered evidence to show the connexions the assassin (Jambey Dukpa) had with Peking agents.

Jambey himself gave all details of the plot and his Chinese connexions in a re-

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morseful confessional statement directly to the Bhutan Maharaja.

About the first thing the Maharaja did on his arrival at the border town of Phuntsoling was to summon Jambey for direct questioning. At this meeting, Jambey laid bare the entire plot which, had it succeeded, would be a virtual coup d'etat plunging the Himalayan Kingdom in a bloodbath of unprecedented magnitude.

At Bhutan's request, the Government of India has deputed a few expert crime investigators from Calcutta and New Delhi to assist Bhutanese officials. It was disclosed that the Indian and the Bhutanese Governments were alarmed about the stability of the Kingdom following disclosures by Jambey of the well-laid-out plot of the Chinese-backed conspirators.

The counteraction by the Maharaja's loyal officials and armed contingents had to be carefully planned and kept a guarded secret till it was executed. The arrest of Bhutan's small but well-trained and modernized Army's Deputy Commander-in-Chief and the Quarter Master General along with 39 officers and men was carried out with utmost skill and precision.

Reports from Bhutan have shown that the critical phase of the turmoil is over. Nearly 2,000 army-trainees who were at Thimpu, the royal capital, under direct command of the Deputy C-in-C have been disarmed. The Maharaja's loyal forces were now in complete command of the situation.

Mr. Avtar Singh, India's Political Officer in Bhutan and Sikkim went to Thimpu about a week earlier, ahead of the Maharaja's return from Europe. He has since been in closest touch with the Maharaja.

On instructions from New Delhi, Mr. Avtar Singh was understood to have assured the Maharaja of India's fullest support to him and its readiness to rush whatever help was needed. (New Delhi is on wireless contact with Thimpu via Gangtok, the Sikkim capital.)

(*The Statesman*, Calcutta and *The Hindustan Times*, New Delhi)

[Prev. ref. 4214:INI:E]

C. Mr. Mahavir Tyagi Appointed Central Rehabilitation Minister: Mr. Mahavir Tyagi, a senior member of the Congress was appointed on April 14 as Minister for Rehabilitation in the Central Cabinet.

He was Minister for Defence Organizations till 1956. He has now been given full Cabinet rank.

The decision to separate Rehabilitation from Works and Housing and raise it to a regular Cabinet portfolio suggests the Government's awareness of the enormity of the rehabilitation problem on the one hand and recognition of Mr. Tyagi's standing in the party on the other.

On April 13, while replying to the Lok Sabha debate on grants to the External Affairs Ministry, the Prime Minister, Mr. J. Nehru had indicated that a "special" Ministry for Rehabilitation would be created soon.

The decision to set up a separate Ministry was actually taken nearly a week earlier. Mr. Mehr Chand Khanna, Minister for Works, Housing and Rehabilitation, had submitted to Mr. Nehru that the current exodus from East Pakistan had created a situation with which a truncated department of Rehabilitation could not cope. He had pointed out that rehabilitation once again was a task for a separate Ministry.

The decision to create a separate Ministry to deal with the refugee problem was, however, not announced earlier in view of the Indo-Pakistan Home Ministers' talks in New Delhi.

Mr. Tyagi is a front-bench member of the Lok Sabha and a prominent member of the Congress Parliamentary Party Executive. He is a speaker of some note and usually expresses himself in a blunt and forthright manner.

During his previous term in the Government he was Minister of State for Revenue and Expenditure, and later became head of Defence Organizations while Mr. Nehru held the Defence portfolio.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5738:INI:C]

D. Pakistan Guilty Of Violating Cease-fire Agreement In Jammu And Kashmir—UN Observers' Verdict: The United Nations observers' team in Jammu and Kashmir has held Pakistan guilty of violation of the Cease-fire Agreement in connexion with the Karen incident of February 21.

The Government of India and Pakistan have been informed of this verdict. India is expected to address a communication to the President of the Security Council drawing his attention to the fact that this is one more instance of Pakistan's provocative activities in Kashmir in defiance of the Cease-fire Agreement.

At Karen, about 40 miles from Baramulla, an Indian police party on routine patrol duty was ambushed by troops from Pakistan-occupied Kashmir.

There was also heavy firing from across the Kishenganga river which forms the cease-fire line in this region. The UN observers have blamed Pakistan for this too.

Karen is in the Chaknot region where Pakistan had concentrated troops a few months earlier. The UN team's finding then also was that Pakistan had violated the Cease-fire Agreement.

(*The Times of India*, New Delhi)

[Prev. ref. 5737:INI:A]

E. Pakistani Violations Of Air-space—Mr. Y. B. Chavan's Statement In Lok Sabha: The Defence Minister, Mr. Y. B. Chavan, informed the Lok Sabha on April 13 that the Indian Air Force had been instructed to keep fighter planes always ready to chase any foreign aircraft violating Indian air-space.

He disclosed that Pakistani jet aircraft had violated Indian air-space over Jammu and Kashmir twice, on April 9 and again on April 11. In one case, the plane penetrated 30 nautical miles into Indian territory. These planes were on a reconnaissance flight and had presumably taken photographs.

His statement led to several angry questions. Opposition members were greatly agitated over the frequent air violations and made a searing attack on the Government for its "failure" to shoot down the intruding planes.

Giving details of the two violations, Mr. Chavan said that on April 9 a twin-engined jet aircraft was observed over Udhampur. It flew at a height of 32,500 feet and at a speed of 300 knots an hour. It penetrated 30 nautical miles. On the same day, another single-engined Pakistani jet aircraft was seen flying over Jammu. The aircraft climbed from 7,000 feet to 30,000 feet.

On April 11, another twin-engined jet reconnaisance aircraft flew over Jammu area at 09-24 hours. The aircraft which penetrated two to three miles into Indian territory was flying at a height of 10,000 to 15,000 feet and at a speed of 350 knots and hour.

Immediately after this plane was sighted, IAF fighters were directed to chase it. The hostile aircraft withdrew into Pakistani territory.

Mr. Chavan also referred to reports regarding flights by unidentified aircraft over Jammu on April 12 and said they belonged to the Indian Air Force.

(*The Times of India*, New Delhi)

[Prev. ref. 5714:INI:C]

F. Democratic Decentralization In N-EFA: The Central Minister without Portfolio, Mr. Lal Bahadur Shastri, announced in the Lok Sabha on April 11 the Government's intention to introduce democratic decentralization in N-EFA.

The Governor of Assam would announce the personnel and terms of reference of a committee that would be set up for drawing up a scheme in that regard.

Mr. Shastri added that administrative posts now covered all the areas in N-EFA which had been vacated by the Chinese.

Mr. Shastri, who was intervening in the debate on the demands for grants of the External Affairs Ministry, also referred to the impending talks for the restoration of peace in Nagaland.

At a convention of non-official Nagas, the names of Mr. Jayaprakash Narayan, Mr. Shankarrao Deo, Mr. B. P. Chaliha and Rev. Michael Scott had been suggested to hold discussions with the hostile elements. Mr. Chaliha and Mr. Narayan had agreed to the proposal. The Rev. Scott was already in Nagaland and was willing to participate in the negotiations. Mr. Deo was indisposed.

It had been made clear that the participants in the discussions would keep in mind the present set-up of Nagaland. There could be no demand for anything like independence for Nagaland. The Rev. Scott had agreed to this position.

(*The Times of India*, New Delhi)

[Prev. ref. 5233:INI:G]

G. Communal Disturbances—Indo-Pakistan Home Ministers' Conference: The Indo-Pakistan Home Ministers' conference opened in New Delhi on April 7 and the two delegations pledged themselves in general terms to eradicate the evil of communal hatred and violence from the two countries.

The Home Minister of India, Mr. Gulzarilal Nanda, spoke with great feeling—and without rancour or recrimination—about the imperative need for communal harmony; and the Pakistan Home Minister, Khan Habibullah Khan, responded with a touching reference to Mahatma Gandhi's struggle for the freedom of the sub-continent.

While Mr. Nanda pleaded eloquently for steps to create conditions of security and confidence among the minorities, the Pakistani leader's main theme was that the so-called eviction of Muslims from Assam, Tripura and West Bengal should be stopped before any purposeful measures could be taken to restore communal peace in the two countries.

Among the suggestions made by Mr. Nanda was a proposal for a joint appeal by the two Home Ministers for communal harmony in the sub-continent. A draft of the proposed joint appeal was handed over at the afternoon session to the Pakistan Home Minister who promised to study it carefully and give a reply at a later stage of the conference.

Mr. Nanda also suggested that they should try to revive the spirit of the

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Nehru-Liaqat Agreement of 1950 and re-establish friendly and good-neighbourly relations between the two countries on the basis of complete equality of citizenship and a full sense of security in respect of life, culture, property and personal honour for the minorities.

The two Home Ministers agreed to conduct their discussions, through two committees of their advisers, under three heads:

(1) Question of restoring communal harmony and establishing conditions of security and confidence for the minorities in each country;

(2) Migration and movement of refugees from one country to the other; and

(3) Question of eviction of Indian Muslims, according to Pakistan; of illegal infiltration from Pakistan, according to India.

The Indian team on the first committee dealing with the question of restoring communal harmony was headed by Mr. L. P. Singh, Special Secretary in the Home Ministry. The other committee, which was entrusted with the second and third items on the agenda, had the Home Secretary, Mr. V. Viswanathan, and the Commonwealth Secretary, Mr. C. S. Jha, on it.

It was agreed that the two Home Ministers would make detailed statements on the minorities problem as they saw it and thereafter the two delegations would decide how best to process and regroup the proposals put forward by them for discussion during the conference.

Mr. Nanda made the following suggestions for restoring communal harmony in the two countries.

(1) Proposals for security:

(A) Issue of joint appeal by the two Home Ministers to maintain communal harmony and peace.

(B) Periodic meetings of representatives of India and Pakistan at agreed places to discuss the question of promoting and furthering communal harmony, to bring to each other's notice any deviation from the objectives agreed upon by both sides, and to review the working or agreements concluded by India and Pakistan.

(C) Joint machinery to tour different areas in the two countries periodically and report on the implementation of measures agreed upon at this conference.

(D) Minorities Commissions as contemplated under the Nehru-Liaqat pact to be revived.

(2) Adequate administrative arrangements to ensure full protection to minorities in the two countries:

(A) To impress upon the officials concerned that it is their foremost duty to look after the security of the minorities.

(B) Immediate steps and effective measures to be taken to prevent a breach of the peace.

(C) Adequate force at every point where there is apprehension of communal trouble.

(D) Slackness or failure on the part of officials to be dealt with severely.

(E) Severe punishment to be meted out to miscreants through courts.

(F) Recovery of looted property.

(3) Representatives of minorities to be associated with agencies for the recovery of abducted women.

(4) Exercise of restraint by the Press in both countries in dealing with news of communal disturbances, and free circulation of each other's newspapers in either country.

(5) Proper rehabilitation of members of minority communities affected or displaced by riots.

Mr. Nanda stressed that the primary task of the two Governments should be the creation of conditions of security and confidence so that many of the intending migrants might change their minds and stay on in their respective places of origin. But he insisted that if some of them still wanted to leave, they should be permitted to sell their immovable property and take away their cash, jewellery and other personal effects with them. They should also be assured of full protection during transit.

He mentioned some long-range ideas, such as the utilization of media of mass communication to promote communal harmony, exchange of cultural delegations, joint celebration of important festivals of all communities, observance of communal harmony weeks or days, and the appointment of citizens peace committees in the two countries.

Khan Habibullah Khan agreed with many of the suggestions made by Mr. Nanda, but he harped on the familiar Pakistani theme that until the so-called eviction of Muslims from Assam, Tripura and West Bengal stopped, it would not be possible to restore communal peace in the two countries. Mr. Nanda did not mention even once in his speech the question of illegal infiltration from East Pakistan, which the Pakistani delegation insisted on calling "the question of eviction of Indian Muslims."

No Agreement Reached—Joint Communique:

The conference ended on April 11 with no agreement whatsoever on the issue of evictions and migration of minorities, but with a broad understanding that the two countries should take all possible steps to maintain communal peace in the subcontinent.

The two Home Ministers agreed to meet again in Karachi or Rawalpindi in the near future to continue their discussions. The date of the next meeting will be settled soon.

A joint communique issued at the conclusion of the conference stated simply that the two delegations were in "full agreement" over the necessity of promoting communal harmony and creating a sense of security and confidence among the minorities.

But it did not spell out the points of agreement reached for this purpose. Though the two Home Ministers were agreed on the administrative measures necessary to ensure full protection to the minorities and the need to mete out deterrent punishment to the miscreants, they could not reach any agreement on the corresponding political steps proposed by India for the maintenance of communal peace.

Mr. Gulzarilal Nanda had suggested a joint appeal for communal harmony, joint tours of the affected areas, joint machinery to supervise and report periodically on the implementation of the agreements reached, and the appointment of minorities commissions in the two countries. The Pakistan Home Minister, Khan Habibullah Khan, did not formally reject these suggestions, but he showed little interest in them.

On the question of evictions, there was no progress at all. Pakistan stuck stubbornly to her fantastic theme that a great majority of illegal infiltrators evicted by India were really Indian citizens. India emphatically repudiated this mischievous allegation with a detailed explanation of the administrative and judicial procedures laid down for screening Pakistani infiltrators in Assam, Tripura and West Bengal.

While rejecting the Pakistani proposal for an international tribunal to investigate these evictions, India had offered to suspend the service of quit notices and deportation of infiltrators for two months to give Pakistan time to study Indian judicial procedures and satisfy herself that there were adequate safeguards against an Indian Muslim being mistaken for an illegal Pakistani infiltrator. The offer was made with a view to getting a quick agreement, if possible, on the other aspects of the communal problem which called for immediate action.

The offer did not imply any unilateral commitment on India's part to suspend the evictions for two months whether there was agreement or not on the other issues before the conference. It was, therefore, made perfectly clear to the Pakistani delegation that the process of investigation to locate illegal infiltrators would go on even during this period.

But the Pakistani delegation argued that before a suspected illegal infiltrator was adjudged a Pakistani national, Pakistan had a right to demand an impartial inquiry into the case under international law. Khan Habibullah Khan submitted a note on the subject to Mr. Nanda citing a number of precedents in support of the Pakistani demand for an international tribunal to investigate the very principle of these evictions.

He referred to the Czech-Hungarian exchange of population during 1946-47, the Turko-Greek Conventions of 1923 and 1926, and The Hague Court judgments in the Tunisia-Morocco nationality decrees case in 1949. In both these cases, Khan Habibullah Khan claimed, the World Court had observed that in international law disputed nationality was not a matter of domestic jurisdiction.

At the concluding session of the two Home Ministers, Mr. Nanda gave a written reply to the Pakistani note saying that these international precedents had no relevance to the steps being taken by India to evict illegal infiltrators from her territory. Apart from the question of sovereignty, it was pointed out, there was no legal basis of any kind for the international tribunal procedure suggested by Pakistan.

The following is the text of the joint *communique*:

"The Home Ministers of India and Pakistan, assisted by their advisers met in New Delhi from April 7 to April 11, 1964, and discussed the problems of minorities and communal harmony in India and Pakistan.

"During the course of his visit the Home Minister of Pakistan laid a wreath on the Samadhi of Mahatma Gandhi. He also took the opportunity of calling on the President of India, the Vice-President of India, the Prime Minister of India and the Minister without Portfolio, Mr. Lal Bahadur Shastri.

"The discussions between the two delegations were held in a frank and cordial atmosphere and a free exchange of views took place.

"The Home Minister of Pakistan impressed upon the Home Minister of India the view that eviction of a large number of persons from Assam and Tripura and other Indian States had led to tensions and consequences thereof. The Home Minister of India, on the other hand, explained his Government's position regarding the problems relating to the migration of minority communities from Pakistan into India and the consequences arising therefrom.

"Efforts were made by the two delegations to arrive at a mutually satisfactory solution of these questions.

"The two delegations were in full agreement over the necessity of promoting urgently communal harmony between various communities in each country and the need to establish a sense of security and confidence in the minds of the minorities.

"The two delegations were agreed that the responsibility for the protection and wellbeing of the minority communities and the redress of their grievances lay with their respective Governments. They felt that there was imperative need to ensure that the minorities throughout their territories enjoyed complete equality

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of citizenship, irrespective of religion, a full sense of security in respect of life, culture, property and personal honour and all other rights which have been guaranteed to the citizens of each country under its Constitution.

"A number of proposals for the promotion of communal harmony, restoration of law and order in affected areas and for taking prompt and effective action against those responsible for crimes against the minority communities and the rehabilitation of the persons affected by the disturbances were considered. The two delegations re-affirmed their respective Government's determination to adopt all measures for the early attainment of these objectives.

"In view of the great importance of the issues involved and the complex nature of the problems, it was agreed that discussions between the two Home Ministers will be resumed at Karachi/Rawalpindi in the near future.

"The Home Ministers expressed their firm determination to take all measures to maintain communal peace in their respective countries and appealed for co-operation in preserving communal harmony."

Mr. G. L. Nanda's Statement In Parliament:

The Home Minister, Mr. Gulzarilal Nanda, placed before Parliament on April 13 the texts of the Indian and Pakistani proposals submitted at the Indo-Pakistan Conference for the restoration of communal peace in the sub-continent.

He said, "a measure of agreement" had been reached on the steps necessary for the restoration of communal harmony and creation of conditions of security and confidence for the minorities in the two countries. A fair measure of agreement had also been reached on the question of the facilities to be afforded to the refugees migrating from one country to another. But there was no agreement of any kind on the evictions issue.

Pakistan had proposed (a) an immediate suspension of further evictions, (b) the setting up of an international tribunal consisting of a Pakistani Supreme Court judge and an Indian judge of the same status and a mutually agreed impartial judge from another country to examine the general claim of the Indian Government that all the evictees deported from Assam, Tripura and elsewhere were Pakistani infiltrators; then a number of subsidiary tribunals each consisting of a Pakistani High Court judge and an Indian judge of the same status with a chairman from a third country should be set up to examine the cases of those who have already been evicted.

Mr. Nanda said that these Pakistani proposals were "totally unacceptable". He, however, offered to suspend the service of quit notices for two months to give Pakistan time to suggest modifications or improvements in the procedures "preceding the issue of quit notices."

This offer was made in the context of a larger agreement covering all aspects of the communal problem relating to the resolution of peaceful conditions and the provision of adequate facilities for the migration of refugees. But it was pointed out at the same time that the other legal processes for the location of the illegal Pakistani infiltrations and the deportation of those who were detected while crossing the frontier illegally into India or those who having come to India with valid passports were found to be overstaying after the expiry of their visas would continue even during this two-month period.

On the question of facilities for the migration of refugees, India merely invoked the Nehru-Liaqat pact of 1950 which provided for various measures to ensure complete freedom of movement for the intending migrants, adequate protection during transit and freedom from harassment by the Customs at the border checkposts, and permission to take away movable property, household effects, jewellery and cash up to Rs. 150 per adult migrant and Rs. 75 per child. But Pakistan repudiated the pact on the ground that it would make migration easier, leading eventually to a massive exchange of population.

(*The Times of India* and *The Statesman*, New Delhi)

[Prev. ref. 5713:INI:B]

H. West German Aid For Chemical Industry—Agreement Ended: An Agreement for West German technical aid to the Indian chemical industry has been terminated owing to the fall in world market prices for the products concerned and the changing requirements of the Indian chemical industry.

This was announced on April 13 on behalf of Bayer, Farbwerke Hoechst AG and Badische Anilin-und Soda-Fabrik, which signed the Agreement with the Indian Government in 1960.

The Agreement—which granted technical aid and 'know-how' to India for the manufacture of basic chemicals and intermediate products—has been "dissolved after talks by all sides."

"It is intended, however, that the aid so far granted should be available to India for the realization of a chemical project adapted to the new situation."

The three companies were prepared to continue talks with the Indian Government to see how they could advise further in the field of intermediate products and their related organic heavy chemicals.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5582:INI:G]

I. Working Of Government Companies During 1962-63: The Central Government Audit Report, 1964 has said that the operations of the 46 Government companies and their two subsidiaries showed a loss of Rs. 12.38 crores during 1962-63 as against a loss of Rs. 10.60 crores in the previous year.

The increase in loss was attributed to a larger deficit of Rs. 23.91 crores during the year in the case of Hindustan Steel as against a loss of Rs. 19.47 crores in 1961-62.

The report was placed on the table of the Lok Sabha on April 13 by the Central Finance Minister, Mr. T. T. Krishnamachari. According to the report, an amount of Rs. 71.29 crores was recoverable by these companies from their customers. In the case of 29 companies a sum of Rs. 6.64 crores was outstanding for over a year.

The paid-up capital of these companies increased from Rs. 614.97 crores to Rs. 743.28 crores during the year. The loan taken by these companies rose from Rs. 459.41 crores to Rs. 526.77 crores.

After taking into account the free reserves, the total capital employed in these companies increased from Rs. 1,090.75 crores to Rs. 1,294.11 crores.

The report said that in addition to equity investment and the grant of loans, the Government had granted "interest holiday" on loans amounting to Rs. 357.19 crores in the case of Hindustan Steel up to March 31, 1962. The recovery so waived amounts to Rs. 39.71 crores.

Besides, it had granted moratorium for two years in respect of repayment of a loan of Rs. 3 crores to Indian Oil Company and a moratorium for two to three years in the case of a loan of Rs. 5.92 crores to the National Coal Development Corporation.

Apart from these concessions, subsidies had been granted to some companies to meet operational deficits, organizing fairs in foreign countries, maintenance of hospitals and industrial housing schemes. During 1962-63 six companies received subsidies aggregating Rs. 2.23 crores. The cumulative total of the subsidies paid by the Government up to March 31, 1963 was Rs. 12.01 crores.

Subsidies of Rs. 8.27 crores to Hindustan Shipyard and of Rs. 54,00,000 to the National Industrial Development Corporation were given for meeting deficits. The National Small Industries Corporation got a subsidy of Rs. 2.29 crores for promotional activities and in lieu of concessional rate of interest.

Another assistance was the guarantee of the Government to loans amounting to Rs. 29.79 crores raised by 13 companies.

According to the report, 34 of these companies showed a profit of Rs. 13.66 crores during the year before providing for taxation. Out of these, 11 companies declared dividends amounting to Rs. 1.54 crores, representing 6.4 per cent on their paid-up capital and 0.2 per cent on the total paid up capital of Rs. 743.28 crores of all Government companies.

The remaining 12 companies showed a loss of Rs. 31.04 crores, of which Rs. 29.28 crores was on account of Hindustan Steel, Heavy Electricals and Neyveli Lignite Corporation.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5741:INI:H]

J. Export Trade In Sugar Taken Over By STC: The Government decided on April 6 that the State Trading Corporation (STC) should be solely in charge of all facets of export trade in sugar—from the conclusion of agreements to the actual export of the commodity.

The implication of this is that handling of sugar exports, which had hitherto been the job of the Indian Sugar Mills Association (ISMA), will be taken over by STC.

It is now, therefore, clear that the constitution of the Sugar Marketing Board, decided upon by the Government the previous week, will in no way alter STC's role as exporter of sugar. The Board will concern itself primarily with the regulation of internal distribution of the commodity.

Since ISMA has already made arrangements for the export of 1,00,000 tons of sugar, STC will fulfil the commitment for the rest of the 1,00,000 tons.

STC will soon start negotiations with Malaysia for the export of between 30,000 and 40,000 tons of sugar. At a later stage, the Corporation may negotiate for the export of 50,000 tons of sugar to Canada.

It was stated that STC's take-over of the entire responsibility for sugar exports would help build up permanent and bigger foreign markets in future when, through increased licensing of factories, more sugar will be available for export.

The Government has already decided to license an additional crushing capacity of 8,00,000 tons to ensure enough sugar next season.

Meanwhile, sugar production in the current season is likely to touch three million tons, against the revised official estimate of 2.7 million tons. The target, however, is 3.3 million tons.

(*The Financial Express*, Bombay)

[Prev. ref. 5500:INI:P]

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JAPAN

A. Support To GATT Declaration: A Tokyo message said on April 2 that the Finance Ministry had instructed the country's representative in Geneva to sign the declaration of the General Agreement on Tariffs and Trade (GATT) pledging to abolish subsidies for exports of secondary products.

The Ministry said it had become possible for Japan to support the declaration now that a special Bill revising the taxation system had been approved by the Diet.

The Bill abolishes the export income deduction system, which has been criticized by certain foreign countries as virtual subsidies for exports.

The Ministry said, however, that the Bill provided for the introduction of a reserve for market cultivation and other measures which would largely offset the loss of tax benefit caused by abolition of the export income deduction system. The Government was said to be convinced that the measures do not represent export subsidies.

(*The Japan Times*, Tokyo)

[Prev. ref. 4613:JAP:B]

MALDIVES

A. Attack On British Air Strip: The British air strip at Hulule, which was subject to an attack by "angry Maldivians" on the night of March 27, has been rendered inoperable.

Reports from Male, capital of Maldives, said that food parcels were being dropped at Hulule for the British Representative there with the aid of parachutes.

On April 4, the Maldivian Government Representative had reported "anti-British feeling developing to almost uncontrollable proportions among the Maldivian population."

Meanwhile, the Maldivian Prime Minister has refused to have any discussions with the British Government till the latter reconsidered its decision to remove the rebel leader, Mr. Afif, from Maldives and till the Maldives are given complete independence.

His refusal to have discussions was conveyed to the British Representative in Male, Mr. Arthington-Davy, who had met the Prime Minister with a view to discussing the establishment of a British Broadcasting Corporation relay station on Hitadoo island in Addu Atoll, where the British have established an RAF base.

The Prime Minister suggested to the British Representative that the British Government should submit a draft in writing with regard to the agreement on granting full independence to the Maldive Islands. It would then be possible for the Maldivian Government to state their views in the proposed draft and arrange for a discussion with the British Representative in Male.

The British Government was reported to have removed Mr. Afif, who revolted against the authority of the Maldivian Government in 1958, out of Maldives without the Maldivian Government's consent.

(*The Times of Ceylon*, Colombo)

[Prev. ref. 5567:MLD:A]

NEPAL

A. Re-shuffle Of Ministry: King Mahendra announced on April 9 a re-shuffle of the portfolios of his Ministers.

The new Ministries were brought under the charge of Dr. Tulsi Giri, Chairman of the Council of Ministers. The portfolios of five Ministers were changed.

The only new entrant to the Ministry under the re-shuffle was Mr. Dil Bahadur Shreshta, member of the National Panchayat, who shares the Home and Panchayat Ministries with Mr. Shailendra Kumar Upadhyaya.

The Foreign Minister, Mr. Kirtinidhi Bisht, who held four portfolios, now retains Foreign Affairs and Education.

The Ministers and their portfolios are:

Dr. Tulsi Giri (Chairman)—Palace Affairs, Administration, Home and Panchayats.

Mr. S. K. Upadhyaya and Mr. D. B. Shreshta—Assistant Ministers for Home and Panchayats.

Mr. S. B. Thapa (Vice-Chairman)—Economic Planning, Law and Justice.

Mr. N. P. Rijal—Assistant Minister for Economic Planning, Law and Justice.

Dr. N. P. Singh—Constructions, Communications, Transport and Health.

Mr. G. P. Hurhathoki and Mr. S. B. Tumbahampe—Assistant Ministers for Constructions, Communications, Transport and Health.

Mr. Bhuwanlal Pradhan—Irrigation and Power.

Mr. P. N. Upreti—Assistant Minister for Irrigation and Power.

Mr. Kirtinidhi Bisht—Foreign Affairs and Education.

Mr. Kedarman Byatith—Assistant Minister for Education.

Mr. Vedanand Jha—Commerce and Industry.

Mr. Khadag Bahadur Singh—Food and Agriculture, Forests and Land Reform.

Mr. Rajeshwar Devkota—Assistant Minister for Food and Agriculture, Forests and Land Reform.

Major-General Padma Bahadur Khetry, Secretary for Foreign and Defence Ministries, was relieved of his charge of Defence. He was succeeded by Major-General Ksetra Bikram Rana.

(*The Times of India*, New Delhi)

[Prev. ref. 5719:NEP:A]

B. Mr. T. P. Acharya Appointed Vice-Chairman Of National Guidance Council: Mr. Tanka Prasad Acharya, former Premier of Nepal, has been appointed Vice-Chairman of the National Guidance Council.

The Chairman of the Council is King Mahendra himself.

The scope and functions of the Council, which was set up in 1963, have not yet been announced.

The Council is, however, expected to advise the Government on matters relating to panchayat system.

(*The Times of India*, New Delhi)

[Prev. ref. 5443:NEP:A]

C. Nominations To Raj Sabha: Dr. Tulsi Giri, Chairman of Nepal's Council of Ministers and Mr. Bhagwati Prasad Singh, newly-appointed Chief Justice of the Supreme Court were nominated on April 10 to the Raj Sabha.

(*The Times of India*, New Delhi)

[Prev. ref. 5615:NEP:C]

D. New Chief Justice: Mr. Bhagwati Prasad Singh was on April 9 appointed Chief Justice of Nepal's Supreme Court.

Mr. Singh had been acting as Chief Justice since January, when Mr. Hari Prasad Pradhan died.

A three-man Special Legal Committee has also been set up with Mr. Anuruddha Prasad Singh, Mr. Pashupati Koirala (judge, Supreme Court) and Nepal's Attorney-General as members.

(*The Times of India*, New Delhi)

E. Aid Protocol With USSR Signed: Nepal and the Soviet Union signed in Khatmandu on April 8 a Protocol covering Russian aid for a road building project and an agricultural implements factory.

Mr. Tegh Bahadur Thapa, Nepal's Economic Development Secretary, and Mr. Zabroddin, Soviet Ambassador to Nepal, signed the Protocol on behalf of their respective Governments.

The detailed project reports, together with their evaluation, are expected later but, according to rough estimates, they will together cost Rs. (Nepali) 100 million. This will be in addition to Rs. 210 million now being given by USSR for Nepal's Three-Year Plan.

A Russian team of socialists is now engaged in investigating the possibilities of setting up a cement project, which was promised by the Chinese and which they later abandoned.

Mr. Tegh Bahadur Thapa, speaking to newsmen, said the Chinese had not as yet submitted the report of their investigation of the cement project, which they abandoned as economically not feasible. He expected their report soon.

(*The Financial Express*, Bombay)

[Prev. ref. 4459:NEP:B]

F. Ropeway Built By US Firm: A $5.98 million Khatmandu-Hetauda trial ropeway built by the American firm, Riblet Tramway Company, was formally transferred on April 8 to the Nepal Government.

A formal transfer deed was signed at a brief ceremony by Mr. Bhekh Bahadur Thapa, the Nepalese Economic Planning Secretary, and Mr. Virgil L. Follows, a representative of the US firm.

The 26-mile ropeway linking Nepal's capital with Hetauda town across Mahabharat Range has a capacity to transport 37.5 tons of freight per hour.

It can be used to transport food-stuffs and other goods in either direction at the same time.

(*The Financial Express*, Bombay)

[Prev. ref. 5046:NEP:C]

G. British Expedition To "Ganesh Himal" Abandoned—Chinese Incursion Alleged: Lord Shaftesbury, who arrived in Khatmandu early in April to lead a four-member expedition to *Ganesh Himal* (7,406 metres) in the north-eastern Himalayas, has abandoned his plan and is awaiting the Nepal Government's permission to climb some other peak.

The main reason for this appeared to be the recent incursion by the Chinese

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into Nepalese territory in the region around the summit of Ganesh Himal about which Lord Shaftesbury came to know only after arrival in Khatmandu.

Apparently, the Nepal Government did not also know about these incursions when it granted permission to Lord Shaftesbury in January to climb Ganesh Himal.

It was understood that Lord Shaftesbury gathered evidence after his arrival in Khatmandu that not only the route to his proposed base came in the Chilme valley, but the base camp itself and even the summit would fall in an area where Chinese incursions had taken place and which the Chinese consider as Tibetan territory.

[In this region, a big block of area between 84 degrees and 89 degrees latitude has not been surveyed by Nepal and the Chinese presumably took advantage of this uncertainty to make their incursions].

(*The Statesman*, Calcutta)

[Prev. ref. 3410:NEP:A]

PAKISTAN

A. Muslim League Programme: The Pakistan Muslim League, in its programme made public on March 17, said that the keynote of the League's policy towards education was widening of the base of free and compulsory primary education and greatly increasing the facilities for technical and vocational education.

The League recognized the need to provide Pakistan with an educational system which, based on the Islamic ideology, would facilitate transition into an era of science and technology and would promote all-round development and bring the country's moral, spiritual and cultural heritage into harmony with the increasing tempo of the modern world.

It aims at providing education to about 15 million children per year for the primary and lower secondary stages by 1970 and to achieve the objective of universal primary education by 1975.

To achieve these objectives, a substantial increase in the number of qualified teachers was necessary and a teachers' training programme was proposed so as to provide 40,000 primary teachers annually by 1970. At the higher college and university levels, the emphasis was placed on consolidation, on quality rather than numbers, and on expanding the teaching of science and technology.

It aimed at providing shelter for displaced persons and low-income groups by increasing investment in housing and settlement. It planned to promote the development and sale of land on easy terms, to encourage employers to provide houses on hire-purchase basis and to promote and patronise co-operative housing societies. To that end, it aimed at provision of tax concession in regard to housing for such groups.

It viewed with appreciation the efforts already made in the direction of rural development through the Works Programme implemented by the system of Basic Democracies and proposed not only the continuance but the expansion of such programmes especially in the rural areas.

It considered that, in consonance with its ultimate objective of a welfare state, the nation should aim at full employment, and it proposed that during the coming years the existing levels of unemployment and under-employment should be appreciably reduced and ultimately eliminated. In particular, it intended to provide for approximately five million new job opportunities during the next five to six years.

Its aim was to create a society wherein full facilities are provided to the Muslims of Pakistan to order their lives in accordance with the fundamental principles and basic concepts of Islam.

It will encourage the use of mosques as a centre of activity by the local community in the religious, social and educational spheres. It considered that Pesh Imams should be provided appropriate facilities, and arrangements should be made for the proper maintenance of mosques. It also considered it necessary to re-organize Madressah education in accordance with modern thinking.

It stands for compulsory religious teaching in schools and intends to extend it up to the Matric standard. In all colleges and universities. Islamic Studies was proposed to be introduced as an optional subject. Proper arrangements for research in Islamic Studies and for the teaching of Islamic Jurisprudence would be made.

The Muslim League believed that all elements in the society should be organized to work together voluntarily for the common good, and that the field of endeavour for community development should not be exploited for political aims. It would endeavour to set up a National Service Corps for providing voluntary national service through a dedicated band of workers who would assist both during emergencies and for social welfare works.

It recognized that healthy social and economic development could be ensured only if the people are enabled to develop a sense of participation in the affairs of the country. This participation could best be attained by establishing a system of Government under which citizens can freely elect representatives of their own choice. As provided in the Constitution, elections of representatives must be based on the right of universal adult suffrage. For the present, such right could be exercised in a meaningful manner only through the system of Basic Democracies.

The Muslim League would ensure that elections to the various Assemblies were held regularly in accordance with the provisions of the Constitution.

In the international sphere the League would endeavour to develop and strengthen the bonds of unity and friendship among all the Muslim peoples of the world. Simultaneously it would contribute to the promotion of good relations with all neighbouring countries and work for the attainment of international peace and harmony. With this object in view, it would support a policy of peace towards all, malice towards none. It would support the new dimension that had been added to Pakistan's foreign policy.

(*Dawn*, Karachi)

[Prev. ref. 5429:PAK:I; 5660:PAK:F]

PHILIPPINES

A. Austerity Measures: Faced with a Budget deficit of at least 200 million pesos, President Diosdado Macapagal on March 4 imposed austerity measures on Government offices.

An executive order endorsed by the Cabinet restricted travel of officials and employees.

The order asked Government personnel to economize in the use of office utilities and facilities such as water, electricity, telephone, postage, motor vehicles and other conveyances.

It banned additional compensation by the hour for overtime service and required presidential approval before any vacant position in the Government could be filled.

Manila Press reports said that the budgetary deficit was estimated by Government experts to be between about 207 million pesos and 325 million pesos.

Rice Shortage:

Meanwhile, the Agriculture Secretary, Mr. Jose Y. Feliciano on March 5 scaled down the country's expected rice shortage this year from 300,300 tons to 200,000 tons.

He blamed adverse weather conditions —typhoons in some places, drought in others—and shifting of land erstwhile planted with rice to sugar and copra production for the impending shortage.

He was addressing the opening of a ten-day meeting of working groups of the International Rice Commission.

Sugar and copra, he noted, drew "relatively higher incomes" than rice.

Uptil now, the Philippine Government had projected the rice shortage this year to come to 300,000 tons, expected to come about in July or August.

President Macapagal had planned to import 100,000 tons from Burma, 50,000 tons from Thailand and 150,000 tons from USA to meet the shortage and set up a limited emergency stockpile.

The Senate Committee on Commerce and Industry, however, decided to use the 68 million pesos sought by Mr. Macapagal for the purchases from Burma and Thailand as local rice subsidy.

The projected 150,000 tons purchase from USA would come under US Public Law 480, under which payments would be made in pesos and the money would be used by USA to finance its aid projects in Philippines.

(*The Manila Times* and *The Times of India*, Bombay)

[Prev. ref. 5619:PHI:A]

SAUDI ARABIA

A. Prince Feisal Takes Over Power: A message on March 29 said that the fight for power in the Saudi Arabian royal family had ended in success for Prince Feisal Ibn Abdel Aziz, King Saud's brother and successor to the throne. (Prince Feisal holds the posts of Prime Minister and Foreign Minister.)

King Saud, who had wanted to regain first place in the Government with the help of his sons after he had delegated it to his brother on October 31, 1962, had accepted the decisions of a council of his brothers and the Ulemas and signed the decrees leaving Prince Feisal in control.

Following the signature, the King's guard was withdrawn from his personal command and placed under that of the Defence Ministry.

The "White Army" of the Islamic brotherhoods which used to be under the King's command in his capacity of spiritual leader (Imam) came under the Interior Ministry.

The "King's court," created by King Saud in 1961, which had become a source of constant friction between the Crown and the Premier, was abolished and replaced by a court chancellory.

The King's appanage was drastically cut, the sums thus saved being used for the country's development.

Mecca Radio confirmed on March 31 that King Saud had been stripped

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of all powers and his brother, Prince Feisal, proclaimed Regent and uncontested ruler of the kingdom.

Prince Feisal's decree naming himself Regent followed a resolution passed by 12 leading Ulemas (religious leaders) declaring King Saud "unfit to conduct the affairs of state".

Approved by 58 Saudi princes, the resolution said that all King Saud's powers and prerogatives would go to Prince Feisal in the light of the dispute between the King and Prince Feisal, which were about to lead the country to insurrection and anarchy.

It gave Prince Feisal, who has been Crown Prince since his elder brother took the throne, all powers to run Saudi Arabia's internal and foreign affairs without consulting King Saud.

Comment:

A despatch to *The Statesman*, Calcutta on April 7 gave the following implications of the new set-up:

"The 'white' coup in Saudi Arabia that has transferred complete power to Prince Feisal from King Saud can only have beneficial results for that country and for the Arab world in general: but these are apparent only in long-term prospect with the immediate benefits being more doubtful.

"That Saudi Arabia will eventually make the transition from a monarchy to a republic is inevitable; this change in itself makes that outcome the more certain. However, Prince Feisal's assumption of power will delay the process because if he reforms and modernizes his country it is with the aim of making the monarchical system more acceptable and enduring. But since his reforms will consolidate Saudi Arabia and give it the beginnings of a sound administration, acceptance of a delay will be a price worth paying. Even if belatedly, a future republican regime will inherit the foundations of a modern State.

"A Saudi Arabia with its finances put into some sort of order should be able to give less fortunate Arab countries the sort of assistance that is now being given by Kuwait. But here again, though Prince Feisal will introduce economy and accounting efficiency, he shows no disposition towards sharing Saudi Arabia's vast oil wealth. In fact, in his first interview after becoming Viceroy he said flatly that Saudi Arabia would have no funds to spare.

"Prince Feisal has taken a much stronger line on general Arab problems, such as Palestine, than did King Saud: he has even spoken recently of using the ultimate Arab weapon of denying oil to the Western countries that support Israel. But the one-armed dispute that still divides Arab from Arab, the conflict in Yemen, is due to Saudi support to the royalist rebels there. And the Prince has clearly indicated that he will continue to give this help till an overall agreement is reached between Saudi Arabia and the UAR, which is supporting the Yemeni Republic. His firm attitude indicates that he will try and drive a hard bargain with President Nasser if they meet later this month, as they are expected to.

"Indeed, one of the points at issue between King Saud and the Prince was that the King, who attended the Arab 'Summit' Conference in Cairo in January, allowed himself to be swept off his feet by the spirit of brotherliness generated at that meeting. The King's attitude gave the impression that Saudi Arabia was ready for a speedy compromise on Yemen; an impression that Prince Feisal quickly corrected immediately after the conference.

"After the change in regime the Saudi royal family, under the Prince's leadership, will, in fact, be fighting a delaying rearguard action against the forces of modernity with greater efficiency than before, but with no greater prospect of final victory. Hence the benefits that this change will produce will be indirect and long-term."

(*The Statesman*, Calcutta)

[Prev. ref. 4971:SUA:B]

B. Resumption Of Diplomatic Relations—Talks With UAR: Field-Marshal Abdul Hakim Amer and Mr. Anwar El Sadat, UAR Vice-Presidents and members of the Presidential Council, arrived in Riyadh on March 1 for talks with Saudi Arabian authorities on the settlement of outstanding questions between the two countries.

Mr. Ahmed Tewfik El Medani, Algerian Minister of Wakfs, and Dr. Shamel El Samarrai, Iraqi Minister of Health arrived on the same plane.

Mr. Medani and Dr. Samarrai were appointed personal representatives of President Ahmed Ben Bella of Algeria and President Abdul Salam Arif of Iraq respectively, on the committee which was appointed to follow up the implementation of the resolutions of the Arab "Summit" Conference which was held in Cairo in January.

Shortly after the conclusion of the Arab "Summit" Conference they visited Saudi Arabia and their talks there resulted in an agreement under which the discussions between UAR and Saudi Arabia are being held to settle outstanding questions between the two countries in accordance with the resolutions of the Arab "Summit" Conference for the improvement of inter-Arab relations.

Joint Communique:

In a joint *communique* issued on March 3, UAR and Saudi Arabia announced their agreement on the execution of the statement made in Riyadh on February 4 with regard to the resumption of relations between the two countries and to have Ambassadors of both countries resume duties at their respective Embassies as soon as possible.

The **communique** also indicated that both countries expressed unqualified support to the independence and the liberty of Yemen and the Yemeni people, and resisted all imperialistic attempts against Yemen.

The **communique** said: "In order to realise Arab reunion and to close the ranks in the Arab nation for the realisation of its higher objectives and fulfilling its human mission as regards civilization and peace, in compliance with the resolutions of Arab 'Summit' Conference resulting from the meeting of Arab Kings and Heads of State in Cairo on January 17, 1964, and in response to the good offices of President Abdul Salam Arif, and President Ben Bella for conciliation and clearing Arab atmosphere by means of their joint delegations, and in order to implement the statement issued in Riyadh on February 4, 1964, following the talks of the above-mentioned mediation delegation with Prince Feisal and Saudi Arabian officials, a UAR delegation comprising Field-Marshal Abdul Hakim Amer, Vice-President and Deputy Commander of the Armed Forces, and Mr. Anwar el Sadat, Vice-President and Presidential Council member, conferred with Crown Prince Feisal of Saudi Arabia, who is at the same time Prime Minister and Foreign Minister, Prince Sultan Ben Abdul Aziz, Minister of Defence and Aviation, and Mr. Omar el Safaf, the Permanent Under-Secretary of the Ministry of Foreign Affairs, between March 1 and March 3, 1964.

"Their meeting was attended by the good offices delegation, comprising Mr. Ahmed Tewfik el Medani, the Algerian Minister of Wakfs, and Dr. Shamel el Samarrai, the Iraqi Health Minister, and Mr. Abdul Hamid No'man, the Iraqi Ambassador to Saudi Arabia.

"Several meetings were held in an atmosphere of complete frankness, and in a spirit of Islamic brotherhood and Arab solidarity. The two sides were motivated by a common desire for true co-operation for the good of the Arab nation and for the realisation of its aspirations.

"In this cordial and fraternal mood, the issues and questions concerning the two sides, notably the problems relating to Yemen, were discussed. In view of the marked progress made in this direction and their close point of views, the two sides decided to pursue their talks to a final settlement at a forthcoming meeting between President Gamal Abdul Nasser and His Highness Prince Faisal in Cairo, immediately following the pilgrimage season towards the end of April, 1964. This was agreed upon in response to the invitation expressed by Field-Marshal Abdul Hakim Amer, on behalf of President Gamal Abdul Nasser.

"The Kingdom of Saudi Arabia and the United Arab Republic declare that they have no ambitions in Yemen and give their unqualified support for its independence and the freedom of all people, resisting every imperialist attempt that may be made against Yemen.

"In pursuance of the **communique** released in Riyadh on February 4, 1964, concerning the immediate restoration of diplomatic relations between the two countries; the prompt return of their Ambassadors to their respective posts; and the settlement of all financial and material matters outstanding between the two sides in a spirit of true Arab brotherhood; the delegations of the United Arab Republic and the Kingdom of Saudi Arabia declare their pleasure at the announcement, and are happy to express on behalf of their Governments their deep gratitude to President Ahmed Ben Bella and Field-Marshal Abdul Salam Arif, as well as to their personal representatives Mr. Ahmed Tewfik el Medani and Dr. Shamel el Samarrai, wishing the Arab nation continued strength and goodwill."

(*The Egyptian Gazette*, Cairo)

[Prev. ref. 5482:YEM:D]

C. Oil Embargo On Israel Issue—Prince Feisal's Stand: Saudi Arabia is prepared to withhold oil from any country, whether Western or Eastern, which assists or supports Israel.

This was stated by Prince Feisal, the Crown Prince and Prime Minister of Saudi Arabia, in an interview with the **Middle East News Agency** in Riyadh on March 6.

He dealt with his country's attitude to British "imperialism" in the "occupied South", President Lyndon Johnson's statement on helping Israel in the water projects and the future economic and trade relations between the Arab countries. He also dealt with Saudi Arabia's participation in the non-aligned countries' conference, the Arab Foreign Ministers' conference and the exchange of Ambassadors between UAR and Saudi Arabia.

Commenting on President Johnson's statement on US help to Israel in water projects, Prince Feisal said: "We do not find such a statement strange because the existence of Israel in the Arab area is a result of the existence of the West, particularly the United States, in it."

Answering a question as to what would be the practical solution for removing Israel from the Arab area, he said that this solution "depends on the co-operation of the Arab countries." He added that Saudi Arabia would carry out any

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decisions to be taken by the Arab countries in this connexion.

Answering another question about the foreign bases in Arab countries he said: "I personally am opposed to the existence of these bases in Arab countries and consider it necessary to remove them."

Of his country's attitude to Britain, he said: "Our attitude is clear. It is against colonialism in any Arab country. We are fully prepared to give every assistance to the Arab people who have the ultimate authority."

Answering another question about Saudi Arabia's participation in non-alignment conferences he said: "We do not hesitate to do anything for the sake of public interest. Nor do we hesistate to make efforts for the sake of the maintenance of world peace."

Speaking of the future economic and trade relations between the Arab countries, he said that it was only natural that there should be co-operation between the Arab countries in this respect, particularly between Saudi Arabia and the United Arab Republic.

"We cannot keep Saudi Arabian funds from Arab countries. A Saudi Arabian delegation will leave for Algiers shortly to study the various facets of economic and trade co-operation between Algeria and Saudi Arabia."

(*The Egyptian Gazette*, Cairo)

[Prev. ref. 5744:ISR:A]

SYRIA

A. Agrarian Reform And Development: The Minister of Agriculture, Mr. Adel Tarabein, announced in Damascus on March 5 that the Government was prepared to make loans to a limit of £S40,000,000 to peasant farmers to allow them to purchase seed, stock and implements.

[£S10=£ approximately].

These loans are in addition to £S10 million being invested directly by the Government in agriculture this year. It is part of the Government's intention to channel a larger proportion of the national income into the pockets of the peasant farmers who constitute some two-thirds of the population but who at present do not receive "rights and privileges" commensurate with those of the urban population.

The modifications to the 1958 Agrarian Reform Law which were promulgated in May, 1962 are gradually being brought into effect.

Under the revised Law the former owners of expropriated land will be compensated over a period of 40 years, instead of 15 years as first proposed. The peasant who receives the property will pay only a quarter of its value, to be fixed at the time of sequestration, in 20 yearly instalments. In return he must attain the minimum level of production from his land fixed by the State, to whom the land will revert should he fail to do so.

The Law limits the individual holdings of irrigated land at 15 to 55 hectares and of non-irrigated land to 80 to 200 hectares. Peasants who do not own any land are entitled to receive an area of 8 hectares of irrigated land and 30 hectares of non-irrigated land, and in return must pay one per cent of the value of the land to the Agricultural Co-operative of the region, in the interests of the community. The new Law also makes provision for the setting up of collective farms.

Other measures to be taken to increase the irrigated acreage and to raise agricultural production are the provision of Government loans amounting to £S40 million to the Syrian farmers and the allocation of £S30 million to improve methods of cattle and sheep raising. Government investment in agricultural development this year should reach about £S10 million.

(*Middle East Economic Digest*, London)

[Prev. ref. 5732:SYR:A]

THAILAND

A. Field-Marshal Sarit Thanarat Cremated: The former Premier, Field-Marshal Sarit Thanarat, who died in December, 1963, was cremated on March 17 at the end of the traditional Buddhist 100-day mourning amidst political uneasiness and a dispute over his estate.

A column of 100 horsemen with plumed white helmets and lances led the funeral procession along a three-mile route from the temple—where the body had lain in a golden coffin—to a crematorium at a pagoda on the city's outskirts.

The King and Queen presided at the ceremonies at the crematorium.

Meanwhile, the authorities have been embarrassed by a scandal over how the former Premier had built a vast fortune. There have been too many claimants for it.

A special committee is investigating the estate. The inquiry was ordered by the new Prime Minister, Marshal Thanom Kittikachorn, following reports that the estate included Government funds.

He has said if the allegations proved untrue, the public would be told in order to clear the "blemish" on Marshal Sarit's reputation.

Officials believe that political opportunists and agitators are seeking to take advantage of the estate dispute to discredit Marshal Thanom's Government.

(*The Statesman*, Calcutta and *The Hindu*, Madras)

[Prev. ref. 5620:THI:A]

B. Fears Of "Coup d'etat": The Interior Minister, Gen. Praphas Charusathien, told newsmen in Bangkok on March 21 that the armed forces were on full alert to forestall a possible *coup d'etat*.

He said the troops' normal weekend leave was cancelled because leaflets had been circulated attacking the late Prime Minister, Field-Marshal Sarit Thanarat, and the present Government.

The leaflets were distributed to Thai newspapers on March 17, the day Marshal Sarit was cremated after 100-day mourning rites. They were signed by the "Liberation Movement of the Thai People in Central Thailand". Three men had been arrested.

General Praphas said the alert was a "normal" procedure. The armed forces and police have been on the alert since Marshal Sarit died in December, 1963 after a long illness. But hitherto the alert has been lifted partially at weekends.

Thai officials have publicly denied rumours of disunity in the armed forces but claim that political opportunists are agitating against the Government in a bid to return to power.

An atmosphere of political uneasiness has been building up in Thailand since Marshal Sarit's death. For over a month Thai newspapers have been printing stories about the vast estate left by Marshal Sarit and a quarrel among his relatives over it. A court recently held its first hearing on the case and dismissed all claims except those of Marshal Sarit's widow and his two eldest sons by another wife.

(*The Times*, London)

[Prev. ref. 5683:THI:A]

C. Economic Progress: Since 1961, when the First Six-Year Plan was launched, economic development has recorded a satisfactory climb.

Industrialization has progressed appreciably, but almost 85 per cent of the population is still engaged in agriculture.

The Government has given agriculture priority in its development schemes, as it is the vital factor in the nation's economy, providing some 70 per cent of export income.

The Government has indicated that development plans that are a basis of the national economy, especially those relating to highways, irrigation, natural resources, power, and tele-communications, will be undertaken "in accord with the power and capability of the country."

Among the schemes now being considered by the Government is the development of Bangkok port and the creation of a modern nation-wide tele-communication net-work. While substantial foreign aid is coming in from Governments and international bodies, private capital from USA, Japan, and Hong Kong is the major non-official source.

The market for exports has been growing—so has Thailand's trade deficit. But the rise in reserves and progress, in some degree, of the development projects, is a balancing factor.

Capital goods necessary for development account for the increase in imports. Foreign investment in the form of loans and aid grants, as well as direct investments, has tended to offset any deficit; but the Government is not keen on encouraging this trend. Saving foreign exchange by manufacturing locally what is otherwise imported, is a definite Government target.

Japan and USA are firmly established as trading partners, but the tendency now is to open the door to other active trading and investing partners.

Diversification and strengthening of the agricultural sector will continue to provide the national economy with the basic strength necessary for industrial expansion.

As for industry, recent years have seen the erection of many factories manufacturing traditional goods from jewellery to fertilizers, cement to machinery.

In 1963 the registered capital of new factories exceeded $9 million, and 1964 can be expected to bring in an equal, if not a higher, total.

In most established industries, production during the year considerably increased. An indication of the expansion is as follows:

(1) Production of cement has topped the million-ton mark and a further substantial growth is expected;

(2) About 20 million gunny bags were produced last year. New factories will be coming into operation this year and total production should more than satisfy demand;

(3) In the sugar industry, 35,000 metric tons of raw sugar and 5,000 metric tons of white sugar were admitted for export;

(4) A remarkable improvement has also taken place in the textile industry. Finer yarns and finer materials, such as poplins and white shirtings, are now being made in large quantities, and many finishing plants are being established;

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(5) Training to consolidate the benefits of these advances and to provide a firm foundation for the future, special attention being paid to industrial training and assistance to small-scale and cottage industries;

(6) Nearly 200 enterprises sent in 1963 more than 700 members of their staffs to training courses conducted by the Thailand Management Development and Productivity Centre;

(7) In the current Government Budget an initial sum of 10 million baht—or about $500,000—has been allocated to the Department of Industrial Promotion of the Ministry of Industry for loans to deserving small-scale and cottage industries.

Arrangements are in hand to ensure that suitable land, with necessary amenities, is made available to industry at reasonable prices.

(*Far East Trade*, London)

[Prev. ref. 4435:THI:B]

TURKEY

A. Progress Of CENTO Projects: An Ankara despatch on March 17 said that the Central Treaty Organization (CENTO) had made a notable advance on the economic front.

It was announced that Britain would increase her annual contribution for economic projects from £850,000 a year to £1,000,000 from 1965.

The United States has approved new long-term loans totalling $18 million (about £6,500,000) to complete the Turkey-Iran railway link.

The announcements of new credits were made at the opening of the 12th session of the CENTO Economic Commission in Ankara. The British delegation was led by Sir Andrew Cohen, Director-General of the Department of Technical Co-operation, and the United States delegation by Mr. Phillips Talbot, Assistant Secretary of State for Near Eastern Affairs.

The railway, which will be the first direct rail connexion between London and Tehran, has for long been a controversial project and at one time seemed unlikely to reach completion. The new shot in the arm for this railway will get the first trains running over it by 1968. The journey will include a passage by train ferry over the vast solitary Lake Van in a desolate and little known part of eastern Turkey. This project and the new roads which CENTO is building in the area are expected to bring trade and perhaps even tourism to Turkey and Iran's frozen extremities.

A much more expensive project, though for the common man perhaps less directly useful, is the micro-wave telecommunications telephone line stretching right across Turkey, Iran and Pakistan, which will connect Ankara with Karachi. This has cost $27 million (nearly £10 million) of which more than $18 million has been put up by the United States. It has involved the construction of 88 relay towers at intervals of about 30 miles throughout the whole 3,000-mile distance, and has been an extremely difficult and hazardous scheme to complete. It will be ready for use this Autumn and will allow a man in Ankara to speak to a man in Tehran or Karachi, according to CENTO officials, "as though he were in the next room".

Other CENTO projects which are going forward are high-frequency radio links between London and the three regional Capitals, Ankara, Tehran and Karachi; development of the Turkish ports of Trabzon and Iskanderun; a number of roads connecting Turkey, Iran and Pakistan; and a navigational air corridor across the three countries which will help civil air pilots.

(*The Times*, London)

[Prev. ref. 5671:TUR:A]

VIET-NAM (DR)

A. Soviet Warning To USA On Invasion Threat: The Soviet Union warned again on March 5 of the "serious consequences" facing USA if it invaded North Viet-Nam.

In a commentary on the situation in South Viet-Nam, **Moscow Radio** said in its English-language programme: "World public opinion is alarmed by the adventurist policy of the Pentagon. Extension of US intervention in South Viet-Nam would have serious consequences for USA itself.

"The Pentagon brasses are making a bad mistake if they imagine they can attack North Viet-Nam with impunity. USSR has already warned them that it will not permit this and will repulse invasion."

Suggestions in American circles following the recent mission of the US Defence Secretary, Mr. Robert McNamara, to South Viet-Nam that the war against Viet-Cong should be carried into North Viet-Nam have been denounced by Moscow, Peking and Hanoi.

(*The Nation*, Rangoon)

[Prev. ref. 5721:RVN:C]

B. New Power Plant Commissioned: A power plant erected with Hungarian assistance was formally commissioned on March 21 at Ham-Rong in Thanh-Hoa Province.

It is the fourth power station in the Province. It now supplies electricity for irrigation purposes in three districts and for industrial use at Ham-Rong.

Work on the project started in August, 1960.

(*Consulate-General of the Democratic Republic of Viet-Nam*, New Delhi)

[Prev. ref. 3149:VND:A]

VIET-NAM (RVN)

A. Training Programme For Village Chiefs: The Government started on April 3 a training programme for young army officers who have the task of bringing effective government to the people of the villages.

The special course for the country's district chiefs marked an important first step in implementing General Nguyen Khanh's programme to wipe out the communist insurgency.

Strongly endorsed by Mr. Robert McNamara, the United States Defence Secretary, during his recent visit, General Khanh's strategy emphasizes a need for efficient government administrators in areas cleared of insurgents by military action.

The American Ambassador, Mr. Henry Cabot Lodge, addressed the first group of about 40 military district chiefs attending the two-week course. "You epitomize the idea of government as the servant of the people", he said. "The old idea of the arrogant official looking down on the people is a thing of the past. You should be trusted and loved."

The training programme includes courses in local elections, finance and accounting, district, economic, and social development, and local political activity.

One of the main recommendations made by Mr. McNamara in his report to President L. B. Johnson was the need to strengthen local government administration, and to make the central authority more real and beneficial to the people of the countryside. In many parts of the country at present it is the Viet-Cong administrations which seem to be the government, with Saigon forces and representatives the intruders.

Parallel with the courses for district chiefs will be similar training for about 800 graduates of South Viet-Nam's reserve officers' training school, supplying a pool of trained personnel from which further district chiefs may be chosen.

(*The New York Times*)

[Prev. ref. 5768:RVN:A]

ASIA OUTSIDE ASIA

A. Signals From Unknown Planet: Two Soviet writers claimed on March 21 that light signals from highly-developed beings on another planet had reached the Earth at least thrice.

According to the writers, Generikh Altov and Valentina Zhuravleva, the signals came in 1882, 1894 and 1908. The last was in answer to the eruption of the volcano Krakatao, on an island in the Sunda Strait between Sumatra and Java, on August 27, 1883, which the beings mistook for a signal from the Earth, the writers said in an article in the Leningrad magazine **Vzezda** (star).

Altov and Zhuravleva think the signals came from one of the planets of the 61st star of the constellation of the Swan.

They believe plasma erupting from Krakatao sent into space a powerful radio, and perhaps light, signal which was received on the star 11 to 12 years later.

They wrote that "answer" was the most impressive volcanic phenomenon remembered by man—"The Tungus phenomenon." This was a body which landed in Siberia on June 30, 1908, and which had been variously explained as a giant meteor or small comet.

The writers stated that all three signals were observed at about the same latitude and that the intervals between them corresponded to the time it would take for light rays to cover the distance between the Sun and the star.

They claimed that a highly developed civilization on the star had long been sending signals in the direction of the Sun.

Challenging a theory that the Earth was visited by cosmonauts from other planets, they maintained that the trace of extra-terrestrial intelligence should be sought not in the Bible or rock paintings, but in stellar spectograms.

They urged the setting up of a permanent optical signal monitoring services and added that the fluctuations in the intensity of spectral lines, previously attributed to various accidental causes, could now be deciphered as optical signals from another civilization.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5096:AOA:J]

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ASIAN RECORDER

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ADEN

A. British Military Base—UN Appeal For Early Evacuation: Eight nations called on April 7 for the early evacuation of the British military base in Aden as being prejudicial to peace in the area.

They urged this move in a draft resolution presented to the UN General Assembly's Special Committee on Colonialism. The draft resolution was sponsored by Cambodia, India, Iraq, Mali, Syria, Tanganyika, Tunisia and Yugoslavia.

The Iraqi delegate, Mr. R. Adnan Pachachi, introducing the draft said the attack by the RAF on March 28 on Hareeb fort in Yemen pinpointed how British policy had increased tension in the area.

Britain Opposes UN Mission To Aden:

Britain gave notice in United Nations that she would oppose the draft resolution calling for a fact-finding mission to visit Aden and for the early removal of the British military base there.

Mr. John Sankey, the British delegate, told the Special Committee on Colonialism on April 8 that his Government was still opposed in principle to UN missions going to non-self-governing territories under its administration.

He also categorically rejected charges in the draft resolution that British policy was increasing tension in the Aden area and threatening international peace and security. The blame for any rise in tension had to be squarely placed on the Yemeni authorities.

He acknowledged the "increased recognition" of the difficulties his Government faced in promoting the political advance of Aden and the "more sober assessment by delegations of the true value of the extravagant allegations" levelled against it. But he rejected the argument that the campaign being mounted from Yemen against South Arabia was irrelevant to the main issue before the Committee.

"Can it be seriously maintained that a calculated and systematic campaign by a neighbouring country to interrupt the constitutional advance in a non-self-governing territory, to undermine its Government and ultimately to annex it, can possibly be ignored by a Committee which is supposed to be examining the situation in the territory concerned?" A calculated attempt had been made by the representatives of Yemen, Iraq and Syria to blur and conceal the true extent of Yemeni designs in respect of South Arabia.

He added: "It is fantastic to suggest that the Yemeni authorities are prepared to see the peaceful emergence of a strong, united and democratic Federation of South Arabia, whatever their representatives may say here."

Resolution Passed:

The UN General Assembly's Special Committee on Colonialism approved on April 8 the resolution setting up a fact-finding mission to visit Aden and calling for the early removal of the British military base there.

Britain voted against the resolution, which was approved by 19 votes to three, with two abstentions.

The mission of five nations, to be named by the Committee Chairman, is authorized to make contact with Britain with a view to implementing General Assembly resolutions calling for independence for Aden. Besides visiting Aden, it will be able to make other visits if necessary.

The resolution urged Britain to release all political prisoners, allow the return of people "exiled because of political activities," and to "cease forthwith all repressive action against the people of the territory, in particular, military expeditions and the bombing of villages."

It "re-affirms that the maintenance of the military base in Aden is prejudicial to peace and security and its early removal is, therefore, desirable."

(*The Times*, London and *UK High Commission*, New Delhi)

[Prev. ref. 5339:ADN:B, 5340:ADN:E, 5555:ADN:A]

AFGHANISTAN

A. Russian Survey For Gas Pipe-Line: The Soviet news agency *Tass* reported on April 12 that a group of Soviet specialists had left for Afghanistan to survey the route of a gas pipe-line to be built between Afghanistan and the Soviet Union.

Under an Agreement, the Soviet Union will help Afghanistan in organizing the development of gas deposits in the north of the country and the utilization of natural gas.

(*Tass*)

[Prev. ref. 5543:AFG:B]

BURMA

A. Further Nationalization Of Business: *Rangoon Radio* broadcast on April 9 a Government decision to take over immediately all shops and business houses throughout the country.

[The Government had nationalized shops, stores and business houses in the Rangoon area on March 19. See page 5759].

The broadcast said that the Government had no alternative but to adopt this step because up-country owners and proprietors had resorted to hoarding and were selling goods "surreptitiously at lower prices to defeat the purpose of the Government in nationalizing business houses in Rangoon".

Meanwhile, the British Deputy Foreign Minister, Lord Carrington, said on April 8 that the value of British business nationalized by the Burmese Government would amount to about £10 million.

Lord Carrington, who was on his way to Kuala Lumpur, said that he had "expressed concern about the payment of equitable compensation to British-owned business nationalized by Burma."

He said he had "no complaint about the scale of compensation, but I have conveyed to the Burmese Government my Government's anxiety over the delay in the payment of compensation".

(*The Statesman*, Calcutta)

[Prev. ref. 5759:BUR:A]

B. Border With Thailand Sealed: The Thai language daily, *Pimpthai*, reported on April 11 that Burma had sealed off her border with the northern Thai province of Chiengrai on April 9.

The report said the situation along the border was tense, with heavily armed Burmese troops lining the banks of the Mae Sai river.

The troops were said to be chasing Karen rebels and had sealed off the border to prevent their escape into Thailand.

A Thai border police spokesman said Thailand had not sealed her frontier.

(*The Statesman*, Calcutta)

[Prev. ref. 5328:BUR:B]

CHINA

A. Soviet Charge Of Border Violation: *Tass* released on April 8 a statement accusing China of constantly violating the border with the Soviet Union. But it re-affirmed that there was no "border issue."

It said that the present behaviour of the Chinese leaders had aroused a "feeling of the deepest indignation and appropriately severe condemnation from the point of view of international law and morality".

The statement, signed by Professor F. Kozhevnikov, an authority on international law, said it was well known that there were no territorial issues between the Soviet Union and China and that the Soviet-Chinese border had been "formed historically".

"We can only discuss separate necessary clarifications of it. However, for some time the Chinese side has constantly and systematically violated the Soviet-Chinese border, not infrequently in a crude and provocative manner." This utterly contradicted the most accepted norms of international law.

Pravda the same day (April 8) quoted President A. Novotny of Czechoslovakia as saying that "the divisive activities of the Chinese leaders had played into the hands of imperialist circles in their struggle against the socialist countries."

He said that "at present there are even signs that one might count in the future

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on some kind of line, London-Paris-Peking-Tokyo, which would be both anti-American as well as anti-Soviet.

"These reports are being spread and no one in China has repudiated them, and it seems that they are not unpleasant for the Chinese leaders."

Mr. N. Khruschev's Criticism:

Addressing a rally in the Budapest Sports Hall at the end of his visit to Hungary on April 9, the Soviet Premier, Mr. Nikita Khruschev, bitterly assailed Chinese policies.

The Chinese leaders, he said, were seeking to dominate the communist movement and hiding their "disruptive activity" behind ultra-revolutionary slogans. They used ridiculous arguments and made absurd demands. They were trying to force other fraternal parties to join them and organizing their own splinter groups from "renegade and Trotskyite" elements and thereby weakening the fight against imperialism and disrupting the unity of the communist movement.

What the imperialists could not achieve, he said, the Chinese were now trying to do. They had taken upon themselves the function of "slanderers of the socialist camp."

The Soviet Communist Party, he said, had shown the greatest patience. It had repeatedly appealed to Peking to cease public polemics and try to overcome their differences. They had refrained from giving public replies in spite of extreme radio and Press campaigns from Peking because they had hoped that the Chinese leaders would listen to reason. But Peking had replied by intensifying disruptive activities.

What began as an argument on minor ideological differences now extended to all fields; it had spread to inter-State relations. Peking had thus entered upon a policy based on weakening the unity of the socialist camp and had inflicted great damage on the world socialist system.

In the persons of the Chinese leaders, he said, the communist world was now faced with men who hid themselves behind Left-wing revolutionary phrases. What the Chinese leaders wanted was to establish their own hegemony, to take control of the communist movement.

With their defence of Stalin and their attempt to justify "cold despotism and crude power" they were trying to revive policies which the communist world had condemned and rejected.

He returned to the attack on April 12 when he made a radio and television speech on his visit to Hungary.

He said the Chinese leaders had "proclaimed their special course which is a blend of petty bourgeois adventurism and Great Power chauvinism.

"On a number of issues the Chinese splitters in effect are slipping into Trotskyite positions.

"The CPSU (Communist Party of the Soviet Union) and the Hungarian Socialist Workers' Party believe that it is imperative ... to give a resolute rebuff to the anti-Leninist concepts and subversive actions of the Chinese leaders.

"We proceed from the assumption that in the great community of Socialist nations there should be no great nations and small, no infallible teachers and submissive pupils. We all learn from each other and help each other ...

"The Chinese leaders are coming out aganist this. They lay claim to a special role in the Socialist camp and the world Communist movement.

"They would like to restore in the relations between parties and countries those procedures and methods which prevailed during the Stalin personality cult. But these times have gone, never to return."

(*The Times of India*, Bombay, *The Times*, London and *Tass*)

[Prev. ref. 5784:CHI:A]

INDIA

SUMMARY: Tax Concessions; Mr. G. M. Sadiq On Kashmir Issue; Split In CPI; Monopolies Commission Appointed; Prohibition Inquiry Committee's Report.

A. Budget Debate—Tax Concessions: Some tax relief for those in the income range up to Rs. 8,500 and a choice for those wanting to opt out of the annuity deposit scheme were announced by the Central Finance Minister, Mr. T. T. Krishnamachari, in the Lok Sabha on April 17.

Moving for consideration of the Finance Bill, he also announced a series of other minor concessions, including some changes in corporate taxation to benefit small entrepreneurs and exemptions from tax on capital gains.

He also sought to "assuage the anger" aroused by his Budget proposals by justifying the estate duty and the gift tax in terms of the basic philosophy of the Congress. He claimed that they "serve to promote the objectives accepted as imperative by the Congress Party."

He has given income-tax relief by raising the initial tax-free slab from Rs. 3,000 to Rs. 3,200 in the case of a married person with no child or a Hindu undivided family with no minor coparcener.

It has been raised from Rs. 3,300 to Rs. 3,600 for an individual with one child or a Hindu undivided family with one minor coparcener and from Rs. 3,600 to Rs. 4,000 for a married individual with more than one child or a Hindu undivided family with more than one minor coparcener.

With regard to the annuity deposit scheme, no one over 70 years will be required to join it. It has also been made optional for others covered by the scheme (those having an annual income of over Rs. 15,000) but the exercise of the option has been made "unattractive".

Thus, any one who does not want to pay the deposit will have to pay additional income-tax. This will amount to 50 per cent of the difference between the annuity deposit and the extra tax payable when the deposit is not deducted from the assessee's income.

Playwrights, authors, artists and musicians will be allowed to make an additional deposit of 25 per cent of their income instead of 15 per cent as provided in the Bill. Mr. Krishnamachari said that income of the nature of capital gains or of compensation received for loss of employment would not be taken into account in fixing the annuity deposit.

As part of the changes in corporate taxation, he announced further incentives for small entrepreneurs. For those companies in which the public is not greatly interested and which manufacture or process goods, he liberalized the concession already announced in the Finance Bill.

While formerly only companies which had an income not exceeding Rs. 2,66,000 paid an overall rate of 50 per cent on the first Rs. 1,00,000 (against the normal overall rate of 60 per cent), this provision will now apply to the first Rs. 2,00,000 of companies with a total income of Rs. 5,00,000 or less.

To ensure fuller utilization of capacity in industry, another important change in corporate taxation was the revival of the additional depreciation allowance for a third shift working of plant and machinery at 50 per cent of the normal rate of depreciation.

In respect of capital gains other than short-term capital gains by non-company assessees, Mr. Krishnamachari said that the first Rs. 5,000 of such gains would be totally exempt from tax. Further, no tax would be levied on such capital gains if the assessee's total income did not exceed Rs. 10,000.

On misgivings about the clause relating to the disclosure of information contained in tax records, he said that "the Commissioner of Income-Tax will furnish information only if he is satisfied that its disclosure will be in the public interest".

With regard to expenditure tax, he said that an amendment would be moved to levy the tax on all expenditure above Rs. 36,000 a year, no matter what source the money came from.

In partial mitigation of complaints that the rate of wealth tax of 85 per cent in some cases had the effect of taking away with duty and taxes the full value of the estate, he said that it was proposed to allow the full amount of probate duty to be deducted from the estate duty payable instead of one-half of the probate duty allowable at present.

On indirect taxes, he announced relief to handloom and powerloom sectors. He extended further the total exemption on yarn in the form of hanks to new French counts below 29 and halved the duty on such yarn of 29 counts but below 31.

On duty payable by small powerlooms, relief was given by re-fixing the compounded levy rate at one-third of the present figure. The effective rate of duty on industrial rayon yarns was reduced from Rs. 4 to Rs. 2.67 per kg.

Amendment To Income-tax Proposal:

Mr. T. T. Krishnamachari on April 18 agreed not to make tax on bonus issues applicable with retrospective effect.

He made the necessary alteration in his own amendment to Clause 12 of the Finance Bill during its second reading in the Lok Sabha.

Mr. R. R. Morarka (C) had urged that one of the principles of taxation should be that it should not have retrospective effect.

The official amendment, as passed, read: "Every equity shareholder to whom any shares are allotted by the company by way of bonus shall, unless such shares are issued wholly out of share premium account, be chargeable to income-tax under the head 'capital gains' in respect of such shares on an amount equal to the fair market value of such shares on the date next following the expiry of the period of 30 days from the date of such allotment and such amount shall be deemed to be the income of the previous year in which the date next following the aforesaid period of 30 days falls:

"Provided that income-tax shall not be chargeable under this sub-section if such shares are included in the stock-in-trade of the assessee or if such shares were allotted before April 1, 1961."

The Bill was passed by the Lok Sabha on April 20.

(*The Times of India*, New Delhi)

[Prev. ref. 5711:INI:A]

B. Mr. G. M. Sadiq on Kashmir Issue—"Self-determination No Solution": The Prime Minister of Jammu and Kashmir, Mr. G. M. Sadiq said on April 16 that self-determination was no solution to the

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Kashmir problem. "It will only complicate the problem".

Laying the foundation stone of the Sanatandharam Sabha Higher Secondary School in Jammu, he said amid cheers: "No power can move us from the path we have chosen. We are as much a part of India as Bombay, Calcutta or Madras. We occupy an honoured place in India and you should believe that we stand rock-like in our position.

"If we feel nervous at the smallest voice here or there, it will show only our weakness.

"You heard Sheikh Abdullah with patience, though you did not like many things he said. This has been a characteristic attitude of Indians, but this does not mean that the Sheikh should think that since the people had heard him patiently they also agreed with him".

He said the way the people of Jammu had behaved on the release of Sheikh Abdullah deserved praise from the whole country.

"The new policy that we have begun to pursue in the State is not one of surrender or weakness. That has been adopted to usher in a tranquil atmosphere."

The things that happened in the past few months in the State, he pointed out, were not the result of any sudden development but an accumulation of the resentment growing over the past 15 years. The Hazratbal relic incident provided an opportunity for everything to come to the surface. "These things cannot be solved by placing a lid on them. We must come to grips with them".

"You can take others on your chosen path only if you can convince them that there is the rule of law, peace and freedom and that fundamental rights are safe. However, if you keep the danda on their heads for ever and do not let them move and display lawlessness, then you create resentment.

"We want to show that even in unfavourable circumstances in which we find ourselves, when Pakistan and China are sitting on our borders with unholy intentions, when attempts are being made to create uncertainty within the State, we can work under normal conditions, open schools and hospitals and make progress."

Stating that some foreign countries were "meddling" in the Kashmir problem, he said: "During the past 16 years some foreign Powers have complicated the Kashmir issue. Even some of the foreigners who come here merely for holidaying think themselves to be all-wise and offer solutions, some of which are quixotic. It has been a characteristic feature of Indians for thousands of years that we have heard everyone and chided none, even if we do not see eye to eye with them. But the time has come when we should candidly tell these all-wise people that their talk is sheer nonsense. We must tell them that they come here on a holiday and have no right to meddle in our affairs or make suggestions".

In the opinion of some, the holding of a plebiscite was the only solution. This was no solution. On the other hand, it would complicate matters to such an extent that it would be impossible to find a solution.

"No one in India has the right to cede even a tiny portion of the country, not even Parliament. If a plebiscite is held to cede even an inch of the country, then the wishes of the whole of the Indian population shall have to be ascertained. So if any one gives ear to any apprehensions, he reflects only lack of confidence in himself."

He added: "This house is ours. If someone says it is not ours, why should we begin doubting our own title to it?"

Sheikh Abdullah's Charge:

Sheikh Abdullah charged on April 20 that India's claim to Kashmir as an integral part of the country, like Madras or any other State, was based purely on might.

He told a public meeting in Srinagar that the only democratic way of ending the Kashmir dispute was to let the people of the State express their wish freely and impartially. At the same time, no solution which was not acceptable to India and Pakistan could be a lasting one.

He declared that Kashmir belonged to all Hindus, Sikhs and Muslims inhabiting the State and that the majority community alone could not decide it future. He asked the people not to be swayed by emotions or sentiments but to pay due attention to practical considerations.

He emphasized that Kashmiris did not want to tie their future to a country peopled by communal fanatics. It wanted its future to be tied to a country peopled by human beings.

Unmindful of the results, he said, the people should be allowed to decide their future. They did not want to be fettered by New Delhi, Karachi or others.

According to him, foreign rulers had always treated Kashmir as a playground. And now Kashmiris were determined to regain their individuality. Communal harmony was an article of faith with him and not a political expedient. He would stake his life for protecting the minorities.

He accused India and Pakistan of adopting wrong public postures. Both had agreed in the Security Council to accept the wishes of Kashmir as a final solution. But India had resiled. For material gains he would not barter away people's interests.

He did not consider India or Pakistan as Kashmir's enemy. But this State could not exist without both. He could not understand the Indian logic of asserting Kashmir's final and irrevocable accession of the State and at the same time agreeing to periodical discussion of the question with Pakistan.

He expressed satisfaction that the Prime Minister, Mr. Nehru had invited him for talks. This meant a realisation that India was desirous of talking to people's representatives.

He told the gathering that a large section of Indians was friendly and appreciative of Kashmiris' sentiments.

He held Mr. Nehru primarily responsible for his long detention. But he was not bitter. He had two images of Mr. Nehru—one that of a close political associate in the freedom struggle and dear friend and the other of an administrator. He wanted to preserve the first image of the Prime Minister.

He compared his release with the brief spell of freedom he had in 1958 and said there was a lot of difference in the two situations. In 1958 he was sought to be deliberately misrepresented, while this time the Press had been fair and objective. The atmosphere around him was also freer and healthier.

(*The Times of India* and *The Hindustan Times*, New Delhi)

[Prev. ref. 5796:INI:A]

C. Dalai Lama's Foreign Tour—Chinese Protest: China has sent an angry Note to India on the Dalai Lama's tour of some of the Buddhist countries in South-East Asia.

Extraordinarily offensive in wording, the Note accused the Government of India of expansionist designs on Tibet, and blandly warned it that "like the fugitive Tibetan clique's dream of 'come-back' the Indian Government's dream of expansion is doomed to be shattered."

The Note was handed to the Indian **Charge d'Affaires** in Peking in the last week of March and was received in New Delhi early in April. Significantly, **Peking Radio** had since been broadcasting the Note to South-East Asian countries in several languages besides English.

The Note characterized the Dalai Lama's March 9 statement to mark the fifth anniversary of the Tibetan uprising against Chinese occupation (page 5738) as a "treacherous statement." Mr. Lal Bahadur Shastri's statement on March 10 in Parliament that India placed no curb on the Dalai Lama's activities was termed as "an out and out interference in China's internal affairs."

The Chinese Government found in Mr. Shastri's statement fresh evidence to show that the Indian Government "engineered and supported" the Tibetan revolt five years ago. The Note further alleged that India had since been using the Tibetan refugees (the Note called them Tibetan rebel clique) to carry on "subversive" activities against Tibet and China.

Observers in New Delhi noted in the Peking campaign the opening of a new anti-Indian propaganda drive evidently to synchronize with the Djakarta meeting of the Afro-Asian Foreign Ministers. The new turn was in sharp contrast to the sweet smiles Peking campaigners were wearing during Mr. Chou En-lai's recent tour of Africa and Asia.

Indian Reply:

On March 23, India "firmly and categorically" rejected the "false and malicious" Chinese charge that she was shielding and supporting the "traitorous" activities of the Dalai Lama who had been accused of attempting another rebellion in Tibet.

Rejecting this baseless accusation, India told China that the Tibetan revolt in 1959 was the "spontaneous and inevitable reaction of the unfortunate people of Tibet against the attempt by the Chinese Government to extinguish by brute force the autonomy of Tibet, which China had solemnly undertaken to respect."

The texts of the Chinese Note and the Indian reply, handed over to the Chinese Embassy in New Delhi on April 25, were placed before Parliament on April 28.

After an interval of several months, China had once again levelled all sorts of "wild and baseless" charges against India and held out a threat and warning against imaginary Indian interference in China's internal affairs in Tibet. But this time India had not hesitated to hit back with equally sharp language and expose the true nature of these allegations.

The Chinese Note had charged India with what it called dreams of expansion in Tibet. The Indian reply, on the other hand, accused China of not only destroying the age-old autonomy of Tibet but also advancing fantastic territorial claims against India and even committing aggression across the northern borders in furtherance of her expansionist policies.

"The truth is well known to the world," the Indian Note pointed out, "that, far from interfering and supporting rebellious activities in Tibet, the Government of India had voluntarily relinquished its historical rights in Tibet and extended its hand of friendship to China, which the Government of China grasped, to begin with, only to be able to stab India in the back all the more effectively, later."

India also accused China of pursuing a "neo-imperialistic" policy of dividing and dominating Asia. The "dream" that was haunting Asia today was the "dream of Chinese expansionism."

The Chinese Note had charged India with shielding and supporting the so-called "Tibetan rebel clique," allowing the Dalai Lama to make "traitorous statements" against the Peking regime, and encouraging him to undertake a tour of South Asian countries to disrupt China's friendly relations with them. The Indian Note recalled that all these charges had

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been disproved and repudiated on several occasions in the past. It was thus clear that Peking was repeating these charges "solely with a view to stepping up tension between India and China and to provide a camouflage for China's aggressive designs against India."

The Indian reply quoted from the Prime Minister's statements on the subject to restate the position that, while the Government of India had never allowed the Dalai Lama and the other Tibetan refugees to indulge in subversive activities against China, it could not deny them "freedom of expression and freedom for legitimate activities which do not offend against the laws of the land." The Indian Note also made it clear that India would not place any obstacles in the way of the Dalai Lama if he wished to make a tour of the Buddhist countries of Asia.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5738:INI:D]

D. Split In CPI—National Council Meeting: After a walk-out by 32 Centrist and Leftist members from a meeting of the National Council of the Communist Party in New Delhi on April 11, Mr. Jyoti Basu announced on their behalf: "We are the Communist Party. We don't recognize them (supporters of Mr. Dange) as the Communist Party. We are out of it." (i.e. the Party with the official leadership).

The continued existence of the Communist Party of India as a single unit had already become difficult because of the repercussions of the Sino-Soviet ideological rift. The issue of Mr. S. A. Dange's incriminating letters to the British Government alleged to have been written 40 years ago was advanced by the Left faction and the Centrists as the immediate cause for parting company with the official leadership.

The members of the National Council who had walked out said later: "The present secretariat and their supporters alone are responsible for the present situation. We know that they are unrepresentative of the real feelings of the vast majority of the party members. We are sure that the mass of party members and units will repudiate Dange and his followers."

The walk-out was staged because the Centrists and Leftists failed to get the Dange letters issue as the first item on the agenda. They also wanted Mr. Dange to step down during the discussion of this item. Mr. Dange and his supporters opposed this suggestion. The strength of the Council will now be 66. This includes about ten Centrists. Not all of them are expected to follow in the footsteps of their colleagues like Mr. Jyoti Basu and Mr. E. M. S. Namboodiripad.

Mr. Namboodiripad was later asked by newsmen which party he would join. He said: "Till my death I will be in the Communist Party."

Question: "Which Communist Party?"

Answer: "The party which I consider to be the genuine Communist Party."

Question: "Which party is the genuine Communist Party?"

Answer: "You can't cross-examine me."

A little later, however, he remarked that a party whose chairman did not vacate the chair while discussing serious allegations against him "does not deserve to be considered as a revolutionary party."

Issue Of Mr. S. A. Dange's Letters:

The simmering split in the CPI came to the surface on March 26 when two Left-wing members of the Party openly expressed their conviction that the allegations recently made against the party Chairman, Mr. S. A. Dange, that he had offered to place his services at the disposal of the British *regime* in the 1920's had been borne out by certain documents in the National Archives of India.

Mr. M. Basavapunniah and Mr. P. Ramamurti jointly appealed to Communists not to go by the contradiction in this regard issued previously by the party's Central Secretariat.

They informed members of the National Council of the Party stating that the letters reported to have been written by Mr. Dange to the British authorities in 1924 and preserved in the National Archives were "cent per cent authentic." Mr. Basavapunniah told newsmen he had personally examined those letters and identified Mr. Dange's handwriting.

He also disclosed that the Home Ministry had stopped making the files available to the public since the previous week.

He said he would not hesitate to question the propriety of Mr. Dange taking the chair at the next session of the Executive or the National Council meeting.

From Mr. Basavapunniah's replies to questions, it seemed apparent that the two factions within the CPI had come to a parting of the ways. He tried to make out that the differences were not new. They had been divided even at the Vijayawada session and had since been running parallel newspapers and functioning in diverse ways.

The Left-wing leaders were more concerned with the circulation by the National Marxist Association of a pamphlet which purported to contain portions of a 41-page document prepared for the party congress later this year.

Mr. Basavapunniah conceded that there was such a document but complained that the pamphlet had interpolated certain damaging sentences which the document did not contain.

Referring to the CPI Central Secretariat's attempt to controvert the existence of Mr. Dange's letters in the National Archives, he and Mr. Ramamurti said: "To say that these letters were 'forged' and 'planted' in the National Archives of India was nothing but an open accusation against the National Archives.

"It was hurling a challenge to the authorities in charge of the Archives, to the Government that is controlling it and to the scores of research scholars who might have gone through these documents."

They said: "After full inquiry, thorough investigation and a careful check-up of all available material on this issue, we are firmly convinced that the matter is of a very serious and grave character and it is highly impermissible for any honest political party to demagogically dismiss it as forged and planted in the National Archives by some enemies of Communism. We are further convinced that the three letters said to be written from jail, in 1924—one asking for transfer to a jail in Bombay or Poona, the second, jointly with the late Mr. Nalini Bhushan Das Gupta, giving an undertaking that they would not commit the offence for which they had been convicted and asking for release and the third offering his services to the then British Government if released, are all in Mr. S. A. Dange's own handwriting beyond any shadow of doubt. It did not end with this. There was also a fourth letter which was sent to the Governor-General in Mr. Dange's own handwriting requesting the Government to reconsider his earlier letter pleading for his release and offering his services after the High Court had dismissed the appeal.

"In the face of these facts not only Mr. S. A. Dange, Chairman of the party, has grossly abused the trust placed in him by the party but he also deliberately implicated the whole secretariat which in turn, through its statement, compromised the entire party before the public."

They further said that instead of feeling genuinely concerned about the integrity of the party organization, the Central Secretariat had acted in a "most partisan and factional manner and we understand that in furtherance of its narrow aims, it intends to maliciously accuse a section of the party to be guilty of forging such letters and even planting them in the National Archives." This attempt on its part was all the more preposterous.

They pledged to place all the facts and a full report before the Central Executive Committee and the National Council "to thoroughly investigate the questions and punish the guilty".

Mr. Basavapunniah said it was too much to allege that the British in 1924 would have prepared these letters foreseeing that Mr. Dange would become CPI Chairman in 1964. The letters as well as the index referring to them had been printed in 1925 and 1926 in the Government Press at Simla.

Leftist Leaders Suspended:

On April 14, the CPI National Council decided to expel seven Leftist leaders and suspend the membership of 25 other members of the Council, who had issued an appeal to Party members to repudiate the present CPI leadership and its "reformist line of general united front with the Congress and factional preparations for a fake party congress". (But, next day, they were only "suspended" along with 25 others).

The expulsion of seven members had been recommended by the Party's central executive committee. They were: Mr. P. Sundarayya, Mr. M. Basavapunniah, Mr. P. Ramamurti, Mr. A. K. Gopalan, Mr. Harekrishna Konar, Mr. Promode Dasgupta and Mr. H. S. Surjeet. Among those suspended from membership were Mr. Namboodiripad and Mr. Jyoti Basu.

Evidently, the Council took into consideration the statement issued by the Left faction earlier in the day. This was said to have further stiffened the Council members' attitude in spite of an offer of compromise contained in it.

Earlier, the Council adopted a resolution on the alleged Dange letters. While exonerating Mr. Dange of the Left's charge of being a British agent, the resolution recommended an "extensive examination" of relevant material, including the circumstances in which the letters were found and distributed (a seven-member committee consisting of Mr. S. V. Ghate, Dr. G. Adhikari, Mr. C. Rajeshwar Rao, Mr. Bhupesh Gupta, Mr. Achutha Menon, Mr. Sohan Singh Josh and Professor Hiren Mukherjee was asked to submit its report within a month).

A statement issued by 32 National Council members who had walked out of the Council on April 11 made it clear by implication that for the time being the Left faction would make a determined bid to capture the CPI leadership ideologically, politically and organizationally from the lowest level upwards without breaking off from the Party.

After this groundwork, during which every base unit will be asked to express its views on the issues posed in the appeal, a convention of representatives from different States is contemplated to take stock of the situation within the next two months and to prepare for a party congress almost simultaneously with the planned in October by the present CPI leadership headed by Mr. S. A. Dange.

The statement contained, however, an offer for a compromise about the fate of

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which the statement itself expressed doubts.

Its main terms were: re-organization of the party centre (Secretariat and the Central Executive Council); a thorough probe into the alleged Dange letters by an agreed machinery; postponement of all disciplinary action for splitting activities till the party congress according to the official programme; fresh scrutiny of membership through an agreed process and an agreed commission to examine documents for the congress.

The 2,500-word statement listed some of the "anti-party organizational methods" adopted by the Dange group (it never used the usual prefix "comrade" in about half-a-dozen references to Mr. Dange) and made only a passing reference to the alleged Dange letters. Its main emphasis was on political and organizational issues.

It twice mentioned the "differences among us", especially with Mr. E.M.S. Namboodiripad, who along with Mr. Jyoti Basu was a signatory, on political and ideological questions which would now be sought to be clinched in the coming two months. (Mr. Basu is already a party to the Left faction's draft programme.)

Mr. Namboodiripad was understood to have conveyed to the Left leaders that the more he watched the activities of the present leadership the more he felt drawn towards them (Left).

In approaching the Party members with their draft programme, which was unanimously adopted recently, they will also present Mr. Namboodiripad's alternative draft for detailed discussion at all levels.

For all practical purposes the Left faction has begun its separate existence. Its headquarters is at the residence of Mr. M. Basavapunniah, who will look after the day-to-day working of the centre. To decide policy matters and to co-ordinate work in different States, the 32 National Council members have been named as the co-ordination committee. This committee was expected to meet again early in May.

The Council's resolution on the alleged Dange letters was a greatly diluted version of the stand taken earlier by the party secretariat and Mr. Dange himself.

Instead of re-iterating the Secretariat's view that the letters were forged, the resolution merely stated that on the basis of reports before it, the Council came to the conclusion that "not even a prima facie case has been made out that the letters are genuine".

This was said to have been the result of pressure brought to bear on the members by Mr. Bhupesh Gupta and a vigorous speech by Mr. P. C. Joshi, who, while advocating a probe into the whole affair, indirectly criticized certain activities of Mr. Dange and the Secretariat.

Even then three members—Dr. Ranen Sen, Mr. Sohan Singh Josh and Mr. K. T. Thangamani voted against the resolution, while Mr. Y. D. Sharma abstained. While Mr. Gupta withdrew his alternative draft, the one moved by Dr. Sen was rejected. Sixty-two members were present.

The resolution recalled Mr. Dange's record as a "staunch anti-imperialist fighter" and described as slanderous the charge levelled by Leftist leaders that he (Mr. Dange) had worked as a British spy.

"Suspended" But Not "Expelled":

But, on April 15, instead of expelling the seven members, the Council suspended all the 32 members who had staged a walk-out at the Council meeting on April 11 and removed them from "all positions in the party organization which they may be holding."

Only Mr. Sohan Singh Josh opposed the resolution. Mr. Bhupesh Gupta and Dr. Ranen Sen did not attend the meeting.

The Party Chairman, Mr. S. A. Dange, told newsmen that as a result of the resolution Mr. A. K. Gopalan was no longer leader of the Communist group in the Lok Sabha. Similarly, Mr. E. M. S. Namboodiripad, Mr. Jyoti Basu and Mr. P. Sundarayya would not be the official leaders of the Communists who form the main opposition in the Legislative Assemblies of Kerala, West Bengal and Andhra Pradesh respectively.

Mr. Dange said it had been decided to take action against Mr. K. Anandan Nambiar, MP, for signing a statement demanding the release of RSS chief Golwalkar.

He said each Communist MP and legislator in the States would have to declare his position one way or the other.

He dismissed the claims of the Leftists to represent the mass of party members as based on "bluff." He said the confusion about who had the largest following would clear up "much earlier" than the proposed Party congress to be held in September in Maharashtra.

He charged the Leftists with identifying themselves with the ideological and political positions of the Chinese Communist Party, which the National Council's resolution stated, had embarked on the task of splitting various Communist Parties. "Whether they have physical contacts with the Chinese, I do not know."

But, he said, in answer to a question, that the official Party would protest or do "something more" if the Leftists were arrested by the Government.

He wrote off West Bengal when he admitted that it was the only State where the committee of the Party had a majority of Leftists. But, he said, another committee obeying the National Council would be formed there.

The decision not to impose the punishment of expulsion on seven leading members of the Party, earlier recommended by the Central Executive Committee, was taken to mean as a sop to those who may have personal loyalties to them.

In a bid to attract the majority of Party members, the National Council's second resolution advanced the convening of the 7th Party Congress to September this year and the finalization of documents by the second week of May. The membership basis for the Party Congress has been greatly liberalized to secure the adherence of as large a section of the CPI as possible.

Significantly, the resolution on expulsion, and another on the World Communist Conference contained bitter attacks on the Chinese Communist and Government leaders who were charged with splitting the Communist movement.

On April 15, the Leftists released their draft Party programme, which calls for a Government that will undertake sweeping agrarian reforms and the abolition of "foreign monopoly" capital. It calls for a united front to replace the Congress Government which, according to the programme, is dominated by the bourgeoisie and landlords and is acting against the interests of the people both in matters of foreign and domestic policy.

Mr. E. M. S. Namboodiripad has submitted his own draft programme for comments by the Leftists, but significantly he and six other dissident members of the National Council from Kerala have sent a call to Party units in Kerala to begin efforts for a united front against the Congress in the elections to the State Assembly scheduled to be held in February, 1965.

Mr. Namboodiripad and other signatories to this statement accused the Kerala State Council of desiring to support the Congress in the elections and asked Party members to defeat this purpose.

In a rejoinder, Mr. C. Acnutha Menon, former Finance Minister in the Namboodiripad Ministry, said that Mr. Namboodiripad wanted to create a "wrong impression" that the State Council did not want to defeat the Congress and described the sentiments contained in the statement as "bogus."

The 32 members who were suspended were: Mr. M. Basavapunniah, Mr. P. Sundarayya, Mr. P. Ramamurty, Mr. A. K. Gopalan, Mr. Harekrishna Konar, Mr. Prpmode Das Gupta, Mr. Harkishen Singh Surjeet, Mr. T. Nagi Reddy, Mr. D. Venkateswara Rao, Mr. G. Bapanayya, Mr. C. H. Kanaran, Mr. V. S. Achuthanandan, Mr. Jyoti Basu, Mr. N. Sankariah, Mr. D. S. Tapiala, Mr. Sheo Kumar Misra, Mr. Mohan Punamia, Mr. M. Hanumantha Rao, Mr. N. Prasada Rao, Mr. E. M. S. Namboodiripad, Mr. A. V. Kunhambu, Mr. E. K. Nayanar, Mr. E. K. Impichibava, Mr. Muzafar Ahmad, Mr. Abdul Halim, Mr. Saroj Mukherjee, Mr. M. R. Venkataraman, Mr. K. Ramani, Mr. Jaggit Singh Lyalpuri, Dr. Bhag Singh, Mr. R. N. Upadhyaya and Mr. R. P. Saraf.

Resolutions On Kashmir Issue And Communal Riots:

In a resolution adopted on April 17, the CPI re-iterated "its firm conviction" that the question of Kashmir's accession to India had already been decided and that Kashmir was a part of India.

It expressed the hope that Sheikh Abdullah "would rise to the occasion and make his due contribution to strengthening the freedom and territorial integrity of our country and not fall into the imperialist trap of trying to detach Kashmir from India under any plea."

It said: "For the people of Kashmir, the solution of such problems as they are facing today lies not in a plebiscite or the formation of an independent State. The real solution lies in their standing shoulder to shoulder with the powerful democratic forces in the rest of the country and fighting for a better life."

In a resolution on the recent communal riots, the CPI appealed to "secular and democratic forces" in the country to build a common platform for defending secular and democratic traditions.

It said that certain organized groups had promoted communal hysteria against the minority community in India, taking advantage of the legitimate resentment and spontaneous excitement of the Indian people over communal outbursts in East Pakistan.

It said the rulers of Pakistan had resorted to violent attacks on the minority community "with the calculation that this will bring about a chain reaction in India and produce its effect on the situation in Kashmir." Communal outbursts in India would, therefore, serve the interests of the Pakistani rulers.

It expressed deep concern that in some places the working classes were carried away by communal hysteria and said that this would be disastrous for the unity of the working class.

It said that while the Central and State Governments had on the whole taken useful steps to check communal violence there had been negligence on the part of the authorities.

It expressed the hope that the talks between the Home Ministers of India and Pakistan would bring about an easing of the communal tension.

West Bengal Unit Disowns National Council:

The West Bengal unit of the CPI owed no allegiance to the Party's National Council any more, according to Mr. Promode Dasgupta, secretary of the West Bengal unit, in an interview in Calcutta on April 16.

He made it clear that his faction was in absolute majority in the State Council

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and did not recognize the leadership of Mr. Dange and his "stooges".

He added that for the time being the West Bengal Council would follow the line indicated in the statement issued by the 32 members suspended by the National Council. That they meant business was evident from a call given by the faction to the Party members to denounce the leadership of Mr. Dange and form a genuine party on the "ideals of Marx-Engels-Lenin and Stalin."

The call was published in the faction's weekly, **Desh Hitaishi.**

A spokesman for the "Centrists" said that the "Centrists" had vital differences both with the "Leftists" and the "Rightists".

Meanwhile, the Central Executive Committee of the CPI, which met in New Delhi on April 16 without any of its "Left" and "Centrist" members, considered group alignments in various States and decided to rush Mr. M. N. Govindan Nair and Mr. Bhowani Sen to Calcutta where the position, even according to the "Rightists", was not very favourable to them.

Mr. Rajeshwara Rao and Mr. Rajasekhar Reddy were sent to Andhra, and Mr. Achutha Menon and Mr. Kumaran to Kerala.

These emissaries of the "Right" faction would explain the Council's decision and their background and also assess the situation in the respective States. If necessary they would help in organizing "official" units in these States which will obey the directives of the party centre.

The Executive Committee also decided that the National Council should meet in New Delhi from May 12 to 22 to finalize various documents for the seventh party Congress scheduled to meet in Maharashtra in September.

Besides Mr. Dange, among those who attended the meeting, were Mr. Sohan Singh Josh, Mr. P. C. Joshi, Dr. Z. A. Ahmad, Mr. Yogendra Sharma, Mr. Bhowani Sen, Mr. H. K. Vyas, Mr. M. N. Govindan Nair and Mr. Rajeshwar Rao.

On behalf of those who have been suspended, Mr. P. Ramamurthi and Mr. M. Basavapunniah gave a rejoinder to the Council's resolution adopted on April 15.

They said: "The resolution shows that the Dange group is bent upon its factional methods and imposing its reformist line on the party, if it could."

Referring to the "voting" on the resolution, they said that of the 96 members who attended the meeting on April 10 and 11 (the 32 walked out on April 11), the Dange group could muster "just about 50 members when the resolution was passed—some more members having absented themselves on April 15."

"Even then they dared not record positive votes and abstentions. Serious action against one-third of the National Council and about half of the CEC is passed by less than 50 per cent of the members of the Council. Such a thing is unheard of in any party in the world."

[Officially, it was said on April 15 that only one member, Mr. Sohan Singh Josh, voted against the resolution. The number of those present and voting for the resolution was not given.]

(*The Statesman, The Times of India* and *The Hindustan Times*, New Delhi)

[Prev. ref. 5655:INI:B]

E. Monopolies Commission Appointed: The appointment of a six-man Commission, headed by Mr. K. C. Das Gupta, a Supreme Court judge, to inquire into monopolies and concentration of power in the country was announced by the Central Finance Minister, Mr. T. T. Krishnamachari, in the Lok Sabha on April 16. It has been asked to submit its report by October, 1965.

According to its terms of reference, the Commission will "inquire into the extent and effect of concentration of economic power in private hands and the prevalence of monopolistic and restrictive practices in important sectors of economic activity other than agriculture".

It has been asked to consider the matter with particular reference to, first, the factors responsible for such concentration and monopolistic and restrictive practices and second, their social and economic consequences and the extent to which they are detrimental to the common interest.

The Commission will also recommend legislative and other measures that it might consider necessary in the light of its findings. Such legislation should take into account the need to protect essential public interests and the procedure and agency for the enforcement of the new laws.

The Commission has not been precluded from reporting on any other matter concerning any aspect of the economy or functioning of the private sector and financial institutions that it considers need to be inquired into.

The other members of the Commission are Mr. G. R. Rajagopal, Officer on Special Duty in the Law Ministry; Mr. K. R. P. Aiyangar, Chairman of the Tariff Commission; Mr. R. C. Dutt, Chairman of the Company Law Board; Dr. I. G. Patel, a former Chief Adviser to the Government; and Mr. V. Satyamurti, Deputy Secretary to the Finance Ministry who will act as the Commission's secretary.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5219:INI:H]

F. New UAR Envoy: Dr. Mohammed Hassen el Zayat, member of the UAR delegation to UN has been appointed his country's Ambassador to India, replacing Major-General el Feki.

He is expected to take charge of his new assignment shortly.

(*The Egyptian Gazette*, Cairo)

[Prev. ref. 3554:INI:G]

G. Plutonium Production: The Chairman of the Atomic Energy Commission, Dr. H. J. Bhabha, announced in Trombay on April 14 that India had joined a select half-a-dozen countries of the world to produce plutonium, the atomic fuel of the future generation of reactors.

He also announced the completion of its project Phoenix, a plant to extract plutonium from waste fuel elements—the "ash" from the three atomic reactors at Trombay.

He said the plant was one of the most sophisticated and advanced types, using techniques at the very frontiers of modern chemical technology.

The plant was designed and built at a cost of Rs. 3.6 crores entirely by Indian scientists and technicians and without any foreign collaboration. The cost was about half that of a Belgian plant of about the same capacity.

A group of Swedish scientists were expected in India shortly to study how Indian scientists were able to achieve this at such a low cost.

The new plant was designed to extract plutonium from 30 tons of uranium annually.

He said the Tarapur atomic power generating station, which would operate initially on imported enriched uranium, would subsequently be charged with plutonium from the new plant, making India less dependent on imported atomic fuels.

Besides India, there were only four other countries in the world operating similar plutonium plants. They were USA, Russia, Britain, and France. Norway had a small pilot plant.

Twelve West European countries were jointly constructing a plant in Belgium.

The chief project engineer, Mr. H. N. Sethna said the entire operation of extracting the plutonium was by remote control, using mechanical robots and glove boxes in cells with concrete walls of five feet thickness, because the material to be treated was highly radio-active.

The plant will begin production in June.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5656:INI:H]

H. Measures To Crush Naga Hostiles: The Central Minister without Portfolio, Mr. Lal Bahadur Shastri, told the Lok Sabha on April 15 that Indian troops in Nagaland, functioning under the operational command of the Army, were taking adequate steps to intercept and crush the Naga hostiles reported to be returning from East Pakistan with large quantities of arms and ammunition.

Earlier, answering the main question, Mrs. Lakshmi Menon, Minister of State in the External Affairs Ministry, said that a band of 850 Naga hostiles, including porters, were reported to be returning from East Pakistan carrying large quantities of arms through Burma.

The hostiles were reported to be skirting the eastern boundary of Manipur and were heading for Nagaland through Burmese territory.

Mrs. Menon said that, according to official information, the hostiles proceeded to East Pakistan in December, 1963 to collect the arms and they were reported to be "heavily armed."

Replying to questions as to the source of supply, she said the Government had no information as to who had supplied the arms but it was known that the hostiles had collected the arms from Pakistan.

(*The Times of India*, New Delhi)

[Prev. ref. 5753:INI:S]

I. Four Bridges Opened In Assam: The Central Minister for Transport, Mr. Raj Bahadur, on April 18 declared open four major concrete bridges on national highway No. 31—those across the Beki, Bhalukdoba, Manas and Ali rivers.

The Chief Minister of Assam, Mr. B. P. Chaliha, presided.

The four bridges, whose aggregate length is about 3,743 feet, have cost Rs. 1.49 crores. Another Rs. 1.18 crores has been spent on guide bunds and other protective works, for the rivers which these bridges span are notoriously capricious in shifting their course.

With the opening of these bridges, the easternmost section of national highway No. 31, i.e., the 186 miles between Baxirhat and Gauhati, is fully bridged and ferry crossing is no longer necessary. Other minor bridges on this section will be replaced by stronger structures during the current financial year.

Calcutta road operators will specially welcome the opening of these bridges to traffic because their trucks and consignments to Gauhati used to be held up

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often for days, at the ferry crossing at Jogighopa which they can now avoid. Each day 50 or 60 trucks used to wait at Jogighopa to be ferried across.

National highway No. 31 takes off from Barhi on the Grand Trunk Road in Bihar, crosses the Ganges at Mokameh and the Brahmaputra at Amingaon near Gauhati. It also has access, via Barauni in north Bihar, to national highways No. 24 and 28 and affords direct road communication between Delhi and Dibrugarh, via Bareilly, Lucknow and Gorakhpur.

The Government of Bihar has also started work on a Rs. 21-crore project to connect national highways No. 28 with 31 between Gorakhpur and Barauni. The progress will involve bridges over the Gandak and the Kamala.

(*The Statesman*, Calcutta)

[Prev. ref. 5119:INI:L]

J. **Jhund-Kandla Rail Link:** The Central Railways Minister, Mr. H. C. Dasappa disclosed at a news conference in New Delhi on April 17 that a decision had been taken to build a broad-gauge line from Jhund to Kandla Port.

Jhund is already linked with Ahmedabad. Kandla is now served by a metre-gauge line.

Construction of the line, which will be 233 km long and pass through Dharangadhra, Halvad and Malia, would be taken up after the next Monsoon and be completed by 1967-68 at a cost of Rs. 14.5 crores. No foreign exchange would be necessary.

Mr. Dasappa said that the line would cross the Rann of Kutch for which purpose a 10-km causeway with a 1,000-metre bridge would have to be built. This would test the Railways' engineering skill and ingenuity.

Mr. Dasappa said that the position about goods traffic having become "happy and comfortable", the Railways were devoting their attention to lessening overcrowding in trains. He announced that six new trains would be introduced in different parts of India in a few months.

New UP-Bihar Rail Link:

The Vice-President, Dr. Zakir Hussain inaugurated on April 19 a new railway line connecting Churk in Uttar Pradesh with Garhwa Road in Bihar.

He said that the Railways, which constituted the largest nationalized undertaking, were playing a leading part as the spearhead of India's "huge programme" of industrialization and national reconstruction. The Railways had geared themselves well for this tremendous task.

The 63-k.m. line, constructed at a cost of Rs. 21.33 crores, will open up the hitherto under-developed areas in Uttar Pradesh and Bihar rich in minerals and also provide an alternative route for movement of coal and other traffic to western, central and northern parts of the country avoiding Moghal Sarai.

(*National Herald*, Lucknow and *The Statesman*, New Delhi)

[Prev. ref. 5474:INI:O]

K. **Kalinga Prize For 1963:** The Deputy Director-General of UNESCO, Dr. M. Adiseshiah announced in New Delhi on April 17 that Mr. Jagjit Singh, an Indian science writer, had been selected by the international jury appointed by UNESCO for the Kalinga Prize award for 1963 for popularizing science.

Mr. Singh, who is adviser to the Railway Ministry on operational research, is the first Indian and the first Asian to receive this award.

The Prize, consisting of £1,000, was established by Mr. B. P. Patnaik, former Chief Minister of Orissa, in 1951.

Dr. Adiseshiah told newsmen that in popularizing science Mr. Jagjit Singh had concentrated most of his efforts to improve understanding of the fundamental theories of cosmology, Einstein's concepts of relativity and space-time astrophysical theories. In 1959, he wrote a well-known book, "Mathematical Ideas, Their Nature and Daily Use". This was followed in 1961 by "Great Ideas and Theories of Modern Cosmology".

(*The Hindustan Times*, New Delhi)

[Prev. ref. 3921:AOA:W]

L. **Prohibition Inquiry Committee's Report:** The report of the study team on prohibition was submitted to the Planning Commission on April 17. It will be sent to the State Chief Ministers after a preliminary discussion by the Commission.

The team was appointed in April, 1963 to suggest measures for effective implementation of the prohibition programme.

Mr. Justice Tek Chand, former judge of the Punjab High Court, was the chairman of the team. Other members were Mr. L. M. Shrikant, Secretary, Gandhi Smarak Nidhi, and Dr. A. M. Khusro of the Institute of Economic Growth.

The study team found that the country's annual drinking bill was Rs. 146 crores. Illicitly distilled liquor accounted for Rs. 52 crores.

The team in its 577-page report suggested an "integrated set of practical measures" to reduce illicit traffic in liquor and combat other malpractices.

The suggestions include: (1) new scientific appliances for detecting inebriety; (2) effective steps against corruption; (3) removal of glamour of drinking among officials and people of higher social strata; (4) avoidance of misuse of spirituous medicinal, toilet and other preparations; (5) prevention of misuse of molasses; (6) economic containment of illicit activity and reduction of the profit margin of those engaged in such activity; and (7) conditional and controlled liberalization of toddy in certain areas.

If these recommendations were accepted, the team said, a committee should be set up after a suitable time to assess the implementation and progress of the integrated programme.

Referring to the financial aspect of the prohibition programme, the team said that the total revenue loss of all dry areas "is perhaps Rs. 40.1 crores and the cost of prohibition enforcement approximately Rs. 5.4 crores." This loss had been offset to the extent of Rs. 31 crores with the decline in the drinking bill in the dry areas. Were the drinking bill to be cut further, the whole loss could be wiped off.

The team estimated a loss of Rs. 80 crores or so if the "wet" States were to introduce total prohibition by 1975-76. But it believed the loss would be more than offset by certain increases in sales-tax, luxury tax and Central excise duties.

It suggested amendments to certain laws for effective enforcement of prohibition. It also recommended the enactment of new provisions. The lacunae in the existing laws were pointed out.

As regards the administrative set-up in the States, the team was of the opinion that the enforcement of laws should, in the main, rest with the police and not with any separate prohibition force.

The report also dealt with certain other subjects like diversion and misuse of duty-free imported liquor intended for Embassies and missions in India and foreign visitors and prohibition.

It also contained a separate chapter on the recent changes in the prohibition policy in Maharashtra.

(*The Times of India*, New Delhi)

[Prev. ref. 5632:INI:P]

M. **Dyarchy For Hill Districts Of Assam—Proposal Accepted By Hill Leaders' Conference:** The Hill Leaders' Conference, which has been demanding a separate State consisting of the four hill districts of Assam for the last three years, has now accepted the Prime Minister, Mr. Nehru's offer of dyarchy, which promises autonomy for the districts but within the State of Assam.

At present, the hill districts have a certain amount of autonomy at the district level and are called autonomous districts. But under Mr. Nehru's offer they will have autonomy at the regional level. The autonomy will apply to all the hill districts.

A resolution, adopted by the 12th session of the Hill Leaders' Conference at Tura on April 18 said that the Corterence "feels that the Prime Minister's offer of full autonomy be given a fair trial". It requested Mr. Nehru "to proceed with the appointment of a commission to work out the details for the implementation of his offer and his various other assurances to the hill people."

The acceptance, however, included a proviso that "if the commission's report falls short of the Prime Minister's outline of full autonomy and his various other assurances, the Conference reserves the right to revise its decision".

The following are the salient features of the Prime Minister's offer:

The objective to be kept in view is full autonomy for the hill districts, subject to the preservation of the unity of the State of Assam. Cabinet Government of the accepted form should remain and there should be collective and joint responsibility to the Assam Assembly. There should be a Cabinet Minister in charge of the administration of the hill areas, assisted by a Minister of State and one or two Deputy Ministers.

In the appointment of the Ministers for the hill areas, the Chief Minister will be guided by the recommendation of the members of the Legislative Assembly from the hill areas. A list of certain subjects, such as, education, agriculture, horticulture, forests, health and possibly, road, will be drawn up and the administration of these subjects in the hill areas will be entirely under the charge of the Cabinet Minister for the hill areas and his junior Ministers.

There will be a separate wing in the Assam State Secretariat for the hill areas. Full executive powers will be given to the group of hill Ministers for the administration of the allocated subjects. The hill Ministers will have authority to determine the language or languages to be used in the hill wing of the Secretariat and other offices in the hill areas dealing with the subjects allocated for separate administration.

At the beginning of each financial year, a separate budget allocation for the hill Ministers will be made. This will take the form of an area budget under the subjects meant for separate administration.

The hill Ministers will have complete powers of expenditure control over the allocations for the departments to be separately administered. The hill wing of the Secretariat will have its own separate

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financial adviser for its expenditure control.

The legislators of the autonomous hill districts will form a regional committee of the Assam State Assembly. All proposals relating to legislation concerning the hill areas will be referred by the State Assembly to the regional committee. This committee may also initiate legislative proposals. Normally the recommendations of the regional commitee will be accepted by the legislature. In the event of a disagreement between the State Assembly and the regional committee, the matter will be referred to the Governor who may take decisions after obtaining directions from the President, where necessary.

The portion of the annual financial statement insofar as it relates to the hill areas shall be referred by the Assembly to the regional committee for consideration.

There will be a common high court for the whole of Assam. The judicial set-up in each of the autonomous districts will be as provided in the Sixth Schedule.

(*The Statesman*, Calcutta)

[Prev. ref. 4382:INI:H]

N. Premature Retirement Of Kashmir Government Officials—Order Rescinded By High Court: Upholding the judgment of the Full Bench of the Kashmir High Court, the State Government on April 17 rescinded the orders passed on November 27, 1963 prematurely retiring about 100 Government officials.

The secretaries to the departments concerned were asked to re-instate the officials.

(*The Times of India*, New Delhi)

O. Kerala Cabinet—Re-allocation Of Portfolios: A re-allocation of portfolios among the Ministers of the Kerala Cabinet was announced in Trivandrum on April 17.

Under the new arrangement the Chief Minister, Mr. R. Sankar, handed over Finance, Insurance and Stores Purchase to Mr. K. A. Damodara Menon (Minister for Industries), Electricity to Mr. P. P. Ummer Koya (Minister for Public Works), Social Welfare to Mr. E. P. Poulose (Minister for Food and Agriculture), Jails, Commercial Taxes and Agricultural Income-Tax to Mr. T. A. Thomman (Minister for Law and Revenue) and City Improvement Trust to Mr. M. P. Govindan Nair (Minister for Public Health.)

Municipalities and Corporations, now held by Mr. K. A. Damodara Menon, have also been given to Mr. M. P. Govindan Nair. Community Development, now under Mr. Damodara Menon, has been added to the portfolios of Mr. E. P. Poulose.

After the re-allocation, the Chief Minister holds the portfolios of Home, Education, Information and Publicity, Planning and General Administration.

There was no change in the portfolios of Mr. K. T. Achuthan, (Transport, Labour, Excise and Prohibition) and Mr. K. Kunhambu (Registration, Harijan Uplift, Housing and Fisheries).

(*The Hindu*, Madras)

[Prev. ref. 5703:INI:N]

P. Nizam's Heir Named: The Government decided on April 14 to recognize Prince Mukarram Jah as the ruler of Hyderabad in succession to his grandfather, the present Nizam of Hyderabad, when the occasion for succession arises.

(*The Hindu*, Madras)

INDONESIA

A. Dr. R. Subandrio On Relations With Britain: In an interview with The Hague correspondent of *The Times* of London, reported in the newspaper on April 5, the Indonesian Foreign Minister, Dr. R. Subandrio, then in the Dutch capital for talks with Dutch officials, answered questions relating to his Government's foreign relations.

He said he was happy that there were no longer any political problems between Indonesia and the Netherlands. But he still saw Britain as a potential danger in South-East Asia. The late Mr. J. F. Kennedy had understood much better that President Sukarno of Indonesia had found new conceptions "which were relevant to the situation in our part of the world."

Some of the questions put to Dr. Subandrio and his answers were:

How far have personal animosities between Dr. Sukarno and Tengku Abdul Rehman (the Malaysian Prime Minister) affected the confrontation? "Not much. We consider that in a personal meeting Abdul Rehman was always amenable and receptive to our ideas, but when he returned to Kuala Lumpur everything remained the same and nothing new appeared."

Have opinions been revised in Djakarta about the wishes of the people of Borneo (Sarawak and Sabah) or is it still believed that they are against Malaysia? "There is no reason for a revision in Djakarta of the opinions of the peoples of Borneo for it certainly has not been proved that they are pro-Malaysian."

What is the policy of sending in guerrillas expected to achieve? "The guerrillas are sent to support the struggle for independence. The result is that the people of Borneo become more militant."

What damage is it thought Malaysia could do to Indonesia? "Malaysia could be used by outside Powers as a means to subvert and encircle Indonesia."

Is it thought in Djakarta that the revolt of Mr. A. M. Azahari, the Brunei rebel leader (see page 4978) **represented the feeling of many in Borneo or only of the Malays in Brunei?** "The revolt of Azahari represented the feeling of many people in the whole of North Borneo. It is for these people to decide what Azahari's position will be in the future."

In what sense is the British base now a threat to Indonesia when there were never any protests against it before Malaysia? "It is not a real threat to Indonesia, but it may delay unnecessarily the solution of the Malaysian problem and therefore it increases tensions."

Is it thought in Indonesia that British officials in Kuala Lumpur or in the Malayan armed forces make this a neo-colonial Government? "This is so. And it cannot be otherwise because the Malay leaders have only political power. The economic and military powers are in the hands of the British."

If so, why was not the same attitude not taken to India when for at least 10 years after independence British officials stayed on and British commanders served with Indian forces? "The great difference between Malaya and India was that all real power was in Indian hands. All important decisions were taken by the Indian leaders and not by the British officials and commanders in the Indian forces."

On what terms, if any, could the confrontation policy be ended? "The confrontation policy will be ended if the Manila Agreement is implemented. The outcome of this implementation is not important, but it should be established. At the moment they are making a farce of the Manila Agreement to humiliate us. The situation would change completely if a serious start was made on the implementation."

Dr. Subandrio, who left Holland on April 4 for talks with President de Gaulle, stated that all differences between Holland and Indonesia were now a thing of the past. There must, however, be a period of growth in the development of the relations between the Netherlands and Indonesia. "We do not want to create false illusions."

An exchange of visits by Queen Juliana and President Sukarno would be the climax of the new relations, but this topic had been hardly discussed during his stay.

(*The Times*, London)

[Prev. ref. 5705:IND:A]

IRAN

A. New Ministry Created: The Majlis and Senate have approved a Bill creating the new Ministry of Water and Power.

The main duties of the Ministry, which became known on April 10, are as follows:

(1) Preparation and execution of programmes and projects for the provision of water and its transfer to the main consumption centres, and for the generation and distribution of electric power throughout the whole country;

(2) The administration and exploitation of the installations created in accordance with (1) above; and

(3) Supervision of the utilization of the country's water resources, the construction of canal systems for cities and industrial units and of electric power installations.

Organizations which were created for the purpose of exploiting the country's water and power resources will continue to be administered and operated in accordance with their own statutes, but the duties and authority of various governmental institutions will gradually be transferred to the Ministry of Water and Power.

(*Middle East Economic Digest*, London)

[Prev. ref. 5763:IRN:B]

B. New Budget Approved: The Majlis ratified on March 17 the provisional 1964-65 Budget, which was approved by the Senate the following day in time to meet the constitutional requirement that the Budget should be approved before the beginning of the new Iranian year on March 21.

The Prime Minister, Mr. Hassan Ali Mansour, promised that the new Government's second Budget, which he would submit to Parliament within the next three months, would contain in detail all development and administrative items and be in accord with Government policy, though he could not undertake that it would be without a deficit.

(*Middle East Economic Digest*, London)

[Prev. ref. 5365:IRN:C]

C. Coronation Of The Shah: The coronation of the Shah will take place in October, 1965.

An official announcement said on April

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14 that the crowning of the Shah would coincide with celebrations to mark the 25th anniversary of the establishment of the Persian monarchy. The Shah acceded to the throne in 1949.

(*The Hindustan Times*, New Delhi)

IRAQ

A. Budget For 1964-65: A Press release on March 28 said that the Council of Ministers had held a meeting under the chairmanship of President A. S. M. Arif and discussed the draft law of the general Budget for 1964-65.

Dr. Mohammed Jawad Al-Abousi, the Minister of Finance, stated that the budgetary allocations amounted to ID145 million. This Budget was considered the biggest in the history of Iraq. It was ID18 million higher than the previous year's. He added that the most important increases included in the Budget covered the following items:

(1) Allocation for the Ministry of Education. These were increased to ID28 million. The increase, however, was meant to meet the expenses of expanding the primary, secondary and vocational education and training.

(2) Baghdad University's grant was increased from ID3,250,000 to ID4,000,000, besides an amount of ID2,000,000 derived from allocation of the Economic Plan to be added to the allotments of the regular items in the University budget.

(3) Allocations of the Higher Body for the Agrarian Reforms were increased from ID2,250,000 to ID4,250,000, in addition to ID1,750,000 derived from the allocations of the Economic Plan to be added to the allotments of the regular items in the Body's budget. This was meant to expedite the implementation of the Agrarian Reform Law and the various irrigation projects for the purpose of increasing the agricultural production.

(4) Increasing the allocations of the Ministry of Economy; two Directorates for importation and exportation will be opened in Mosul and Basrah to facilitate the importation movement. The necessary allocations were also made to the Ministry's budget to meet the expenses of the Arab Economic Unity Board.

(5) Allocations of the Directorate-General of Social Services were increased for the purpose of expanding the Centres of Social Welfare. Special funds were also allocated to increase the capital of the Co-operative Bank.

(6) Allocations for the Ministry of Justice were increased, to help open new courts in remote areas where no courts exist at present.

(7) Allocations of the Ministry of Health were increased largely, in order to secure wider free medical service for the citizens.

(8) Allocations of the Ministry of Agriculture were increased. The additions were actually made for combating vegetable blights and animal diseases, and to encourage agricultural researches for the purpose of improving and increasing agricultural and animal production.

(9) The sum of ID1 million was added to the Estate Bank's capital. Another ID250,000 was allocated to cover the administrative expenses of the National Oil Company.

(*Iraqi Embassy*, New Delhi)

[Prev. ref. 5580:IRQ:A]

B. Economic Planning Board Set Up: The establishment of a new Economic Planning Board was approved by law on March 24.

The Prime Minister will be Chairman of the Board, which will also include the Ministers of Finance, Planning and Economy, as well as four full-time members to be appointed by the Council of Ministers, who will receive Cabinet rank remuneration.

Fifty per cent of the total oil revenues received by the State from foreign operators will be put at the disposal of the Board, which will derive further income from its share in the profits of State industrial enterprises and from external and internal loans.

(*Middle East Economic Digest*, London)

[Prev. ref. 5222:IRQ:D&E, 5692:IRQ:C]

ISRAEL

A. Reparations Agreement With West Germany: A London report on March 27 said that an extension of the Reparations Agreement of 1963 between Israel and West Germany was signed in Bonn the previous week.

The Agreement covers the period April 1, 1964 to March 31, 1965 during which Israel is to receive DM250,000,000 in West German goods, the same as in 1963-64.

(*Middle East Economic Digest*, London)

JAPAN

A. Aid To South-East Asia: Japan is trying to increase her share of contributions towards the economic development of South-East Asian countries through a new foreign aid policy in which she intends to spend one per cent of her national income.

Under the new policy, direct and "project" loans will be increased in preference to deferred payment exports.

While foreign aid operations amounted to $330 million (about one per cent of her national income) in 1961, the amount declined to $280 million (0.66 per cent) in 1962. In 1963, it was estimated at $270 million.

The decline is due to two reasons. One is that, insofar as deferred payment exports are concerned, Japan cannot compete with Western industrial countries which are capable of offering much easier terms. The other is that developing nations consider deferred payment exports more as export promotion measures on the part of industrial nations than as aid.

The Foreign Ministry has stressed that the new formulae to be drafted would be more workable and acceptable to developing nations as a pattern of economic co-operation.

The Ministry is also considering extension to other South-East Asian countries direct loan facilities similar to those extended to India and Pakistan under the aegis of the World Bank over a period of 15 years with an annual interest rate of 5.75 per cent.

The new plan also envisages promotion of technical and combined technical and monetary aids for "self-sustaining" economies.

Stop-gap loans may also be available to countries who have a favourable trade balance with Japan. Such loans are intended as deterrents against the invocation of Article 35 of GATT and in order to encourage export industries.

(*The Times of India*, Bombay)

[Prev. ref. 5223:JAP:A]

B. Mr. G. Pompidou's Visit: The French Prime Minister, Mr. Georges Pompidou, visited Tokyo in the second week of April.

His talks with Japanese leaders during the official visit were largely concerned with the implications of French recognition of China. French sources said Japanese misgivings were allayed by assurances that France would furnish no nuclear aid to Peking.

Mr. Pompidou and Mr. Couve de Murville, the Foreign Minister, also sought to convince their hosts of the wisdom of French policy for the neutralization of South-East Asia, a policy that is now seen to be in open conflict with the present regime in South Viet-Nam, whose Foreign Minister, Dr. Phan Huy Quat, was said to have been sent to the S-EATO ministerial meeting at Manila to seek an explanation of the French position from Mr. Couve de Murville.

News Conference:

On April 9, Mr. Pompidou told newsmen in Tokyo that it was necessary for France to recognize China because of the ideological dispute between Peking and Moscow.

He said that before the split it was possible to know what was going on in both countries. But because of the split it had become necessary for France to send her own representatives to Peking to understand the situation. Recognition did not mean that France would force any other country to follow her example.

France was "very glad" that Japan was considering her position and taking a wise policy towards Peking. France understood her position, and was glad she was standing her ground.

Answering a question, he said he did not think France had broken the Western alliance by her recognition of Peking. The world situation was changing, and with disputes in the communist bloc and in Europe a new situation was arising. While Moscow's policies and principles were crumbling, why could the West not adopt a new policy?

He added: "We are in alliance with the West and if necessary will give aid to fight against the common enemy." Asked if France would take the initiative to have China seated in United Nations, he said: "We are not taking any initiative on this problem. The fact that we have recognized the People's Republic of China has nothing to do with this question."

He said France would not sell nuclear weapons, either for cash or deferred payments, to China. If France could influence China, she would do as much as she could with regard to the defence problem.

Asked about the suggestion for neutralizing South-East Asia, he said France wanted to sound out Peking on its attitude. Neutralization, particularly of South and North Viet-Nam, could only be brought about by complete agreement between China and the United States.

He returned to Paris on April 13.

(*The Japan Times*, Tokyo and *The Times*, London)

[Prev. ref. 5652:CHI:A]

LAOS

A. Prince Souvanna Phouma's Visit To Viet-Nam (DR) And China: The Prime Minister, Prince

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Souvanna Phouma, paid visits to the Democratic Republic of Viet-Nam and China in the first fortnight of April.

Laotian sources attached much significance to the visit in the context of the Premier's repeated plea against foreign interference in the internal affairs of the Kingdom and continued reported support to the Pathet Lao faction by China and North Viet-Nam.

His visit to Hanoi lasted from April 2 to 4. At the end of the talks with Viet-Namese leaders, a joint *communique* was issued.

It said that the only correct way to improve the Laotian situation was to ensure full implementation of the 1962 Geneva Agreement and to restore the normal activities of the National Union Government in Vientiane.

It said: "The Laotian party declared that it is resolved to carry out fully the 1962 Geneva Agreements on Laos, realize national harmony, lead Laos to the path of genuine peace and neutrality, and develop friendly relations with the neighbouring countries and other countries on the basis of equality and respect of one another's independence and sovereignty. The two parties express confidence that the restoration of the normal activities of the Laotian National Union Government will create conditions for the Kingdom of Laos to develop the building of its economy and culture with the assistance—with no political and military conditions attached—from friendly countries, including the Democratic Republic of Viet-Nam and other countries which signed the 1962 Geneva Agreement on Laos.

"The two parties solemnly referring to the Joint Statement of President Ho Chi-Minh and King Savang Vatthana on March 12, 1963 re-affirm that they will 'devote all their efforts to consolidating and developing the relations of friendship and fraternal co-operation in all fields with a view to stepping up the peaceful construction in both countries'. The two parties pledge to guarantee normal activities for the representative organs, and protect legitimate and legal interests of the residents of each country living in the other country. The two parties hold that the good-neighbourly relations between the Democratic Republic of Viet-Nam and the Kingdom of Laos are strictly necessary to the benefit of the two countries.

"The two parties hold that it is necessary to ensure the strict implementation of the 1954 Geneva Agreements on Viet-Nam; Viet-Nam must be peacefully reunified in accordance with the spirit of these Agreements.

"The two parties show great concern over the present tension in Indo-China and many other parts of South-East Asia. They unanimously hold that the peoples in Indo-China and South-East Asia have the right to decide their own fate and no foreign country can be allowed to interfere. The two parties hold that it is necessary to convene as early as possible a Geneva-type conference as proposed by Head of State Prince Norodom Sihanouk and declare to be ready to participate in this conference."

Visit To China:

From Hanoi, Prince Souvanna Phouma went to Peking for talks with Chinese leaders.

On April 7 he said he was confident of Chinese help in restoring peace in Laos. He said the Chinese leaders had informed him that they had no intention of linking the situation in Laos with the war in Viet-Nam.

According to him, the attitude manifested by the Chinese Government during the three days of the talks would contribute to a settlement at a forthcoming summit meeting of leaders of the three contending factions in Laos.

He indicated that he had sought Chinese assistance in obtaining withdrawal of North Viet-Nam troops from Laos. "We are very glad to note that the Government of the People's Republic of China has no intention of linking the Laotian question with either the question of Viet-Nam or that of Cambodia. This is a candid and a wise attitude. I wish that such a position will ultimately prevail among all signatories to the 1962 Geneva accords."

The Chinese Premier, Mr. Chou En-lai, led a powerful delegation and conducted two long sessions with his Laotian counterpart during Prince Souvanna Phouma's stay in Peking.

The **People's Daily** welcomed the Prince with an editorial and front-paged a picture of the "Laotian guest of honour".

A China-Laos joint **communique** said the Chinese "hope in all sincerity that the three political forces in Laos will get united and peacefully settle their questions free from all foreign interference."

Returns Home:

Returning to Vientiane on April 12, Prince Souvanna Phouma said he had told the Chinese and North Viet-Namese leaders that he would resign if the Geneva accords guaranteeing Laotian neutrality continued to be violated by some of its signatories.

Before leaving on the tour, he had said the purpose of his visit was to ask the two countries to respect Laotian neutrality and stop interfering in the internal affairs of Laos.

"It seems that North Viet-Nam is ready to help me solve the Laotian problem" and "our stay in Peking, it seems, was also fruitful".

He hoped that his talks with the Right-wing leader, General Phoumi Nosavan, and the Pathet Lao chief, Prince Souphanouvong, on April 17 in the Plain of Jars on the Laotian crisis would show concrete results.

(*The Times*, London, *The Statesman*, Calcutta and *The Hindustan Times*, New Delhi)

[Prev. ref. 5755:LAO:A]

LEBANON

A. Cabinet Re-shuffle: The Foreign Minister, Mr. Philip Takla, was succeeded by Dr. Fuad Ammun on April 1 in a re-shuffle of Mr. Hussein Oweini's Cabinet.

Presidential decrees were issued accepting the resignation of Mr. Takla and also of Dr. Ammun as Minister of Planning.

At the same time as Dr. Ammun was appointed Foreign Minister, Mr. Joseph Najjar became Minister of Economy and Planning.

Mr. Takla submitted his resignation on March 31 to take over his new post as Governor of Lebanon's Central Bank which began operations on April 1.

Mr. Najjar, a former Minister, had been the chairman of the National Council for Scientific Research.

(*The Egyptian Gazette*, Cairo)

[Prev. ref. 5756:LEB:A]

MALDIVES

A. British Air-Strip Put Out Of Action: Maldivians in the group of Indian Ocean islands round the capital Male put out of action an air-strip on the island of Hulule, through which the British representative, Mr. Arthingon-Davy, receives supplies, according to a report in the London *Times* on April 6.

According to reports from Ceylon, quoting Mr. Abdul Sattar, the Maldivian representative in Colombo, food had to be parachuted to Mr. Arthington-Davy on April 4.

The Maldivians' action was caused by their anger at alleged British procrastination.

The tension followed a call by Mr. Arthington-Davy on April 4 on Mr. Ibrahim Nasir, the Maldivian Prime Minister, who repeated a Maldivian demand for complete independence.

At present the islands are an internally self-governing British protectorate—in fact, if not in name—under an Agreement of February 14, 1960, under which Britain obtained the right to re-establish an airfield at Gan island and to establish a radio station on Hitadoo island.

In September, 1963 Mr. Duncan Sandys, the Commonwealth Secretary, visited Maldives and it was agreed that the British Government would in effect back the Maldivian Government in a long-standing dispute with rebellious inhabitants of the Addu Atoll, who were, however, promised a full amnesty, for having set up a "Suvadive Republic" of their own. The British Government obtained facilities for the BBC to operate a relay station on Hitadoo Island.

Since then, according to the Commonwealth Relations Office, the British Government had fully carried out its part of the Agreement, providing for the re-establishment of the authority of the Maldivian Government in the Addu Atoll.

Evidently to the surprise and chagrin of Mr. Nasir, however, Britain removed Mr. Afif, the leader of the Addu revolt, at his own request to the Seychelles. This appeared to have been used by Mr. Nasir "as a pretext for accusations of double-dealing."

According to the Commonwealth Relations Office, delay in carrying out the 1963 Agreement and setting up a BBC relay station was due to the fact that the Maldivian Government had not submitted proposals as a basis for discussion. Mr. Nasir maintained that pending independence he would not entertain direct discussions with Mr. Arthington-Davy. He also declined an invitation to come to London for discussions, or to send a deputy.

The British Government wants a settlement so that the air staging post on Gan island can continue to be operated. The Maldivian Government wants a settlement, so that it may fully consolidate its rule over the islands, and so that the economic benefits from the British Agreement may be used for the good of Maldivians as a whole.

There had been repeated damage in recent months to RAF property at the air-strip on Hulule island, near Male, and latterly to the airstrip itself. As a result, no landings can be made at Hulule until repairs to equipment and the air-strip have been effected. At their meeting on April 4, Mr. Nasir told Mr. Arthington-Davy that he could give no assurance that sabotage would cease, and he said repairs would have to wait until "conditions improve". This means that the RAF must supply Mr. Arthington-Davy by air drop.

The British Government considers that there should be no difficulty about reaching a mutually satisfactory agreement

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with the Maldivian Government about revision of the 1960 Agreement.

On the question of Mr. Afif, the one-time leader of the Addian revolt, the British Government's view is that he is free to decide his own future. The question of his return to the Maldives is a matter entirely for him and the Maldivian Government.

The Maldivian Government has accused the British Government of procrastination on the issues outstanding between them. Mr. Arthington-Davy in fact asked for an interview with Mr. Nasir on January 11 and again on March 8. He received no reply to either request. It was only after Mr. Sandys wrote to Mr. Nasir about this that he agreed to see Mr. Arthington-Davy on April 4.

Demand For Withdrawal Of Liaison Officer:

A Colombo message on April 13 said that the Maldivian Government had demanded the withdrawal of the British Liaison Officer in Addu Atoll, Mr. Rounthwaite, within one week from April 11 consequent to his activities during the last few weeks "directed against the interests of the Maldivian Government."

The Government also protested against the incident in which "the British frigate, Leopard, had harassed one of our (Maldivian) fishing boats about ten miles out of Male" on April 10.

It warned the British that if such acts were repeated the Maldivian Government would be forced to terminate the Agreement under which the British had established an RAF base on Gan island of the Addu Atoll.

The demand for the withdrawal of Mr. Rounthwaite and the protest were conveyed by the Maldivian Home Minister, Mr. Ibrahim Rasheed, in two separate letters to the British representative in Maldive islands, Mr. Arthington-Davy.

The letters were released to the Press in Colombo by the Maldivian Government representative, Mr. A. Sattar on April 12.

Mr. Rasheed, in his first letter, said: "I have to state with regret that the activities of Mr. Rounthwaite at Gan during the last few weeks have been directed against the interests of the Maldivian Government, in particular, consequent to which relations between the Governments of Britain and the Maldive Islands is affected adversely. As such, his further stay in this country has become undesirable."

The letter protesting against the incident on April 10, in which the British frigate was involved, pointed out that such acts were contrary to the Agreement between the two Governments. It quoted the Agreement concerning the use of Gan island for an RAF base, and said that under it the British had agreed that the "activities of Her Majesty's force will in no way interfere with the legitimate fishing of the local inhabitants in any part of the Maldive Islands."

"Therefore, if such acts are repeated the Maldivian Government would be forced to terminate the Gan agreement."

(*UK High Commission*, New Delhi and *The Statesman*, Calcutta)

[Prev. ref. 5567:MLD:A]

MONGOLIA (Outer)

A. Demarcation Of Border With China: A cryptic report by the *Hsinhua News Agency* on April 3 announced the arrival in Peking of a Mongolian Boundary Demarcation Commission.

Reports said that China and Mongolia had completed the work of demarcating the long boundary between their two countries.

The **Hsinhua** despatch merely stated that the 15-member Mongolian delegation headed by Mr. D. Bata, the chief delegate, had arrived in Peking on April 1 and had been welcomed by members of the Chinese delegation in the Joint Boundary Demarcation Commission headed by the chief delegate, Mr. Lu Ching.

Mr. Lu Ching entertained the Mongolian officials to a banquet on April 2.

Although **Hsinhua** gave no reason for the sudden arrival in Peking of the Mongolian Commission, the most logical explanation was that the two countries had completed the work of physically demarcating the boundary with markers on the basis of the Boundary Treaty signed in Peking on December 26, 1962. Details of this Boundary Treaty, however, have never been made public.

(*The Hindu*, Madras)

[Prev. ref. 5013:CHI:A]

NEPAL

A. Chinese Intrusion In Ganesh Himal Range—Report Refuted: A Nepalese Foreign Office spokesman on April 15 refuted a report of Chinese intrusion in the Ganesh Himal region which is in north-east Nepal.

The spokesman said the Government had good communications with the region in which the border with Tibet had been surveyed and delineated with pillars in accordance with the Sino-Nepalese Boundary Treaty.

The Ganesh Himal range falls between 85 degrees and 85.15 degrees longitude.

Referring to a report that Lord Shaftesbury had given up his expedition because of a Chinese intrusion in the Ganesh Himal region, the spokesman explained that Lord Shaftesbury wanted to climb **Yangra Himal**, which is a peak on the Sino-Nepalese border in the Ganesh Himal range, while the main **Ganesh Himal** peak is well within Nepalese territory. Lord Shaftesbury wanted to follow Lambert's 1955 route to the north of Chilme river, which is now, after the border demarcation, in Tibetan territory. Lord Shaftesbury did not want to follow alternative routes which were difficult and longer.

Lord Shaftesbury and his team left Khatmandu on April 13 to climb some peaks in the Langtang range for which he was given permission after he abandoned the Ganesh Himal venture.

(*The Statesman*, Calcutta)

[Prev. ref. 3410:NEP:A]

PAKISTAN

A. Indirect Elections To Legislative Assemblies And Office Of President—Bill Passed: The entire Opposition in the National Assembly walked out on March 21 as an official Bill providing for indirect elections to the office of President and to the legislative assemblies was moved by the Law Minister, Mr. Khurshid Ahmed.

Before the walk-out, the Opposition leader, Mr. Mohammed Yusuf Khattak, said it was "the blackest day" in the history of Pakistan. "People have been totally disenfranchized."

The Opposition comprises the Awami League, National Awami Party, Islamic Democratic Front and the independents.

They, however, returned after the House had granted leave amidst shouts of "go back" from the Government benches.

The Bill was the final rejection of the recommendations of the Franchise Commission set up by the Government and was based on the majority report of a Special Committee of the House.

Earlier as Chaudhury Zahur Elahi, secretary-general of the ruling Party and chairman of the House Special Committee presented its recommendations, the Opposition shouted "hired mules, down down."

In the debate on March 27, Mr. Ghulam Gilani criticized the Government for its various "acts of oppression and repression" and depriving the people of their elementary right of citizenship.

[The Electoral College Bill seeks to constitute an 8,000-strong electoral college against about 50 million adult voters to elect a President and different legislatures.]

Mr. Gilani warned the Government that if it persisted in the passage of the Bill after its long list of oppressive and repressive acts, disaster "is ahead and is coming soon". He said that during the last two years many political leaders had been arrested, several newspapers suppressed, students lathi-charged and arrested.

He said the Government Bill depriving the people of their basic rights had thrown them into mourning. They had to tolerate the misgovernment by "money-mad and power-hungry men". The people were in "anguish and distress".

Stating that it was his duty to awaken the people to assert their rights, he warned the Government that "furious mobs are waiting with clenched fists and bloodshot eyes to assert their rights." He said this Bill was another Elective Bodies Disqualification Order promulgated to disqualify and discredit a number of persons from holding any public office. But now this Bill disqualified millions of people unlike the previous Order which disqualified only specified persons.

He said that the life of the existing Assembly had been restricted to three years and not its full term of five years simply to keep out of the Assembly persons whose Martial Law-imposed disqualification term would expire only after the next elections in the middle of 1965. Could there be "greater fraudulent transaction in politics and stabbing in the back?" When the Speaker, Mr. Fazlul Qader Chaudhury, asked him not to mention the late Mr. H. S. Suhrawardy's name lest it might lead to controversy, he retorted: "To rule his name out of order in the House is to repudiate our political heritage."

He said the Government leaders had argued that the future would not be safe in the hands of illiterate people and direct elections could not be had on adult franchise basis. But he asked if an illiterate person could be depended on to defend the country and its integrity, why could not he be trusted to look after its future?

Under the system proposed by the Government it would be easy for any Assembly member to resort to corruption and distribute patronage to a small electorate of about 500.

He likened the imposition of military rule in 1958 to the British conquering the country over a century ago.

He said they were being asked "to legalize lawlessness and proclaim usurpers of rights as custodians of law." But he

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warned that struggle for freedom would continue till it was achieved.

Evefy Opposition member in the National Assembly, including the leader of the Opposition, Mr. Yusuf Khattak, on April 2 asked the Government to bring about political settlement and unity in the internal forces of the country so that the entire nation could "successfully" solve the Kashmir issue.

Disturbed at the unexpected trend in the debate on the subject which had always commanded unanimity, the Speaker, Mr. Fazlul Qader Chaudhury, inquired of the Foreign Minister, Mr. Z. A. Bhutto whether he would like to address the House in a secret session about developments in regard to the Kashmir issue. On Mr. Bhutto replying that he was in the Speaker's hands, Mr. Chaudhury took the sense of the House and called for a secret sitting. Mr. Bhutto spoke for about half-an-hour at the secret sitting.

These exchanges took place when the House discussed an adjournment motion moved by Mr. Qamarul Hasan on "India's moves to integrate Kashmir with the rest of India."

Replying to the debate, which was talked out, Mr. Bhutto repeated his recent statement that India was on the run in Kashmir and said they would see that India was "thrown out of Kashmir by the combined efforts of the people of Pakistan and Kashmir."

He charged the Opposition leader with doing disservice to the country by impliedly admitting that Kashmir was part of India which they were trying to integrate more completely and said the Government's position was that Kashmir, which had been under "Indian and Brahmin rule" for the last 15 years, was not part of India.

He seemed to be at pains to ridicule India's Mr. M. C. Chagla for taking "a judge's look" at a political problem and said that not being a politician Minister like himself, Mr. Chagla was not able to appreciate the "political reality." He did not have the sixth sense to understand the aspirations of the people. But the Speaker pulled up Mr. Bhutto, saying: "Come to your own sense."

As Mr. Hussain Mansoor (Awami League) said that "Mr. Bhutto returned empty-handed from the recent Security Council meeting and he could not refute the Indian Education Minister, Mr. M. C. Chagla," the Speaker pulled up the member, saying: "Kindly stop there. It is not a matter to play about."

The Speaker appealed to the member to realize the implications of the debate and what they said in the House. He warned that what they said in the House should be "consistent with the security and prestige of the country and decency and decorum of the House."

When another Opposition Awami League member, Mr. Qamaruzzama asked whether the Government should not give the people of Pakistan their right of franchise before they asked for the right of self-determination for the Kashmiris, Mr. Bhutto jumped up in his seat and chastised the member, saying that the trend of his argument "is highly injurious to national interests."

He said what was relevant was not whether India was a democratic country and Pakistan was not, but "the demand of the people of Kashmir for right of self-determination."

When Mr. Khair Bakhsh Marri said the Government never bothered to keep its commitments in internal matters, while they asked other countries to keep their commitments, Mr. Bhutto again interrupted to say that the members' statement might prejudice the outcome of the debate.

The Speaker of the National Assembly, Mr. Chowdhury, on April 6 asked Mr. Ramizuddin Ahmed, a former Central Minister, to avoid reference to the success of adult franchise elections in India.

Mr. Ramizuddin Ahmad, from East Pakistan, who was opposing the Electoral College Bill during the consideration stage, asked why adult franchise elections could not succeed in Pakistan when they had in India.

The Speaker told the member there was "no need to refer to India". He also warned the member against referring to possible trend towards dictatorship because of this Bill. He said such references were derogatory to what he called "sovereignty" of the House.

Mr. Ramizuddin Ahmad said the Bill was devised to eliminate the Opposition from East Pakistan which had successfully exposed during the last two years the injustice that had been committed on that Wing.

He said while the Opposition had committed a mistake by entering the Assembly in the hope of getting the Constitution amended, the Government had "duped" the people by raising their expectations by appointing the Franchise Commission. If the Opposition had not entered the Assembly, the country would have got adult franchise elections by now.

He challenged the Government to seek the people's verdict on the question of franchise and warned it that whatever it might do now, the people would wrest all their rights from the Government.

Mr. Khair Bakhsh Marri from Baluchistan said that before the people, in different regions of what was now West Pakistan, gave support to the movement for Pakistan Mr. Jinnah and other leaders had given a clear understanding that the regions would be given full autonomy and their cultural identity respected. But now certain sections of society "by intrigue and conspiracy" had deprived the people of these rights.

He said that worse than this deprivation, the people were being even denied the chance of free discussion. The Press had been gagged. Free public discussions were being barred. The Government resorted to shooting down of the people as in Baluchistan and East Pakistan.

Mr. K. Mohammed Yousuf (Islamic Democratic Front, East Pakistan) said on April 7 that the Government had by its arguments in defence of indirect election only confirmed the views of Jawaharlal Nehru, Sardar Patel and other Indian leaders that the Pakistan movement was only an emotional issue.

The Government, he said, had argued that a large number of people had participated and voted for Pakistan. They should not be put forward to demand adult franchise. Pakistan was then an emotional issue with the people and in the practical circumstances of today, people had to eschew emotion and view adult franchise issue from a different angle.

Mr. Sohrab Hussain (Opposition, East Pakistan) said after 17 years of independent existence, the Government had declared the people of Pakistan to be politically bankrupt. It would have been better to have continued under alien rule even with the limited rights they gave than be under the dictatorship of today. Independence won by the people had been snatched away from them in October, 1958. "We don't want this sort of Pakistan".

He said that foreign countries were giving only lip sympathy to Pakistan's demand for right of self-determination for the people of Kashmir, only because they knew very well that people in the country had no similar rights. This Bill was confirming dictatorship already existing.

Mr. Qamruzzaman (Awami League) said the Bill was aimed at bringing about and preserving stability in the country. But where was the stability in the country except at the point of bayonets, lathi charge and tear gas? he asked.

He contended that the National Assembly was not competent to decide the mode of election and franchise and demanded that it should be referred to the people at large.

Changes In Bill:

Winding up the debate on April 7, the Law Minister, Mr. Khurshid Ahmed, announced two changes in the Electoral College Bill.

By one amendment, husbands of women who are Government servants would be entitled to contest the elections. However, wives of Government servants would continue to be debarred from seeking election to any elective body. Another significant concession related to persons detained under preventive laws.

Mr. Ahmed said any person who had been detained for nine months or more would remain disqualified from contesting election for five years. At present any one detained for six months is not qualified for elections.

The Opposition went for division when the Speaker put Mr. Akhtaruddin's motion for circulating the Electoral College Bill to elicit public opinion on indirect system. The move was, however, lost by a majority of 28 votes. Voting was 35 to 63. This was the first lobby division during the current session.

Bill Passed:

The controversial Electoral College Bill providing for election of 80,000 electors who in turn will elect the President, the National Assembly and the two Provincial Assemblies early in 1965 was passed by the National Assembly on April 14 by a majority of 37 votes.

The Opposition pressed for a division when the Speaker put the Bill to the House finally. Voting was 75 for and 38 against. The Opposition declared that since certain clauses of the Bill violated the Constitution, the issue would be taken to the Supreme Court.

Earlier the Speaker, Mr. Fazlul Qader Chowdhury, said that he could not go into the niceties of law or interpretation of the terms in the Constitution. He said he was not in a position to interfere on such points.

He made these observations in connexion with Mr. Akhtaruddin's point of order that Clause 55 of the Electoral College Bill violated the provisions of Article 171 of the Constitution which empowered the Election Commission to settle all disputes arising out of elections.

[Clause 59 of the Bill provides that the Election Authority would set up a one-man tribunal to decide finally the disputes arising out of the Electoral College elections.]

Mr. Khurshid Ahmad contested Mr. Akhtaruddin's assertions and said that Clause 50 did not constitute any violation of the Constitution.

(*Dawn*, Karachi and *The Statesman*, Calcutta)

[Prev. ref. 5429:PAK:J, 5757:PAK:A]

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ASIAN RECORDER

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NEPAL

A. Gandak Barrage Foundation Stone Laid: King Mahendra laid the foundation stone of the Gandak Barrage in Bhainsalotan on May 4 in the presence of the Indian Premier, Mr. Nehru and over 100,000 people from the surrounding countryside who had gathered for the occasion.

The ceremony was conducted according to traditional Vedic rites by Pandit Krishneshwar Jha, who chanted mantras for the prosperity of the people of Nepal and India.

The crowd cheered as the King lowered a marble slab with an inscription in Hindi recording the occasion.

The dais carried a painting depicting India and Nepal clasping hands.

King Mahendra said on the occasion that when completed the Barrage would be a symbol of the growing bonds of friendship between India and Nepal. "I think that there cannot be two opinions about the fact that it would be beneficial to both sides to be ever active in enhancing and deepening the scope of this friendly feeling on the basis of parity".

Earlier Mr. Nehru, requesting the King to lay the foundation stone, said he hoped that the execution of the Kosi and Gandak projects, symbols of Indo-Nepalese co-operation, would usher in an era of plenty and prosperity for both Nepal and India.

He also announced that India was ready to build two roads in Nepal. One, between 12 and 16 miles long, would eventually serve as a feeder to Nepal's ambitious east-west highway. The other would be eight miles long.

The Gandak irrigation and power project will usher in an era of prosperity in the densely populated Gandak Valley regions of Bihar, Uttar Pradesh and Nepal.

It is one of the major projects in which India and Nepal are collaborating as neighbours. In India it is an inter-State project in which Bihar and UP are joining hands.

When completed, the project would annually irrigate 26,52,000 acres of land, in Saran, Champaran, Muzaffarpur and Darbhanga in Bihar. Increase in the yield of crops will be about 22 million maunds of which about 12 million maunds will be in food crops and 10 million maunds in cash crops. The value of the additional yield is estimated at about Rs. 210 million.

In UP about 5,92,000 acres of land in Gorakhpur and Deoria districts will be irrigated annually.

In Nepal, the project will provide irrigational facilities to an area of 1,43,900 acres (gross: net area 1,18,000 acres) and will yield, annually, additional agricultural produce valued at Rs. 10 million.

Availability of power will accelerate the pace of economic development in the region.

There will be opportunities for employment of skilled and unskilled local personnel. Further, the road bridge over the Barrage will open all-weather communication between Eastern and Western Nepal.

With the execution of the flood protection works on the right bank of the river, for which the Nepalese Government has made available the necessary land, some areas of Nepal and Gorakhpur and Deoria in the adjoining area will be permanently saved from floods which have been an annual feature so far.

Construction work will open up fresh avenues of employment to the people of the Gandak Valley and will save the large expenditure incurred annually on relief operations due to chronic scarcity conditions.

The Valley, with an average of 1,020 persons per square mile, is one of the most densely populated regions of the country. It is also potentially one of the richest and most fertile agricultural tracts in North Bihar and Nepal, and is capable of producing almost every crop cultivated in the plains of India. Agriculture here, however, has suffered in the past by failure of timely rainfall, though the average rainfall is moderately high.

The present Gandak project owes its birth in 1947 to the inspiration given by the late Dr. Rajendra Prasad, the then Indian Minister of Agriculture and Food. In a letter to the Bihar Government, he urged investigation of possibilities of taking out canals from the Gandak for irrigating large portions of Saran, Champaran and Muzaffarpur districts of Bihar, Deoria and Gorakhpur districts of UP and parts of Nepal.

The first consolidated project report was prepared in 1951, but as the Bihar Government preferred to give priority to the Kosi Project to provide immediate relief to the lakhs of victims of Bihar's "River of Sorrow," the work on the Gandak scheme remained in abeyance from 1951 to 1954.

Later, after about three years of negotiations, an Agreement with the Nepalese Government about the Barrage site was signed on December 4, 1960. India agreed to bear the expenses of the two Nepalese canals, the branch canals and distributaries.

The project has four main features:

(1) A 2,487-foot-long Barrage with road bridge across the Gandak at Bhainsalotan in Bihar. About half the length of the Barrage will fall in Indian territory and the other half in Nepal.

(2) Main western canal to irrigate 14,08,000 acres of land in the Saran district of Bihar, and about 8,31,000 acres of land in the Gorakhpur and Deoria districts of Uttar Pradesh. A separate canal will also take off from the western bank to irrigate 48,400 acres of land in the Bhairwa district of Western Nepal.

(3) Main eastern canal to irrigate 17,54,000 acres of land in the Champaran, Muzaffarpur and Darbhanga districts of Bihar, and 1,64,000 acres of land in Parsa, Bara and Ratuhat districts of Nepal.

(4) One power house with an installed capacity of 15,000 at a suitable place on the main western canal in Nepal. (This power house will be handed over as a gift to Nepal when the connected load from it in that country has developed to the firm potential of 10,000 kw at 60 per cent load factor).

(*The Financial Express*, Bombay)

[Prev. ref. 4165:NEP:C]

B. Five Aid Agreements With India: India and Nepal signed in Khatmandu on May 1 five development aid Agreements.

Under these Agreements India will spend Rs. 2 crores (Nepalese currency) on various schemes in the country.

Of this amount Rs. 80,00,000 will be spent on irrigation, water supply, power and drainage schemes; Rs. 5,60,000 on the setting up of maternity homes and child welfare centres; Rs. 80,00,000 on the development of airports; Rs. 36,64,000 on the Bagmati bridge; and Rs. 3,00,000 on the Balaju road.

Five airports are proposed to be developed. The airports at Bhairwa, Janakpur and Biratnagar will be provided with metalled runways. The Simra and Pokhara airports will also be improved.

On behalf of India the Agreements were signed by Mr. D. R. Kohli, Director of the Indian Aid Mission to Nepal. Nepal was represented by Mr. B. B. Thapa, Secretary, Ministry of Planning.

(*The Times of India*, New Delhi)

[Prev. ref. 5780:NEP:B]

C. Chinese Aid For Development Projects: Nepal and China signed in Khatmandu on April 27 an Agreement under which the latter would undertake construction of three development projects in Nepal.

These projects are in place of the cement and paper factories which China had originally agreed to set up. It abandoned plans for these factories later for "technical" reasons.

Under the new Agreement, China will construct a 170-kilometre road constituting the Najakpur-Biratnagar section of the east-west highway in Nepal Terai bordering India.

It will also establish a brick and tiles factory in Khatmandu besides several warehouses.

The Agreement is in the nature of a supplementary protocol to the Agreement on economic aid signed by the two countries on September 5, 1961.

The total outlay on the projects and the time it would take to complete them can be ascertained only after detailed project reports have been prepared.

Under the 1961 Agreement, China is already constructing the 104-km Khatmandu-Kodai highway, which will eventually link the Nepalese and Tibetan capitals. The Chinese are also building a small-scale tannery in Khatmandu.

It was not clear if any more projects would be undertaken by the Chinese. During the recent visit by a team of Chinese experts, a proposal to construct hydro-electric and irrigation projects had been mooted. It was not known if the proposal was still engaging the attention of the Chinese.

The latest Agreement was signed by Mr. Ko Shen, Vice-Minister for Communications, on behalf of China, and by Mr. N. P. Rijal, Assistant Minister for Finance and Economic Planning, on behalf of Nepal. The Chairman of the Council of

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Ministers, Dr. Tulsi Giri, was present at the ceremony.

(*The Times of India*, New Delhi)

[Prev. ref. 5540:NEP:E]

D. "Mt. Gya Chung Kang" Climbed By Japanese: A three-man Japanese team has climbed *Mt. Gya Chung Kang* (25,910 feet), which had till now remained the second highest unclimbed peak in the world.

The highest unclimbed Himalayan peak is Gosaithan in Tibet.

According to a Radio Nepal broadcast, the three members who reached the top were Mr. Yukihiko Kati, Mr. Sakazawa and Mr. Pasang Phuto.

The broadcast said one member of the expedition lost his life on April 9 in an icefall. It did not give the date of the successful assault.

Five expeditions had vainly tried to scale the peak before.

Mr. Kati is a member of the Nichiken Mountaineering Union. He is 32. Twenty-seven-year-old Sakazawa is a hotel manager, Mr. Phuto is one of the sherpas recruited in Nepal.

The expedition left Khatmandu for the base camp on February 17. It set up the base camp at Ugojumba glacier (4,900 feet) in March.

According to the original schedule, the expedition was to have made the final assault in May.

(*The Times of India*, New Delhi)

PAKISTAN

A. Additional Allocation From World Bank For Indus Basin Works: The World Bank announced on April 7 that $315,000,000 in additional foreign exchange resources had become available under a prior agreement for works to be constructed by Pakistan in the Indus River Basin.

Mr. George Woods, President of the Bank, making the announcement, said it was in implementation of an understanding reached in November, 1963 between himself and President Ayub Khan.

Contributions in grants toward the supplemental resources were made as follows: Australia £4,669,643; Canada $16,210,794; West Germany DM8,400,000; New Zealand £503,434; Britain £13,978,571 and the United States $188,590,000.

Proceeds of a US Government loan to Pakistan accounted for a further $51,220,000 and a World Bank loan for $58,540,000.

All contributions will be paid, as needed, into the Indus Basin Development Fund which is administered by the World Bank.

The Fund resources will finance the construction of the Jhelum river dam complex and other works to be undertaken by Pakistan in the Indus Basin.

The Bank said the Government of Pakistan had undertaken to provide the rupees required to finance the local currency expenditures not covered by the rupee contributions provided for under the 1960 Indus Basin Development Fund Agreement.

In addition, the Fund will finance the cost of a study to be organized and administered by the World Bank of the water and power resources of West Pakistan, which would provide the Government of Pakistan with a basis for development planning in the water and power sectors of the economy within the context of their successive Five-Year Plans.

A Bank announcement said: "It is intended that this study will be completed within two years from the date of its commencement.

"The first objective of the study will be the completion of a report covering the technical feasibility, the construction cost and the economic return of a dam on the Indus at Tarbela. The Bank will use its best endeavours to ensure that this report will be completed by the end of 1964.

"To head the study the President of the World Bank has appointed Dr. Pieter Lieftinck—an Executive Director of the Bank and a former Finance Minister of the Netherlands.

"Any balance of foreign exchange remaining after the costs of the above works and of the study have been provided for, will be disbursed, in accordance with procedures to be agreed between Pakistan and the Bank, to be used by Pakistan, as required, towards the foreign exchange costs of the Tarbela Project (if Pakistan and the Bank agree that Tarbela is justified on the basis of the report) or, otherwise, of some other development project or projects in the water and power sector in West Pakistan, to be agreed between Pakistan and the Bank on the basis of the study."

Memorandum On Foreign Aid Requirements For Second Plan:

A Karachi despatch said on April 11 that in a memorandum sent to the World Bank containing foreign aid requirements to the tune of $500,000,000 for the final year of the Second Five-Year Plan, Pakistan had suggested that $300,000,000 should be utilized for development purposes, supporting the foreign exchange component required for the new projects to the extent of 30 per cent.

The remaining $200 million was intended to be spent for the utilization, balancing and modernization of the existing industrial capacity in the country.

The pre-Consortium meeting, due to be held in Washington in May, will consider Pakistan's aid request. Following another Consortium meeting, the aid to Pakistan for financing the Second Plan projects for 1964-65 is expected to be pledged by June, 1965.

(*Dawn*, Karachi)

[Prev. ref. 5239:PAK:B]

B. President Ayub Khan To Seek Re-election: President Ayub Khan's candidature on behalf of the ruling faction of the Muslim League for election for another term was announced on April 7 by the Law Minister, Mr. Khurshid Ahmed.

According to the constitutional amendment proposal which he also introduced in the National Assembly, President Ayub's term will expire on March 7, 1965 instead of in August as provided in the Constitution and the election to the office will be held earlier than election to National and Provincial Assemblies. Election to the Assemblies will now be held a month or two later.

The President will be elected by 3,000 persons who would form the electoral college to be created under a Bill currently under discussion in the Assembly.

(*The Statesman*, Calcutta)

[Prev. ref. 4677:PAK:A]

C. "Integration" Of Kashmir With India—Pakistani Protest: Pakistan lodged another protest with India on April 3 against the move to "further integrate" the State of Jammu and Kashmir with the Indian Union.

The protest was against the Bill moved in the Kashmir Assembly proposing to change the nomenclature of the Head of State and the head of the Government.

The Note said that though the Bill had been moved by an Opposition member, the State Revenue Minister, Mr. Mir Qasim, had said the Government would not oppose it.

The Note reminded the Government of India that "this was a deliberate attempt on her part to flout the decisions of the Security Council with regard to Kashmir and that it would not help the cause of peace".

(*The Statesman*, Calcutta)

[Prev. ref. 5497:INI:C]

D. CENTO Micro-wave Link Completed: Talking to newsmen in Quetta on April 10, the General Manager of Tele-communications (Southern Region), Mr. M. S. K. Durrani, disclosed that the 3,060-mile-long CENTO micro-wave linking Pakistan, Iran and Turkey had been completed at a cost of $27,000,000.

He said high-level conferences would be held in Washington towards the end of April to decide whether traffic should be started on this, the world's longest land tele-communication system by July or it should be subjected to prolonged trial testing and opened to traffic by January, 1965.

Delegates from Pakistan, Iran, Turkey, UK and USA would participate in the conference.

(*Dawn*, Karachi)

[Prev. ref. 5309:PAK:F; 5671:TUR:A]

E. Government Action Against Newspapers—Dacca Protest Meeting: A protest meeting held in Dacca on April 10 voiced strong resentment against the Government's "extraordinary powers in muzzling the Press, in attacking them financially and sometimes banning their publication for periods".

The meeting was presided over by Mr. Abu Hosain Sarkar, a former Chief Minister of East Pakistan.

The meeting further criticised the Government for the promulgation of Security Act and Press and Publication Ordinance with the intention of imposing censorship on news and views even to the extent of forbidding newspapers to inform their readers that they had been subjected to such censorship in respect of certain news.

In this connexion the meeting also referred to the notices recently served on three Dacca dailies, Azad, Refiq and Sangbad, demanding security deposits from them totalling Rs. 1,15,000.

The meeting further expressed "doubts and misgivings" about the formation of the National Press Trust "at the instance of the Government." Many speakers contended that the Press Trust was intended "to dominate the newspapers' field, cripple independent papers and to impose dead uniformity in the country's information media". These fears, they added, were all the more enhanced by the proposed Advertisement Board and an Advertising Corporation, to be formed under the auspices of the Government.

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The meeting deprecated "all these undemocratic attempts to muzzle the freedom of Press" and made a fervent appeal to the people and all political parties to resist such attempts.

It was addressed among others by Mr. Hamidul Haq Chowdhury and Pir Mohsenuddin.

Mr. Hamidul Haq Chowdhury stated that no Government could function without newspapers' co-operation which he termed as X-ray reports of daily events of the country. He also criticised the National Press Trust.

Journalists' Concern:

The Standing Committee of the Council of Pakistan Newspaper Editors on April 9 expressed its deep concern over the restrictive orders issued by the Government to several newspapers.

At a three-hour emergent meeting held in Karachi under the chairmanship of Mr. Fakhre Matri, the Committee reviewed the situation arising out of these orders.

The following resolution was unanimously adopted by the Committee:

"The emergent meeting of the Standing Committee of the CPNE having considered the situation arising out of several show cause notices served on some member-newspapers and restrictive orders issued regarding the publication of news expresses its deep concern that the provisions of Press and Publications Ordinance are being used in a manner which makes functioning of even a reasonably free Press difficult if not impossible.

"The Standing Committee expresses its solidarity with the newspapers on which these orders have been passed and notes the steps taken by the affected papers to seek redress within the law. While awaiting the result of these efforts, the Committee is of the opinion that concerted steps should be taken by all concerned with the printing and publication of newspapers to safeguard the freedom and the interests of the profession."

(*Dawn*, Karachi)

[Prev. ref. 5767:PAK:A]

F. British Industrial Delegation's Visit: A British businessmen's delegation sponsored by the Federation of British Industries, which arrived in Pakistan on February 23, concluded a three-week tour of major industrial and business centres of Pakistan on March 13.

It held talks with the Provincial Governors as well as businessmen and industrialists.

The leader of the delegation, Mr. F. J. E. Tearle, said that they had found the incentives offered by the Pakistan Government to private foreign investors generally attractive and he did not think that "Pakistanization" of foreign firms would be a deterrent to investment.

One of the members of the team, Mr. E. N. Griffiths, Chairman of Howard Rotavator Limited, said he would like the tax holiday concession offered to foreign technicians to be extended. At present, concessions are valid for a period of two years, which, he felt, was much too short. All agreed that Pakistan's most pressing need was technical knowledge and assistance.

A detailed report on the findings of the delegation was being prepared which, Mr. Tearle said, would be of a general nature and would not specifically suggest any Pakistani industry or industries for likely investment by UK private investors.

(*Middle East Economic Digest*, London)

[Prev. ref. 4459:PAK:B]

G. Experimental Television Stations—Agreement With Japanese Concern: An Agreement was signed in Rawalpindi on March 30 with a Japanese concern for the setting up of two experimental television stations, one each in Lahore and Dacca.

The Lahore station is expected to start functioning on September 1 and the station in Dacca a month later.

The stations, to begin with, will put out a programme of three hours daily; this will be raised to four hours subsequently.

The Japanese company will pay the cost of the equipment, maintenance and servicing as well as the programming for three months. During this period the stations will operate on a trial basis.

(*Pakistan Radio*)

[Prev. ref. 3623:PAK:E]

H. Twelve Jute Mills For East Wing: A spokesman of the East Pakistan Regional Office of the Industrial Development Bank of Pakistan (IDBP) said on March 28 that the Bank proposed to finance the setting up of 12 new jute units of 250 looms each in East Pakistan.

The new units would be set up in collaboration with the East Pakistan Industrial Development Corporation and private parties. Each unit would cost about Rs. 1.5 crores.

The spokesman said the IDBP would provide Rs. 10,000,000 in foreign exchange for each unit, while the Development Corporation would contribute Rs. 1,000,000 in each case. The sponsoring parties of each unit will provide Rs. 2,500,000, while the remaining Rs. 1,500,000 will be provided by floating shares.

He said that the establishment of these units had been planned to disperse industries in various parts of the Province.

Four units, one each in Choumohant, Khulna, Ghorasal and Narsinghdi would be financed out of the fifth United Kingdom credit. Another four units, one each in Chandpur, Narsinghdi, Bhairab, and Ghorasal will be financed out of the sixth UK credit.

He said that four units had been planned for Chittagong, Chandpur, Khulna and Narsinghdi.

He said that the IDBP would also help set up Hafiz Jute Mills in Chittagong (500 looms). This project would be financed entirely by the IDBP out of the third and fifth UK credit.

(*Dawn*, Karachi)

[Prev. ref. 4836:AOA:S]

I. Cyclone In East Pakistan: About 259 persons were killed and 573 injured in a cyclone which ripped through the northern and southern parts of Narail Sub-Division in East Pakistan on April 11.

The Commissioner of Khulna Sub-Division said that five unions in the Sub-Division had been badly affected. The exact figure of the casualties could not be ascertained.

According to reports received in Dacca, many houses were damaged and a considerable number of cattle and domestic animals also perished in the cyclonic winds. The velocity of the wind was so great that many big trees were uprooted.

Thirteen villages under Narail and Lohagara police stations were damaged by the cyclone. The worst affected villages were Gachbari, Bariopur, Jalalshi, Halda, Bai, Kanthapur and Moapara in Naldi union, Eranda Bairpara of Lakhipassa and Kasepur Union, Paikmari, Sibandupur.

On April 14, the death roll in Magura and Narail Sub-Divisions in Jessore district was officially put at 310.

Local newspapers said that at least 500 persons had been killed.

Twenty-five villages in the two Sub-Divisions were totally wiped out.

(*Dawn*, Karachi and *The Statesman*, Calcutta)

[Prev. ref. 5373:PAK:E]

PHILIPPINES

A. S-EATO Ministerial Conference: The eight-nation S-EATO Ministerial Council met in Manila from April 12 to 15.

The Conference opened amid growing signs of sharp differences among member-nations—USA, UK, France, Australia, New Zealand, the Philippines, Thailand and Pakistan—on issues confronting the region.

Among the main problems facing the delegates were the war in South Viet-Nam; France's proposal for neutralization of South-East Asia, which followed its recognition of China; Cambodia's border dispute with Thailand and South Viet-Nam and its demands for an international conference to ensure its neutrality; and Indonesia's confrontation threat to Malaysia which had precipitated a guerrilla border conflict in Borneo.

American sources said that USA hoped to convince S-EATO members that they should make increased "symbolic" contributions to the Viet-Nam conflict, but stressed this did not mean large monetary outlay and troops.

On April 11, the US Secretary of State, Mr. Dean Rusk, had a private meeting with the French Foreign Minister, Mr. Maurice Couve de Murville, at which they exchanged views on South-East Asian policy and Communist threats to stability in the area, particularly in South Viet-Nam.

At the Conference Mr. Couve de Murville expressed the opinion that the present S-EATO meeting would not be able to solve its many problems at the two-day Conference.

Calling for an "objective and friendly discussion" in the interests of reality, he said "it is not in a few days that we are going to find a solution to problems", some of which were new, some of which dated back to the immediate post-War years.

"At least an objective and friendly discussion should enable us to do away with myths, to eliminate ambiguities and squarely face realities."

Australia's Foreign Minister, Sir Garfield Barwick, said that since the 1963 S-EATO meeting, Australia had added new dimensions to its international responsibilities. In particular, his Government had pledged to come to the defence of Malaysia in certain defined contingencies.

He warned of the "menace of the People's Republic of China" and spoke of "aggressive countries" which did not

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have industrial bases to support modern warfare.

The Philippines Foreign Secretary, Mr. Salvador Lopez, recalled the formation of S-EATO 10 years ago in Manila, and compared its performance as a peace-keeper unfavourably with that of the North Atlantic Treaty Organization.

Mr. A. M. Malik, Pakistan's Ambassador to the Philippines, said that Pakistan was watching with "profound concern the development of a serious imbalance in military power in the region, arising from the attitude of a certain non-member country in the area".

Thailand's Foreign Minister, Mr. Thanat Khoman, said that neutralization of South Viet-Nam would be contrary to the Manila Pact which established the eight-nation alliance. "My country, for one, will have no part in it".

Communique:

The Council rejected the French proposal for neutralization of South Viet-Nam by seven votes to one.

A *communique* issued on April 15 at the conclusion of the talks reaffirmed faith in the present Government of South Viet-Nam and the policies it was pursuing.

It said: "The Council agreed that the defeat of the communist campaign is essential not only to the security of the Republic of Viet-Nam, but to that of South-East Asia".

Conference sources said that at the close of the Conference even Mr. Couve de Murville had stated that his country did not oppose its long-range success. A French reservation in the communique said that in the circumstances Mr. Couve de Murville thought it wise to abstain from any declaration on Viet-Nam.

The French delegation was said to have maintained that Chinese fears of South Viet-Nam being used as an American base would have to be dispelled before a neutralist solution could be negotiated.

The representative of the host country, Mr. Salvador Lopez, the Philippines Foreign Secretary, summed up the Conference in these words: "S-EATO has surmounted a crisis of confidence."

France's stand on Viet-Nam had not weakened the alliance, a spokesman for the French delegation said. He was answering questions for Mr. Couve de Murville, who declined to see newsmen at the airport.

In the communique the Ministers did not disclose any new aid plans for the area beyond saying that S-EATO nations should remain prepared to take any further necessary steps in line with their obligations.

Prince Norodom Sihanouk of Cambodia had asked for his country to be excluded from the ranks of "protocol States" under S-EATO protection—but S-EATO had declined to act on his plan.

In a letter to Mr. Konthi Suphamongkhom, the Secretary-General of S-EATO, the Prince said his country was a sovereign and independent State. He described the protection of S-EATO as "in fact, a protectorate, which there is an attempt to impose."

Mr. Konthi, answering questions at a news conference said the Malaysia issue had been raised under the heading of problems of interest to members "involving their relations with non-member-States". But no decision had been taken, mainly because the matter was being handled "through other channels".

The communique said that despite the sharpening of the Sino-Soviet dispute, world domination remained the aim of Communism, so vigilance must not be relaxed.

French Policy:

Meanwhile, sources in Paris explaining French policy on Viet-Nam said France was not opposed to a military solution in South Viet-Nam, but considered that it could not be dissociated from a political solution.

To this was added the corollary that a political solution implied negotiations with China to guarantee the neutrality of Viet-Nam.

It was maintained that China as well as other countries might find it advantageous not to interfere in South Viet-Nam's affairs as the Soviet Union does not interfere in the affairs of Finland.

This official analysis of the French position came in for some searching comment in the French Press.

One view was that the lone vote cast by France against continued military action in South Viet-Nam should not be construed as meaning either a breakdown of the S-EATO alliance or even as a defeat for France on a matter of policy-making for South-East Asia.

It was pointed out in Paris that France continued to appreciate American efforts to contain Communism in Viet-Nam and that if the Gaullists were opposed to war there, it was not because war is unjust but that it was proving to be inconclusive.

During the Manila discussions on the advisability of neutralising Viet-Nam, Britain and New Zealand abstained from taking sides and Pakistan stayed out of the talks.

(*The Manila Times, The New York Times* and *The Times of India*, Bombay)

[Prev. ref. 5390:AOA:D]

SAUDI ARABIA

A. Economic Pact With Syria: *Damascus Radio* reported on March 17 that Syria and Saudi Arabia had signed a new Economic Agreement in Riyadh, replacing the Agreement which ended in 1963.

The Radio said economic talks between the two countries had opened in Riyadh on March 12, and ended three days later, when the Agreement was signed by Dr. Hassan Muraywed, Syrian Foreign Minister, and Emir Musaid Abdul Rahman, the Saudi Finance and Economic Minister.

The Radio quoted Emir Abdul Rahman as saying Saudi Arabia had signed similar Agreements with Jordan and Lebanon.

(*The Egyptian Gazette*, Cairo)

[Prev. ref. 2909:SUA:A]

B. Jeddah Port Survey: A London report on April 10 said that an Agreement had been signed in Riyadh between the Saudi Arabian Government and Sir William Halcrow and Partners, the London firm of consulting engineers, for a comprehensive survey of the port of Jeddah.

This followed discussions held earlier in Jeddah between technicians of the Ministry of Communications and representatives of the British company on the basis of which a draft Agreement was initialled.

The Government intends to improve the port facilities by enlarging the port itself and installing a number of guidance beacons within the harbour area and its approaches. At present, coral reefs and islands prevent easy access to the port.

The survey will include analyses of existing and prospective trade, meteorological and topographic conditions and hydrographic and subsoil conditions, as well as an assessment of the economic development of the hinterland, pilgrimage traffic, port operations, health and quarantine arrangements and the effects of the development of air and internal transport. Work under the Agreement will be carried out over a period of five years.

(*Middle East Economic Digest*, London)

SYRIA

A. Authority On Jordan Waters Diversion Set Up: Arab Government experts, preparing plans to divert the Jordan River tributaries, ended a three-day conference in Damascus on April 9 by setting up a central Authority to supervise the $235,000,000 operation.

The Conference named an engineer, Mr. Subhi Kahhale, a former Syrian Public Works Minister, as Director-General of the Authority.

This announcement came in a communique summing up the outcome of the board's secret deliberations led by the Arab League Secretary-General, Mr. Abdel Khalek Hassouna, on final plans for the operation.

It was ordered by the "Summit" Conference of Arab Heads of States in Cairo in January to counter Israel's plan to help tap the Jordan River waters from the Sea of Galilee some time this year.

Jointly financed by 13 Arab Governments, the operation is designed to make between 35 and 44 per cent of the Jordan river waters bypass Israeli territory in an attempt to cripple the Israeli diversion project.

(*The Hindu*, Madras)

[Prev. ref. 5744:ISR:A]

B. Anti-Baath Revolt Crushed: An armed anti-Baath revolt broke out on April 15 in the central Syrian city of Hama, but was crushed by the Government. Two persons were killed in the fighting.

The acting Information Minister, Mr. Shibli Eissami, told newsmen that reports from the troubled city indicated that the town was under full Government control.

An earlier announcement said the Government had sealed off the town, some 130 miles north of Damascus, by declaring a State of Emergency and a 24-hour curfew.

Mr. Eissami said trouble broke out on April 13 when students from one school staged a demonstration in protest against the arrest of one student and the transfer of a few teachers. During the demonstration, shots were fired and one citizen was killed. The shot was not fired by security forces. It came from a roof-top.

He said: "But reactionary and feudalist elements, who had been infuriated by the Government's seizure of their extra land under the agrarian reform law, exploited the incident and provoked a large part of the business section of the city to go on strike."

The authorities, he said, had exhausted every possible means to handle the situa-

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tion peacefully. The revolt proved to be a premeditated attempt to create disorder and handicaps for the Government.

(*Damascus Radio*)

[Prev. ref. 5732:SYR:C]

TURKEY

A. New Tax Legislation: A London despatch on March 27 said that Bills were under discussion in the Turkish Parliament to introduce fiscal reforms aimed at increasing the number of taxpayers and eliminating tax evasion.

The Government proposes to impose tighter controls, to appoint more tax inspectors and to lower exemption limits. It was expected that when these reforms were passed by the National Assembly, 25 per cent more commercial and industrial incomes would be taxed on personal declarations instead of overall estimates.

In the past, farmers have evaded taxes by dividing their profits among members of the family so that nobody earns more than the exemption limit. The Government plans to reduce agricultural exemptions by 25 per cent and to levy a minimum land tax. This will raise the number of agricultural incomes subject to land tax from 20,000 to over 40,000 and increase the Government's income by 200 million liras ($22 million). These measures have already been accepted by a joint committee of the five political parties.

The Government hopes to raise an additional T£490 million ($54.5 million) by increasing taxes on fuel and diesel oils, vehicles and buildings and by introducing a new real estate tax. The Finance Minister, Mr. Ferit Melen, said that these reforms were absolutely necessary if enough investment capital was to be raised to implement Turkey's Five-Year Plan, now in its second year.

(*Middle East Economic Digest*, London)

[Prev. ref. 5738:TUR:A]

VIET-NAM (DR)

A. Dr. Ho Chi-Minh's Report To Political Conference: The President, Dr. Ho Chi-Minh, reviewed the international and domestic situation, and outlined the tasks before the people in a report to the first Special Political Conference held in Hanoi on March 26.

"Tremendous changes have taken place both at home and abroad since the signing of the 1954 Geneva Accords on Indo-China," he said. In these ten years, the people in North Viet-Nam, united as one under the correct leadership of the Viet-Nam Workers' Party and Government, have overcome many difficulties and achieved tremendous successes. These successes testified to the great superiority of socialism and were a source of inspiration to the compatriots in the South.

"The only correct solution to the South Viet-Nam question is the correct implementation of the basic provisions of the 1954 Geneva Agreements on Indo-China. The participants of the Geneva Conference including the United States must live up to their commitments. They must respect the sovereignty, independence, unity and territorial integrity of Viet-Nam, and refrain from any interference in its internal affairs".

He expressed full support to the demands made by the South Viet-Nam National Liberation Front that the United States should end its intervention in South Viet-Nam and withdraw its troops and war material.

Regarding foreign policy, he said: "The foreign policy of our party and State is: to strengthen solidarity with the fraternal socialist countries on the basis of Marxism-Leninism and proletarian internationalism; to wage a resolute struggle against the policies of aggression and war of the imperialists headed by the United States; to achieve peaceful co-existence between countries with different political and social systems; to extend resolute support to the national liberation movement and the struggle for the maintenance of national independence; and to support the struggle of the working class and the people of the world for peace, national independence, democracy and socialism...

"As a South-East Asian country, we wholeheartedly support the just struggle of the nations of this area against aggression and enslavement by imperialism and colonialism, old and new.

"We are always willing to develop friendly relations with the Kingdom of Laos in all fields. We support the just struggle of the Laotian people against US imperialist aggression, and the efforts made by the National Union Government of Laos with Prince Souvanna Phouma as Premier for the implementation of the 1962 Geneva Agreements on Laos and for safeguarding the peace and neutrality of Laos.

"We consistently stand for the establishment of good neighbourly relations with the Kingdom of Cambodia. We fully support the Cambodian Government against the provocations and threats of aggression by the US imperialists and their lackeys."

He then set the following five tasks for the people:

(1) Strengthen the unity of the party, the people and the army, heighten the revolutionary fighting will, and ensure the fulfilment of the 1964 State Plan and the Five-Year Plan;

(2) Ensure the success of industrial and agricultural campaigns and the drive for economic development in the mountainous areas;

(3) Steadily strengthen the people's State power and consolidate national defence;

(4) Wholeheartedly support the patriotic struggle of the compatriots in the South; and

(5) Uphold and develop the relations with the fraternal socialist countries and support the revolutionary and national liberation struggles of the people of the world.

More than 30 delegates including Mr. Ton duc Thang, President of the Presidium of the Viet-Nam Fatherland Front; Premier Pham van Dong, and General Vo Nguyen Giap, Vice-Premier and Minister of National Defence, spoke at the Conference which unanimously approved President Ho Chi-Minh's report, and expressed determination to carry out the five tasks laid down by him.

(*Consulate-General of the Democratic Republic of Viet-Nam*, New Delhi and *The Statesman*, Calcutta)

B. State Development Plan For 1964: The Chairman of the Planning Commission, Mr. Nguyen Duy Trinh, presented to the National Assembly in Hanoi on March 30 a report containing outlines of the State Development Plan for 1964—the fourth year of the five-year Plan.

The first part of the report was a review of the fulfilment of the 1963 Plan.

He said: "We have started construction and continued building 139 projects, 32 of which have been completed. Among the latter, the completion of the blast furnace system Number 1 of the Thai-Nguyen Iron and Steel complex and the first part of the Uong-Bi thermo power plant marked an important advance of North Viet-Nam towards socialist industrialization.

"Last year, agricultural production met with many difficulties due to natural calamities, but with the strength of the relations of collective production our peasants have triumphed in their struggle against drought, typhoons and floods, and succeeded in ensuring production. Sowing and planting were achieved by 97 per cent. This constitutes a great success."

He said that the 1963 achievements were the result of the patriotic emulation movement which developed in many branches, localities and units. In the State-run economic branches, nearly 10,000 units had signed to become "socialist labour" teams or brigades.

The most noticeable fact was that the patriotic emulation movement had educated the labouring people in closely combining the two revolutionary tasks, namely, "to build socialism in the North and liberate the South for achieving peaceful re-unification of the country."

As for the 1964 Plan, he said the agricultural and industrial sectors would be expanded. "With regard to agricultural production in 1964, we rely on the movement for improving the management of agricultural co-operatives, improving techniques and the movement for building irrigation works, to develop vigorously the superiority of the new production relations in the countryside, take a further step in settling successfully the three great demands—production of food, development of animal husbandry, especially pig and fish rearing; and the increased plantation of the main industrial crops aimed at serving industries and export.

"This year we must give more attention to intensive cultivation to increase the output of paddy, and at the same time to all active measures aimed at expanding the cultivated area.

"In industries, it is necessary to continue stepping up the emulation movement to rationalize production, improve techniques, and endeavour to develop industries and handicrafts more rapidly than in the last year, helping industry to better meet the requirements of agriculture, export, communications and transport and its own requirements. The industrial branches which need special attention are coal, machine building, cement, timber, fish and salt.

"About 47.7 per cent of investments earmarked for industries would go to heavy industrial branches such as electricity, coal mines, iron and steel and chemical fertilizers' production. We start constructing a number of new centres of machine building.

"As far as light industry is concerned, we must complete a number of enterprises, step up the building of a number of such important projects as the Ham Rong-Vinh railway, and the Haiphong shipyard.

"The investments in non-constructive branches aim mainly at construction of more houses for the workers and public employees at industrial centres, 13 more water plants and 15 more hospitals for mountain regions.

"In 1964, supplementary education remains the foremost task in our education. In culture and arts, we must raise quality, take into consideration the study of the relics of national culture, sum up the experiences drawn from the education of artists and trainers with basic theories of Marxism-Leninism, world and

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home events and policies of the Party, and with the socialist conception about culture and arts, and raise further their professional levels.

"We must bring the study and popularization of sciences and techniques to quirements of the development of various branches of production and construction with a view to practically contributing to the raising of labour productivity, reducing production cost and improving such a level as strictly meeting the re- the quality of products.

"With regard to public health, hygiene and prophylaxis, the prevention of diseases remains the main motto....

"To carry out successfully the 1964 State Plan, we have to strengthen ideological work, and help the patriotic emulation movement develop powerfully along the line of collective emulation.

"The ideological work aims at helping the working people understand more thoroughly the line laid down by the Party for socialist construction in the North, and the line of the revolutionary struggle in South Viet-Nam. It is necessary to grasp deeply the views of the Party and State about building a self-supporting economy on the basis of self-reliance and international co-operation; about carrying out socialist industrialization and developing agriculture into a basis for industrial development; and about building the Fatherland with industry and thrift.

"At the same time, the patriotic emulation movement must develop powerfully along the line of collective emulation in all branches, localities and units.

"The task of the emulation movement is not only to ensure the successful carrying out of the State plan, promote the development of the productive forces, but also to build new socialist men and women and to contribute to consolidating *and developing the new relations of production.*

"We must make the 1964 emulation movement reach its goal—high labour productivity, good quality and great economization."

(*Consulate-General of the Democratic Republic of Viet-Nam*, New Delhi)

[Prev. ref. 5226: VND:A]

YEMEN

A. British Jets Attack Yemeni Fort: British "Hunter" jet planes launched on March 28 an attack on a Yemeni fort across the border from Beihan State, claiming that it was in retaliation for attacks by Yemeni planes on the State.

Yemeni authorities denied launching any attack and declared that a complaint would be made to the UN Security Council against Britain. According to the Yemenis, 25 persons were killed in the British raid.

Mr. Mohammed Ali Elaswady, Minister for Southern Yemen Affairs, described as "completely false" British claims that Yemeni planes had flown into Beihan, adding that Britain had been opposing the Yemeni revolution "from the first day".

The Yemeni Political Bureau called an urgent meeting to consider steps to halt "British aggression". Afterwards, it was announced that the Yemeni delegate to United Nations would be instructed to lodge a complaint with the Security Council, and that their representative to the Arab League would be asked to notify the League of the incident.

Beihan State is a member of the South Arabian Federation, and the jet attack on the fort across the border near Hareeb was reported to have been ordered in retaliation for two Yemeni attacks on that territory.

The acting President, Mr. Mohamed Elroainy, claimed that the raid had killed women, children and old men.

The following statement was issued by the British High Commission in Aden on March 28:

"It will be recalled that on October 22, 1962 and February 27, 1963, aircraft coming from the Yemen carried out attacks on the territory of the Federation of South Arabia, the first of which resulted in the loss of a child's life and the destruction of houses. Strong protests were made about these incidents, and on the second occasion the British Government sent a message to the Yemeni Republican authorities pointing out that Britain had a duty to protect the population of the Federation for whose defence she was by treaty responsible, warning the Republicans that any attack mounted from the Yemen might have the gravest consequences, and reserving to the British Government liberty to take whatever action seemed to them to be necessary.

"In spite of that stern warning, further infringement of Federal air-space has taken place, and on March 13, 1964 two aircraft from the Yemen attacked Bedouin and their flocks within the State of Beihan, using machine-guns and incendiary bombs. Two camels were killed and two tents burnt. Fortunately there were no human casualties. The British Government thereupon addressed a further message to the Yemeni Republican authorities containing a further strong protest and warning.

"*Simultaneously*, the matter was reported to the President of the Security Council.

"Yesterday morning (March 27) a renewed attack upon the Federation was carried out when a helicopter crossed the Beihan frontier at 09:15 hrs. to the north of Najd Marqad in the area of Jebel Bulaiq and opened fire with machine-guns on camels grazing within Federal territory. The helicopter then fired upon the fort at Jebel Bulaiq occupied by troops of the federal guard until 10:05 hrs. when it flew back across the frontier into Yemen.

"After obtaining ministerial approval from London, the Commander-in-Chief, Middle East, ordered British aircraft to deliver a counter-attack upon a Yemeni military fort just inside the Yemen frontier.

"In order to minimize the risk of loss of life, a warning message was dropped by the British aircraft half-an-hour before the attack was made.

"The need for this counter-attack is regretted, but the responsibility for it rests with the Yemeni Republican authorities. It is hoped that this will make it clear that Federal territory cannot be attacked with impunity, and that the British Government intend to discharge to the full their treaty obligations to defend the Federation."

UN Security Council Meeting:

When the UN Security Council met on April 2, the Yemen Republic urged that the British military base in Aden should be closed immediately.

Mr. Yahya Geghman, the Yemeni representative, said the base was a threat to peace in the whole area.

Sir Patrick Dean, Britain's chief UN representative, said Britain was forced to make a "defensive response" after it became clear that the Federation was facing very serious provocations from Yemen on a mounting scale and of increasing frequency.

He denied that an attack was made on the town of Hareeb itself. Hareeb fort was chosen as the target because it was a military base and because it was isolated and about a mile outside Hareeb town.

Several speakers condemned the British action.

The Council heard the Yemeni charges, the British reply, and speeches by Iraq and UAR, who were participating in the Council without the right to vote and the Soviet Union's delegate, Mr. N. Federenko.

Mr. Federenko said that the British raid had to be understood in the context of the entire Western policy in the area and warned Britain that her days of gunboat diplomacy were over.

The UAR's Mr. El Zayyat said the language of the British action might have been understood in the Victorian age, but could neither be understood nor be accepted by the Security Council now.

He quoted from newspaper reports to show that the British aerial attack was not the action of local authorities but one sanctioned by Mr. Duncan Sandys and Sir Alec Douglas-Home and said whatever might be the British constitutional procedures for declaration of war, he was sure that even the British people would not tolerate the actions of Mr. Sandys and Sir Alec.

He quoted from newspaper reports to show that Britain had apparently informed USA beforehand of her intention to carry out the reprisal and that "the lower level" of State Department officials had told the British that the reprisal could cause troublesome consequences to Anglo-American interests in the Middle East, "perhaps affecting the tricky situation in the bases in Libya."

But, the reports said, Washington did not ask London to cancel the order, according to British sources.

Mr. El Zayyat noted the British Note to the Security Council of March 28 clearly spoke of "counter-attack" while according to newspaper reports, quoted to British sources, the raid was intended as "a psychological and not military operation". He contrasted it with Sir Patrick Dean's statement that it was "defensive response."

Sir Patrick Dean denied that any British troops were massing on the frontier between the Federation and Yemen and rejected the Yemeni claim to sovereignty in the Federation. He denied that bombs were used in the attack. Britain's only desire was to see peaceful conditions established on the frontier and the whole of the area.

In the interests of peace on the frontier, Britain was prepared to "look again" at the possibility of an equal withdrawal on both sides of the frontier to create a demilitarized zone.

Three Arab countries—UAR, Iraq and Yemen—on April 3 asked the Security Council to condemn Britain for its act of aggression.

Speaking as non-voting participants in the resumed debate on Yemen's complaint, they said the Council could not condone the British action when it had consistently refused to do so in the case of similar acts of reprisal or retaliation committed by other countries.

The three Arab countries also said the Council should ask the British to compensate the victims of the raid and call for British withdrawal from Yemeni territory and cessation of all activities aimed at undermining the Yemeni Republic.

Resolution:

By a vote of nine to nil, the Security Council on April 9 deplored the British air attack on Hareeb and

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condemned the principle of reprisals. The resolution was sponsored by Morocco and Ivory Coast.

Britain and USA abstained.

The resolution adopted by the Council deplored all attacks and incidents which had occurred on the border of Yemen and the British-supported South Arabian Federation. It called on Yemen and Britain to exercise the maximum restraint to avoid further incidents.

U Thant, the Secretary-General, was requested to use his good offices to settle outstanding issues with the two parties.

The Council said it was "deeply concerned at the serious situation prevailing in the area."

Sir Patrick Dean, chief British delegate, said after the vote that Britain did not consider the Yemeni complaint of "aggression" to be justified.

He said the attack at Hareeb was "wholly defensive in order to prevent further attacks against the territorial integrity of the South Arabian Federation and its inhabitants."

Mr. Adlai Stevenson (United States), explaining his abstention, said the resolution was not equitable or "responsive to the realities and facts", and implied that the resolution did not take enough account of the alleged Yemeni provocations.

Mr. Mohsin Alaini (Yemen) said his Government was "content" with the resolution because it had condemned British aggression.

He added: "We wish to make it known that Yemen will spare no effort to effect the evacuation of all its territory, always seeking the protection of the Security Council."

Dr. Nikolai Fedorenko, chief delegate of the Soviet Union, said the essence of the resolution was the "unambiguous condemnation of British aggression which will serve as a true warning to those who initiated it and will promote the strengthening of peace in the region."

Indian Criticism Of Britain:

On April 6, India criticized Britain for bombing the Yemeni fort of Hareeb.

The Indian delegate, Mr. Natwar Singh, told the UN Colonialism Committee that the British action had aroused great resentment among Afro-Asian people because it smacked of old colonial methods.

He said the British action was being "justifiably deplored and censured" for this both in the Committee and in a superior organ of United Nations.

The situation in Aden and the South Arabian Federation remained "unsatisfactory and precarious" and the lack of progress towards decolonization was due to British refusal to implement the United Nations' resolutions.

Britain blamed current troubles in South Arabia and Aden on "outside elements". But this, he said, was neither convincing nor praiseworthy as it was a "typical colonial gamut to try and shift the blame on to others".

(*The Statesman*, Calcutta and *The Hindustan Times* and *UK High Commission*, New Delhi)

[Prev. ref. 5092:YEM:A]

B. President G. A. Nasser's Visit: President G. A. Nasser of the United Arab Republic paid a surprise visit to Sanaa, Capital of Yemen, on April 23.

Sanaa Radio said he received a hero's welcome by 1,000 cheering Yemenis headed by President Abdullah Sallal. All day long the Radio played Egyptian nationalistic songs and music interspersed with glowing tributes to "Nasser, protector of Yemen".

President Nasser was accompanied by Marshal Abdul Hakim Amer, Vice-President and Deputy Commander of the UAR forces, and Mr. Zakariya Mohieddin, Vice-President.

Crowds along the route from the airport to the city frequently stopped the open car in which President Nasser and President Sallal travelled to slaughter sheep in welcome.

This was President Nasser's first visit to Yemen.

President Nasser said to a crowd of thousands in a broadcast speech: "We swear by God to expel Britain from all parts of the Arab world. We shed blood and sacrificed souls and were victorious. We shall shed blood and sacrifice souls and we shall be victorious as we were in Egypt and in Yemen."

Referring to the "occupied South" (Aden and the neighbouring British protectorates) and "British aggression" on Yemen territory, he said: "Britain, which looks upon your revolution with hatred and disgust, must take up its staff and leave Aden and the South.

"It is our duty to help our brothers fighting British colonialism and those who suffer oppression in the prisons of British colonialism.

"I remember our brothers in the occupied south (Aden and the protectorates) who are exposed to the harshest form of tyranny and oppression under British colonialism.

"In the name of the people of the UAR and the Yemen, I say we are with you with our blood, hearts and souls."

Communique:

UAR and Yemen are to set up a committee to co-ordinate their political and economic policies, according to a joint *communique* issued on April 28 at the end of President Nasser's talks with President Sallal.

The **communique** said that British forces must withdraw from Aden and the Protectorates in South Arabia. It criticised the British Government for not allowing a UN Committee to enter these territories. (The Committee was set up by the UN De-Colonization Commission).

President Nasser returned to Cairo on April 28.

British Reaction:

Britain protested to United Nations on April 24 over a speech by President G. A. Nasser pledging to hurl the British out of the Arab world.

A Foreign Office communication to the UN Secretary-General, U Thant said: "President Nasser's words would only make more difficult the settlement of Britain's dispute with Yemen."

The British statement drew U Thant's attention to President Nasser's words and added: "In Her Majesty's Government's view this speech must make it more difficult for the Secretary-General to carry out his task of using his good offices to try to settle outstanding issues between the Yemen and the Federation of South Arabia."

A Security Council resolution of April 9 empowered U Thant to try to settle the dispute between Yemen and the neighbouring British-protected Federation.

(*The Times*, London and *The Times of India*, Bombay)

[Prev. ref. 5008:YEM:A]

C. Political Bureau Approves Pacts With USSR: *Sanaa Radio* announced on March 30 that the Republic's 12-man Political Bureau had unanimously approved on March 29 all the Agreements concluded by President A. Sallal during his visit to the Soviet Union (see below).

The Bureau, which is headed by the President, further endorsed all contacts the President and his delegation had in Moscow.

The Council appreciated the unconditional aid given by the Soviet Union, as well as the support given to Yemen's revolution.

Moscow had offered free aid to Yemen, a long-term loan and delayed payments on earlier loans during the visit by President Sallal.

A spokesman of the French Foreign Ministry made it clear in Paris that France would advocate admission of China to all international organizations.

The proclamation re-iterated that Yemen was prepared to accept unconditional aid from East or West, provided the assistance was based on mutual respect. (The United States is financing and undertaking a road building project in the Red Sea country.)

The statement, according to the **Radio**, re-iterated Yemen's policy of non-alignment, peaceful co-existence and the combating of imperialism in all its forms.

(*The Egyptian Gazette*, Cairo)

[Prev. ref. 5082:YEM:A]

D. Alleged British Air Violations—Protest To UN Security Council: Yemen lodged a protest on April 16 with the UN Security Council against alleged new British flights over Yemeni territory.

In a Note to the Council, the Permanent Yemeni Representative at UN said his country had to protest, particularly in view of Britain's violation of the Security Council resolution calling on Yemen and the Aden Federation to respect each other's territory.

(*The Times of India*, Bombay)

[Prev. ref. 5339:ADN:A]

E. President Sallal's Visit To USSR: President Abdullah Sallal arrived in Moscow on March 16 on a State visit at the invitation of the Presidium of the Supreme Soviet of USSR.

He was received at the airport by the Soviet President, Mr. Leonid Brezhnev, and prominent Soviet leaders.

Later in the evening, the Presidium and the Soviet Government gave a dinner in the Kremlin in honour of President Sallal.

President Sallal had talks with the Soviet President, Mr. L. Brezhnev, in Moscow on March 16.

A joint *communique* issued on March 24 at the end of President Sallal's visit said the Soviet Union would give more economic and technical assistance to Yemen.

The **communique** supported Yemen's demand for Britain's withdrawal from Aden as well as President G. A. Nasser's call for an end to foreign bases in Arab countries and in Cyprus.

President Sallal also signed a Treaty of Friendship with the Soviet Union.

(*Tass*)

[Prev. ref. 5010:YEM:B]

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ASIA OUTSIDE ASIA

SUMMARY: WHO Assembly; Cut In US Foreign Aid Programme; Commonwealth Trade Ministers' Conference; Earthquake In Alaska:

A. WHO Assembly: About 400 doctors, officials and public health specialists from the member-States of the World Health Organization (WHO) took part in the 17th session of the World Health Assembly, which opened in Geneva on March 3.

Mr. Moses Majekodunmi, Minister of Health of the Federation of Nigeria and President of the World Health Assembly in 1963, presided over the opening session at which the new President was elected.

[The World Health Assembly meets once a year to review the year's activities, to decide on the Organization's programme and budget for the next year, and to adopt international health policies to further WHO's objectives. The Assembly's main task is to give WHO a programme for 1965 (about 1,000 projects are proposed), and to fix the budget to which all member-States will contribute.]

The effective working budget proposed by the Director-General for 1965 amounts to $38,360,000—an increase of about 11 per cent over the 1964 level. More than one-half of this increase (54 per cent) would meet some of the more pressing requests for public health programmes of member-Governments and 16 per cent would provide for the expansion of international medical research.

In his introduction to the 1965 programme and budget document, the Director-General, Dr. M. G. Candau said: "The programme for 1965 attempts to underline three fields of activity of primary importance to the future success of the Organization's work—national health planning, education and training, and research.

"Critical shortage of educational facilities for health workers and a serious lack of teachers in pre-clinical and para-clinical subjects, are among the major problems which the world will still have to face in 1965. WHO plans to help remedy this situation in 1965 through a series of expert committee meetings, which will go into the various aspects of this question.

"There is hardly any WHO programme that does not have a substantial research component and the ultimate success of which does not depend on the increased knowledge born of research".

To increase the research potential of all countries, and particularly that of the developing nations, WHO plans in 1965 to make significant contributions in the three following fields—research training grants; exchange of research workers; tuberculosis, nutrition and immunology.

The subjects covered by WHO-assisted medical research projects include cardio-vascular diseases, cancer, virus diseases, tuberculosis, nutrition and immunology.

Several sessions were devoted to the question of water supply which was the subject of this year's informal "technical discussions" to be held under the chairmanship of Mr. Abel Wolman, a professor of Johns Hopkins University in the United States.

It has been estimated that to provide the urban population of Africa, Asia and Latin America with piped water within reasonable distance of their homes, by 1980, would cost at least $400 million a year. Present construction rate, however, is probably under $50 million a year. Yet the suggested rate of $400 million a year is less than 0.25 per cent of the gross national product of the countries concerned.

New President:

Dr. M. K. Afridi of Pakistan was on March 3 unanimously elected President of the Assembly.

Dr. Afridi who took over from Dr. M. A. Majekodunmi will also be the President of the World Health Organization during the coming year.

Dr. E. B. S. Lumu, Uganda's Health Minister, Mr. J. Alvarez Amerquita, Mexican Health Minister, and Dr. Hurustiati Subandrio, of Indonesia, were elected Vice-Presidents.

A number of African nations, including Senegal, Nigeria and Somalia, protested in the Assembly against the presence of South African delegates.

Membership Of China—French Bid Fails:

The Assembly rejected a French proposal to seat Peking in place of Formosa.

The Credentials Committee's report was adopted with 51 votes in favour, 21 against and 22 abstentions.

The Committee said that Formosa was the "sole representative of the Chinese people".

France voted against the report. The USA, South Viet-Nam and South Korea voted in favour, Sweden, Norway, Yugoslavia and the Malagasy Republic were among those who abstained.

A spokesman of the French Foreign Ministry made it clear in Paris that France would advocate admission of China to all international organisations. France's attitude, he pointed out, was "normal and logical."

The French demand was rejected by Mr. Nathaniel McKitterick, leader of the US delegation, who said: "China is represented rightfully in this Assembly."

He said the last UN General Assembly had decided that the Formosa regime should represent China in UN. "In these essentially political matters, let us not here and now challenge the authority of the General Assembly either for innocent reasons or for propaganda purposes".

In Washington, the State Department made it clear that USA would continue to oppose China's admission to UN and all organizations associated with the world Organization.

African Refusal To Vote For Budget:

African countries at the Assembly on March 11 refused to vote for next year's Budget of the Organization in protest against the racial policies of South Africa and Portugal, both members of WHO.

The Ghana delegate told the Assembly that the 33 African delegations did not wish to obstruct the work of WHO, but wanted to draw the attention of the world to the seriousness of the present situation in Africa.

The Budget of over $38,000,000 was finally adopted by 73 votes to three, with all the African delegations abstaining.

South Africa's Expulsion—Resolution Approved:

African States submitted a resolution to the Assembly on March 17 demanding the expulsion or suspension of South Africa from the Organization.

The resolution was presented by the Senegalese delegate, Dr. Hamat Ba, who spoke in the name of all States of the Organization of African Unity.

The resolution, presented in the Assembly's financial and legal committee, called on the World Health Organization to withdraw immediately South Africa's right to vote.

It also invited the Organization's executive committee and the Director-General to submit to the 18th Assembly formal proposals for the suspension or expulsion from the World Health Organization of all members who violate the WHO principles and whose official policy is based on racial discrimination.

Dr. Hamat Ba said that a resolution adopted by the Assembly last year had invited the South African Government to renounce its policy of apartheid in the interests of the physical, mental and social well-being of the population. This had not been followed by the South African Government, which continued to scorn both the UN Charter and the WHO resolutions.

The World Health Organization on March 18 approved the resolution proposing the suspension or expulsion of South Africa because of its *apartheid* policy.

The vote was 63 to 22, with one abstention.

The following day, South Africa withdrew from the Assembly.

Decisions:

The 17th session of the Assembly ended on March 20.

It reviewed the work of WHO in 1963, recommended measures for an intensified assault on major diseases and admitted four new associate members to WHO. They were Malta, Northern Rhodesia, Nyasaland and Qatar. They brought the total of members and associate members in WHO to 125.

In a concluding statement to the session the Assembly President, Mr. Monawar Khan Afridi of Pakistan, said the achievements of the Assembly had been of "no mean order". However, he added, certain events should be reviewed later and in perspective, especially "our hazardous incursion into the non-medical areas, entry into which we have so far scrupulously avoided".

"What is essential is that we keep our ears constantly attuned to the cry of misery and disease that reaches us from millions of men, women and children to which we alone are capable of responding with expert skill that we have painfully acquired over the years. We must beware of the perils of playing at politics for which we have neither the training nor aptitude nor experience."

The Assembly noted that the malaria eradication campaign of WHO now covered more than two-thirds of the world population previously exposed to this disease, and that many millions of people living in areas in the "attack phase" were already benefiting from a striking reduction of malaria infection.

It also noted that during the next two years 200 million doses of smallpox vaccine, estimated to cost $2 million, would be required by countries engaged in smallpox eradication campaigns. It asked the Director-General of WHO to prepare a further comprehensive plan for the world-wide eradication of smallpox.

It was pointed out that water-borne diseases such as typhoid and para-typhoid fever, dysentery and cholera every year kill five million babies and attack 500 million people. The Assembly recommended to member-States of WHO that greater emphasis be given in national programmes to the provision of safe and adequate water supplies for communities, and asked the Director-General to continue to assist member-States in this direction.

After discussing a proposal for the establishment of a world health research centre, the Assembly agreed that it was

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desirable to apply the latest advances in communications, science and technology under the aegis of WHO towards improving and co-ordinating the world-wide exchange of information on health problems and bio-medical research". It asked the WHO Director-General to continue his study of this subject and report back to the Assembly and the WHO Executive Board.

The Assembly also authorized the Director-General to enter into discussions with five countries—West Germany, France, Italy, United Kingdom and the United States—with a view to the establishment of a world research agency for cancer. It was proposed that the agency be financed by 0.5 per cent of the military budgets of these countries, and that it work in close contact with the secretariat of WHO.

The Assembly decided that WHO should re-inforce its efforts to prevent a recurrence of disasters such as that caused when women taking the drug thalidomide gave birth to deformed babies. It unanimously adopted a resolution suggesting measures to prevent the "dumping" of sub-standard drugs in developing countries. Countries exporting drugs were asked by the Assembly to consider the possibility of making testing facilities available to an importing country where they did not exist.

The Assembly decided to hold its next session in Switzerland.

(*United Nations* and *The Statesman*, New Delhi and Calcutta)

[Prev. ref. 5095:AOA:E]

B. Cut In US Foreign Aid Programme: The American President, Mr. Lyndon B. Johnson, sent to Congress on March 19 a sharply-cut foreign aid programme, calling for $3,400,000 to combat world-wide poverty, ignorance and communism in 1964-65.

The recommended sum, for the fiscal year beginning July 1, took into account mounting Congressional displeasure with foreign aid.

It totalled $1,100 million less than the figure sought by the late President J. F. Kennedy for the current fiscal year and equalled the appropriations provided in December, 1963 after a prolonged fight in Congress.

The foreign aid money voted for this year's programme consists of $3,000 million in new funds and $400 million carried over from previous programmes.

President Johnson's specific recommendations called for $1,000 million in military aid for the new programme and $2,400 million in economic assistance.

Privately, Administration sources agreed that the White House was taking a gamble in hoping that an appropriations request trimmed of all its padding would not suffer further cuts at the hands of foreign aid foes in Congress.

President Johnson, in a special message requesting the funds, said: "It would be repugnant to the national interest if USA retreated from its obligations, while freedom remained under siege."

The message gave only a brief analysis of where funds would go in the coming new fiscal year.

Two-thirds of the proposed military assistance, the President said, would be allocated to 11 nations along the periphery of the Sino-Soviet bloc, from Greece and Turkey through Thailand and Viet-Nam to Formosa and South Korea.

Supporting assistance—funds used chiefly in countries facing defence or security emergencies—would continue to be reduced, and 14 countries which received supporting assistance three years ago (the President did not name them) would receive none under the new programme.

Four-fifths of this type of aid in the new programme would go to four countries—South Korea, South Viet-Nam, Laos and Jordan.

Two-thirds of the development lending proposed for the new fiscal year, including alliances for progress loans in Latin America, would be concentrated in six countries—Chile, Colombia, Nigeria, Turkey, Pakistan and India.

President Johnson said that USA would speed up the transition from reliance on aid to self-support wherever possible. In 17 nations, he said, the transition had been completed and economic aid had ended.

He disclosed that 14 countries—unnamed in the message to Congress—were approaching the point where soft economic loans and grants would no longer be needed.

In addition, new funds for military equipment grants were being requested for seven fewer countries than for the current fiscal year.

Country-by country analyses of the allocation of appropriated funds in the new fiscal year will be released at Congressional hearings later.

The AID agency gave the following regional analysis respecting the major portion of the $2,400 million in economic assistance funds requested by the President:

Near East and South Asia—$38 million in support assistance, and $834 million in development assistance;

Latin America—$17 million and $570 million;

Far East—$262 million, and $118 million;

Africa—$31 million, and $188 million.

President Johnson told Congress that USA would seek greater international participation in aid programmes for under-developed countries.

He said that other "free world" industrial countries had increased their aid since the early 1950's and there were indications that further increases were being planned by Britain, France and others.

He asked Congress to support continuing US subscription to the International Development Association, a World Bank affiliate. (The Administration refused to accept a recent House of Representatives vote which rejected new US commitments for the IDA).

Mr. Johnson also requested authority to provide a special tax credit for private investment by US businessmen in less developed countries.

He announced that he had decided to keep economic assistance under the control of the Agency for International Development (AID) and to reject call for absorption of the Agency in the State Department.

(*The New York Times*)

[Prev. ref. 5757:AOA:A]

C. Russian Refusal To Pay For UN Costs In Congo And Middle East: A message from UN Headquarters on March 21 said that the Soviet Union had stressed that it would never help pay for the UN Congo and Middle East forces and hinted that any challenge to its General Assembly vote on that account might break up United Nations.

A Government statement issued by the Soviet delegation added that if any effort was made to withdraw the vote, "we may be obliged to reconsider our attitude toward United Nations activities."

[The International Court of Justice has given an advisory opinion that these are legitimate expenses that must be borne by all members.]

The Soviet statement said that any "groundless changes" prompted by Moscow's position would be regarded as "an unfriendly act towards USSR."

It said it would like to make it "absolutely clear" it would regard any action to take away the Soviet vote "as the actions of those who do not care for United Nations and who do not take into account the prospect of its break-up as the result of such actions."

[The Soviet Union is one of 18 countries that stand to lose their votes in the 112-nation Assembly next Autumn if a controversial financial provision of the Charter is applied. This provision, Article 19, says any UN member two years behind its dues "shall have no vote" unless the Assembly finds its non-payment stems from conditions beyond its control.]

Diplomatic sources said the United States and Britain had sought to head off a showdown over this Article in a private talk with the Soviet delegation on March 6. The two countries had proposed that the Soviet Union pay part of its Congo and Middle East assessments and accept a compromise giving the Security Council more power as against the General Assembly to start new peace-keeping operations; and creating a 15-nation Assembly Committee with major Power participation to arrange the financing.

The informants said the Soviet delegation had not yet had Moscow's reply to this proposal, but the statement seemed to herald a rejection.

The United States, like the International Court, and most other countries, contend that Congo and Middle East dues must be counted along with regular budget assessments in figuring whether a country is two years behind.

Those more than two years in arrears now are the Soviet bloc—the Soviet Union, Albania, Bulgaria, Czechoslovakia, Hungary, Poland, Rumania, and White Russia—plus Argentina, Bolivia, Formosa, the Dominican Republic, Haiti, Paraguay, the United Arab Republic, Uruguay and Yemen. France is due to join the list on January 1, 1965.

The Soviet Union owes $52,623,137 in Congo and Middle East dues and would have to pay $8 million to keep from being two years behind over-all. Altogether 72 members owe about $84 million for Congo and 63 owe about $30 million for the Middle East.

(*The Hindu*, Madras)

[Prev. ref. 5611:AOA:A]

D. Commonwealth Trade Ministers' Conference: A two-day Conference of Commonwealth Trade Ministers began in London on March 19.

The Ministers examined problems which will confront the UN Conference on Trade and Development when opened in Geneva the following week. They exchanged views on various issues.

According to a London correspondent, it became apparent that the developing countries attach the greatest importance to the question of removing trade barriers and providing access to the markets of the developed countries for the manufactures and semi-manufactures of the developing nations.

There were 12 speakers on March 19 at what was described as a useful and constructive session. Speeches came from representatives of developed and developing members of the Commonwealth, and between them, in one way and another, covered practically all the major issues which are likely to be raised at the UN Conference.

Great emphasis was placed on the need for removing restrictions which impeded access to the markets of developed countries for the manufactured and semi-manufactured goods of the developing countries. It was pointed out that it was not really possible for the developing coun-

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tries to build an export trade in manufactured goods if the quota on the market of a developed country was restricted to a tiny figure. All the developing members of the Commonwealth were greatly concerned about this.

There was also discussion on the question of institutions governing trade. There was some criticism of the General Agreement on Tariffs and Trade (GATT), but the majority of the delegations from the developing countries took the view that it was desirable to build on existing institutions and to develop and adapt them, rather than discard ruthlessly those institutions already in existence and start again with some grandiose scheme. There was clearly a strong view that while institutional changes might be necessary, these could be achieved by adapting GATT, a view which was shared by Britain. Action in GATT to meet the needs of the developing countries is, of course, already in hand.

The session was opened by the British Secretary of State for Industry, Trade and Regional Development and President of the Board of Trade, Mr. Edward Heath, who briefly explained the British position on the main issues before the UN Conference.

On commodity prices, he recognized the very real problem which this question posed, and said that Britain was prepared to co-operate in the study of commodity agreements designed to prevent catastrophic falls in prices. But he said it was essential to study commodities one by one, because each had its own particular problems, and not all commodities were suitable for treatment by special agreements. The level of the price itself presented problems, because if it were too high the result might be disadvantageous *in that it might discourage consumption of the product or encourage substitution.*

He restated the British position on preferences, which is that Britain is prepared to consider the case for the manufactured and semi-manufactured goods of developing countries on three conditions—that the industrialized countries as a whole are prepared to grant preferences; that Commonwealth countries are prepared to release Britain from contractual obligations to give them preference; and that new preferences are not created by raising an existing "most-favoured-nation" tariff.

On institutions, he said that Britain was opposed to the formation of any new International Trade Organization.

Conference Ends:

The Conference ended on March 20.

The UN Conference was the only topic discussed by the Ministers. A brief communique emphasized the "frank and valuable exchange of views" on questions of international trade and especially the trade and development problems of the developing countries which are to be discussed at the Conference.

The communique said that the Ministers' discussions had highlighted the importance which all Commonwealth Governments attached to the Geneva Conference and their determination to do all in their power to contribute to its success.

Mr. Edward Heath said afterwards that the views put forward by the Commonwealth representatives had been "moderate and reasonable", and they had "clarified a considerable number of the issues". He very much doubted whether anything would be brought up at Geneva which had not been raised by one delegate or another at the London meeting.

It was generally accepted that the approach to the UN Conference "should be one of co-operation between the developed and the developing countries and not a question of animosity between two sides", and this was "very important". Prosperity, he said, was indivisible—the more the developed countries increased their own strength, the better able were they to help the developing countries.

Mr. Heath (who was speaking to correspondents as Chairman of the meeting) said that in considering the problems of the developing countries the most important aspect was the question of access to the markets of the developed countries for the products of the developing nations. "Everyone emphasized that whatever other aspects you considered, what really mattered to the developing countries was access." This, he added, was also the British view.

On commodity prices, there was general agreement on the need for each to be dealt with on its own merits. "There was full recognition that if you try to get too high a price for a commodity you will affect consumption and encourage substitutes, and so the country of origin of the commodity will be no better off than before."

There were some Commonwealth representatives who wanted to see new institutions for international trade—and they were limited to two or three. "But," said Mr. Heath, "I think the great measure of agreement was that we should try to build on existing foundations, and where people were dissatisfied with GATT (General Agreement on Tariffs and Trade), try to improve it.

"They all recognized that you cannot solve problems through institutions. What you need is a change of policies which are carried on within the institutions. And this is really the means to get other countries to provide access for the products of the developing countries."

Some of the suggestions put forward on the subject of institutions included the idea that there can be a link with the Economic and Social Council (ECOSOC) of the United Nations, or that the Geneva Conference might be the first of a continuing series.

On the question of preferences, he said that a wide range of suggestions was put forward as to how these might be handled. There was discussion of the British position—she would consider accepting in principle proposals under which the developed nations grant preferences to the developing countries, subject to three conditions.

These are: (1) that joint action would be taken by all the developed countries; (2) that the Commonwealth countries would be prepared to release Britain from contractual obligations to accord them preferences; and (3) that new preferences should not be created by raising the "most-favoured-nation" rates.

He said that the Commonwealth countries were approaching the question pragmatically. They seemed ready to consider proposals if they were put forward at Geneva, provided that there would be a worthwhile return for them.

He said that everyone at the Trade Ministers' meeting recognized the difficulty of getting detailed negotiations going at a conference attended by over 120 countries. (The Geneva Conference, due to last three months, will be attended by some 122 countries.)

"We should try to get the objectives of the Conference right, see what the problems are, and then see if we can get out of it some sort of outline as to the way in which the problems can be solved."

As a result of the two-day meeting and the frank discussion which had taken place, he added, "all the countries of the Commonwealth will go into the Geneva Conference with a much fuller understanding of each other's problems and the potential solutions to them. And this should enable us to co-operate most closely during the Conference".

A London despatch on March 20 said that the continuation as a permanent international organization of the UN Conference on Trade and Development will be backed by all Commonwealth countries.

This was one of the points of agreement which emerged from the Commonwealth Trade Ministers' Conference. India favours the idea and has canvassed it among friendly countries.

As envisaged in the discussions, the proposed new body will periodically review the progress of world trade and explore ways for its expansion with the needs of less developed countries in mind.

It will have a permanent secretariat and standing committees on various aspects of world trade. It will be, in the words of Mr. Manubhai Shah, who represented India in London and will represent India at Geneva, an international umbrella over world trade seeking by agreement to achieve a more equitable distribution of trade.

There was very little support in the Conference for the establishment of an international trade organization on the pattern of the Security Council on the ground that trade cannot be expanded by sanctions or international dictates.

It became clear that all Commonwealth countries were prepared to give up Commonwealth preferences, if industrialized countries gave non-discriminatory treatment and preference on the whole range of goods from developing countries.

Mr. Manubhai Shah of India emphasized that a reasonable and just relation must be established between prices of primary raw materials and semi-manufactures and prices of manufactured goods of developed countries. Today they bore no relation to the detriment of the developing countries. The gap tended to grow as the prices of finished products rose constantly to keep abreast of the soaring standards in the developed countries, while the prices of primary products remained low or rose disproportionately. The result was that developing countries had to export more to buy more expensive manufactures of the industrialized nations.

Finally, the despatch said, the London Conference agreed that the UN meeting must succeed in showing the way to help developing countries. The hopes of millions of people were involved and failure would be disastrous not only for a greater part of the world but would also be harmful for peace.

The well-known facts of the serious trade situation at present were re-iterated by Mr. Shah. He pointed out that the share of world trade of developing countries was 50 per cent to 20 per cent, whereas they should have population-wise 72 per cent. On the other hand, trade of developed countries had doubled. The loss in trade of developing countries was three times the aid given to them.

(*UK High Commission* and *The Hindustan Times*, New Delhi)

[Prev. ref. 4713:AOA:H]

E. **Earthquake In Alaska:** The heart of the metropolitan city of Anchorage was virtually destroyed by an earthquake that shook Alaska on the night of March 27.

The quake struck at 5.36 p.m. at the height of the rush hour. Hundreds of persons were caught out in the streets or en route home in cars. Huge cracks opened in the ground, two of which were from six to 12 feet deep and ranged from six to 50 feet wide.

The earthquake was one of the severest in history. In the city centre, three-storeyed concrete buildings—many of them quite new—tumbled or caved in upon themselves. Power supply totally failed

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and rescue work had to be carried out with emergency lights. There was also lack of water supply. Regular communications with other cities were not established until more than 8½ hours after the earthquake.

Extensive damage was reported in other cities. Oil tanks burst and fires broke out.

The State Police Civil Defence Coordinator, Mr. Vince Chellis, said that Seward, 100 miles south of Anchorage, was "half gone and on fire", and that a tanker in the Alaskan Gulf Port had caught fire and burned.

In Anchorage more than 50 houses were reported to have rolled over a cliff when the ground broke away under their foundations. About 50 per cent of the buildings were destroyed in the centre of Anchorage. Valdez was "wiped out".

The Los Angeles coast guard reported that a 12-foot wave from the quake had hit the Northern California sea coast towns of Crescent City and Humboldt Bay.

In Berkeley, California, the University seismograph registered the quake as between eight and 8½ points on the Richter scale.

Anchorage was rocked again by a series of earth tremors on March 28.

Huge tidal waves caused by the quake struck Crescent City in California, killing 10 persons and injuring dozens of others. In addition to those drowned, some 50 persons were reported missing in that town of 3,000 inhabitants.

Tidal waves travelled 100 miles in 25 minutes and crashed over the Washington coast, knocking out bridges and causing evacuation of several areas.

The 150 buildings which formed the business section of the city were destroyed or damaged. All the inhabitants who were able to, fled the area and were saved. Four great oil tanks exploded and burned as a result of short circuits in the electric lines.

Alaska's Military Command reported that 82 persons were killed or missing and 70 injured in the earthquake.

The US Pentagon announced that the Alaska earthquake had destroyed or damaged civil and military airports in Anchorage, military hospitals, and planes which were on the ground. The announcement was made on the basis of reports received from General Raymond Reeves, Commander-in-Chief of American forces in Alaska.

It said the areas hardest hit by the earthquake were Anchorage, Valdez, Seward, Cordova, Kenai and Kodiak.

The Alaska earthquake had released ten times more energy than the atomic bomb which doomed Hiroshima near the end of World War II. The US Coast and Geodetic Survey's Director of Seismology, Mr. Leonard Murphy, gave this comparison in a preliminary analysis of reports from Alaska and reports about the earthquake received from more than 100 stations on all the continents. The Hiroshima bomb's energy release was equivalent to 2,000 tons of TNT (explosive).

The earthquake was widely felt in British Columbia, but no serious damage was reported.

In Moscow, Tass, the Soviet news agency, said a "very strong" earthquake was recorded by the Soviet seismological station in Moscow.

According to provisional data, the epicentre of the earthquake was in the area of the Aleutian Depression, 7,300 kilometres from Moscow.

So strong were the tremors of the Alaskan earthquake felt in Britain that the seismograph at the Science Museum in London nearly went out of action.

The worst earthquake of recent times was at Tokyo in 1923 when 90,000 people were killed. Major earthquakes recorded during the 1960s have been: 1960 (March)—12,000 were killed and 2,000 injured when the city of Agadir was destroyed; 1960 (April)—3,500 were killed or injured and more than 17,000 homeless in a double earthquake in the South Persian towns of Lar and Garash; 1960 (May-June)—over 2,000 people were killed in a series of earthquakes at Concepcion, Chile (370,000 homeless); 1962—more than 11,000 persons were killed in the worst-ever Iranian earthquake at Tehran; 1963—half the town of Barce, Libya was demolished and 262 persons were killed; 1963—more than 1,000 were killed and 3,350 injured at Skoplje in Yugoslavia.

Eastern Seaboard Of USA Lifted By Earthquake:

It was revealed by the US Bureau of Standards on March 30 that the Alaskan earthquake had moved the US Capital and much of the American eastern seaboard by about two inches, then put it back where it had been.

The ground on which Washington stands went up in the air about an inch, then sank about two inches from that new height, then rose by two inches. These ups-and-downs went on for about two hours on a diminishing scale, finally leaving the land at its original level.

The ground also moved a bit sideways. Over-all, the motion can best be described as a slow, rolling vibration.

Why did this movement do no damage? Why did people not even feel it? Dr. R. K. Cook, Chief of the Sound Section of the Bureau of Standards, explained that there was no great jar, no rending of the earth's crust; it was a slow movement taking about 12 seconds up and down, and it occurred with much uniformity over wide areas. Thus, all the foundations, and other parts of a building no matter how big, would move uniformly without any damage.

The motions were detected by instruments attuned to low frequency sound, well below the hearing range of the human ear, and then were recorded photographically in the form of waving lines. Here is the idea: seismic, or shock waves from the earthquake travelled inside the Earth and produced the vibrations. These in turn caused alternating changes in air pressure, thus turning the Earth into a huge loudspeaker. The Bureau's modern equipment then recorded those sounds.

(*The New York Times* and *The Hindu*, Madras)

[Prev. ref. 5409:AOA:E]

F. Jack Ruby Sentenced To Death: In Dallas (USA), Jack Ruby was convicted on March 14 of murdering Lee Harvey Oswald who had assassinated President John F. Kennedy, and sentenced to death in the electric chair.

Jack Ruby, 52-year-old strip club operator, was found guilty of murdering Lee Harvey Oswald, and the jury set the sentence as death in the electric chair.

Judge Joe B. Brown, who read the verdict shortly before midnight, ordered the jurors escorted back to the deliberation room and dismissed.

But the Judge had said earlier he would wait for the defence to file motions before actually pronouncing sentence.

The defence had already stated that if Ruby was found guilty of murder with malicious intent, it would appeal.

The verdict came after the jury had deliberated for two hours and 19 minutes. It found Ruby guilty of murder, with malice aforethought, in the shooting of Oswald.

There was no demonstration following the Judge's instructions that the courtroom audience must remain quiet and seated until dismissed.

Ruby had shot Oswald at point blank range in Dallas police headquarters on November 21, 1962—two days after Mr. Kennedy was cut down by a sniper's bullet.

Throughout the month-long trial, the defence claimed Ruby's mind was so unhinged at the time he shot Oswald that he was incapable of distinguishing between right and wrong.

The jury's verdict read: "We, the jury, find the defendant was sane at the time the events charged in the indictment are alleged to have been committed and we further find that the defendant is sane now at the time of his trial, and we further find the defendant guilty of murder with malice, as charged in the indictment and assess his punishment as death".

(*The Hindu*, Madras)

[Prev. ref. 5600:AOA:A]

G. West German Trade With East Asia: A Dusseldorf message on March 12 said that West Germany's trade with East Asia had increased by four per cent to DM4.881 billion in 1963.

In 1962, it was DM4.692 billion. Imports rose by 8.5 per cent from DM1.938 billion to DM2.103 billion.

East Asia's share in the total West German foreign trade was 4.4 per cent compared to 4.5 per cent in 1962.

Compared with 1962, when for the first time since the War, West German imports from and exports to East Asia declined, the present trend is a good one, says the Ostasiatischer Verein (East Asian Association) in Hamburg.

The total West German imports rose by 5.6 per cent to DM52.3 billion, and the total West German exports by 10 per cent to DM53.3 billion.

The main reason for the falling West German exports to East Asia was stated to be the increasing indebtedness of West German partners in East Asia. West Germany is not able to agree to the demand for long-term export credits. Besides, the possibility of establishing factories in developing countries has become remote in view of measures like nationalization, etc.

The West German export surplus in trade with East Asia declined to DM677.7 million (DM816.8 million). The increase in imports, however, does not help developing countries in East Asia because finished products from Japan and Hong Kong are the greater beneficiaries.

According to preliminary figures, imports of finished goods increased in 1963. In the period under review, 40 per cent of East Asian goods were imported via third countries, particularly via Great Britain, the Netherlands and Switzerland. The share of direct imports rose a little.

Nearly 90 per cent of West German exports to East Asian countries are finished goods. Machines top the list, followed by chemical products, cars, electro-technical products, goods, pharmaceutical products and optics.

The most important trade partners for West Germany in East Asia are Japan and India. Their share in its trade with East Asia is 27 per cent and 20 per cent respectively. These countries are followed by Malaysia (10 per cent), the Philippines (8.2 per cent), Indonesia (7.5 per cent), Hong Kong (7.1 per cent), and Thailand (5.6 per cent).

(*The Hindu*, Madras)

[Prev. ref. 4715:AOA:M]

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H. Joint US-British Satellite Launched: The USA and Britain on March 27 jointly launched a new artificial satellite *UK-C* from Wallops Islands in USA.

This was announced by the US National Aeronautics and Space Administration.

It said that the launching of the rocket carrying a US-built satellite was designed to carry out experiments prepared jointly by Britain and USA.

(*The Times*, London)

[Prev. ref. 5709:AOA:A]

I. Space Zone Of Radiation—Discovery By US Satellite: An American scientist on March 12 reported the discovery of a large zone of high energy radiation stretching out behind the Earth in the direction away from the Sun.

He described the zone as streaming back like the wake of a ship, and suggested that the Moon must be peppered with high energy particles during that part of its monthly journey round the Earth when it is passing through the radiation.

The existence of this hitherto unknown radiation was reported by instruments in the interplanetary monitoring plant, or **Imp** satellite, which was launched by the National Aeronautics and Space Administration on November 26, 1963 to study the dangers which solar flares present to manned space flights.

The new radiation zone is believed not to be so intense as to be dangerous to *manned flight, but it stretches out far beyond the well-known* Van Allen radiation belt. Its existence was disclosed by Dr. Kinsey A. Anderson, of the University of California, at a symposium on the results of the **Imp** experiment held at the NASA space flight centre at Greenbelt, Maryland. Dr. Anderson described his discovery in the following words: "A bulky region of high energy radiation has been detected far beyond the usual reaches of the Earth's radiation belt. The region appears to fan out beyond the belt on either side of the Earth and trail off in a kind of wake in the direction away from the Sun. The extent of this radiation wake suggests that the Moon may be peppered with high energy radiation particles during a portion of each monthly lunar orbit."

It is still not clear whether the zone can properly be described as a part of the Van Allen belt, but in the direction of the Sun it appears to be farther out than the 40,000 miles of the Van Allen belt. How far the radiation trails back into space away from the Sun is not known, but it is suggested that it is farther than the 240,000 miles between the Earth and the Moon.

Dr. Anderson believes it to be caused by a collision between the Earth's magnetic forces and the particles streaming from the Sun, which are normally referred to as the solar wind.

The Science Correspondent of **The Times**, London wrote: "The most likely explanation of Dr. Kinsey Anderson's comment about the Moon is a suggestion that more distant radiation areas would tend to be 'blown out' on the far side of the Earth from the Sun, so that they extended farther on that side than on the Sunward side. The implication, in any case, is that the new radiation belt may extend some 10 times farther from the Earth than the outer limit of the outer Van Allen belt."

(*The Times*, London)

[Prev. ref. 5624:AOA:L]

J. "Ariel II" Launched By Britain: A Washington message on March 27 said that the US Space Agency had launched Britain's second satellite, *Ariel II* and apparently achieved a successful orbit.

(*The Times*, London)

[Prev. ref. 5758:AOA:D]

K. Sub-Orbital Satellite Launched By Italy: Italy successfully launched on March 25 a rocket-powered capsule from a platform in the Indian Ocean.

It was the first time a sub-orbital satellite had been fired from a platform at sea. The capsule was preliminary to Italy's effort to put the San Marco (St. Mark) space probe satellite into orbit around the Equator from the same platform.

The platform is near the Equator, six miles off the Kenya coast.

(*The Times of India*, Bombay)

L. Soviet Satellite Crashes In Canada: The Soviet artificial satellite *Cosmos XXIII* broke up and crashed on March 27 in the Canadian Province of Quebec.

This was stated by a spokesman of the Smithsonian Astrophysical Institute at Harvard University. The satellite weighed several tons.

Earlier, an alert was sounded in Sydney where Mr. Gordon Patson, director of the Australian Government observatory at Bellfield, said wreckage from **Cosmos XXIII** could crash down into the city on the morning of March 27.

The Smithsonian spokesman said the area where the debris landed from **Cosmos** had not been pinpointed.

Another spokesman at Smithsonian said the last sighting along **Cosmos's** predicted path was made by an amateur astronomer about 100 miles north of Duluth, Minnesota.

From the Duluth astronomer's report, the Smithsonian spokesman said pieces of the satellite would have landed somewhere over Quebec at about 6 a.m. on March 27.

In Washington, Captain J. K. Holcomb, director of flight operations for the NASA Apollo space programme, said that **Cosmos XXIII** was observed by "Moonwatch" to re-enter the atmosphere over the Great Lakes early on March 27.

Mr. James Cornell, Smithsonian public information officer, said that newspapers, radio and television stations and police in Quebec had been asked to watch for the debris.

Tass reported that the new Soviet satellite's scientific equipment was functioning normally and that its radio transmitter was operating on 19,735 megacycles.

Cosmos XXIII, a cosmic research satellite, was sent into orbit on December 13, 1963. As its three-month life ended, Russia announced that she had launched another in the **Cosmos** series, **Cosmos XXVII**.

Cosmos XXVII was circling the Earth once every 88.7 minutes in an orbit varying from 237 km (147 miles) to 192 km (119 miles) up, at an angle of inclination of 64 degrees 48 minutes.

(*Tass* and *The New York Times*)

[Prev. ref. 5264:AOA:B]

M. "Cosmos XXVI" Launched By USSR: The Soviet Union on March 18 launched *Cosmos XXVI*, an unmanned satellite of the Cosmos series.

The satellite carried scientific instrumentation designed to continue outer space studies in conformity with the programme announced on March 16, 1962.

The new sputnik had been orbited with the following parameters: period of rotation round the Earth—91 minutes; apogee—403 kilometres; perigee—271 kilometres; and inclination—49 degrees.

The scientific equipment, the radio system for accurate measurement of the orbit elements, the radio-telemetric system for the transmission to the Earth of data on the functioning of instruments were functioning normally. The co-ordinating computing centre was processing the information as it came in.

"Cosmos XXVIII" Launched:

On April 4, the Soviet Union launched another satellite in the Cosmos series—*Cosmos XXVIII*.

It carried scientific instruments for continued space research in accordance with the programme announced by **Tass** on March 16, 1962.

The orbital elements of the satellite were: period of rotation round the Earth 90.38 minutes; apogee—395 kilometres; perigee—209 kilometres; and inclination—65 degrees.

In addition to scientific equipment, the sputnik carried a radio transmitter working on the frequency of 19.996 megahertz, a radio system for the exact measurement of the orbital elements, and a radio telemetric system for the transmission of scientific information to the Earth.

All equipment on board the sputnik was functioning normally.

(*Tass*)

[Prev. ref. 5758:AOA:D]

SPORT

A. National Hockey Championship: The Railways retained the Rangaswamy Trophy on March 20 when they beat the Services by two goals to one in the replayed final of the National Hockey Championship in New Delhi.

Harbinder scored the winner in extra time. The teams had shared two goals—both off penalty-strokes—after 70 minutes of play.

The teams were:

Railways: Avadh, Naresh; Prithipal and Alexander; Mohinder, Rajinder and Nirmal; Balbir, Erman, Harbinder, Piara and Sunder.

Services: Laxman, Dhillon and Piara; Deshmukh, Amarjit and Jagjit; Joginder, Peter, Haripal, Patil and Toppo.

(*The Statesman*, New Delhi)

[Prev. ref. 5228:SPO:A]

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ASIAN RECORDER

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AFGHANISTAN

A. Trade Pacts With Czechoslovakia: Czechoslovakia and Afghanistan signed in Prague on April 24 Agreements on Trade and Payments and other documents ensuring the development of mutual commercial relations in 1964.

Reporting this, the official Czechoslovak news agency Ceteka said that under the Trade Agreement, Czechoslovakia will increase her exports of machinery and engineering equipment, motor vehicles, tractors and other agricultural machinery, diesel engines, telecommunication equipment and other goods.

Her imports from Afghanistan will include cotton, wool, oil seeds, fodder, goat and sheep skins, dried fruit, tinned products, spices, etc.

(*Kabul Radio*)

[Prev. ref. 5001:AFG:B]

BURMA

A. Role Of Buddhist Monks In Politics: In a statement issued in Rangoon on April 18, the Chairman of the Revolutionary Council, Gen. Ne Win, asked Buddhist monks to keep aloof from politics, which was worldly, and not to allow their dignity and prestige to be compromised by participation in temporal matters.

He referred to "misunderstandings" that had arisen among the Buddhist sangha (monks) over the recent Government order for registration of all non-political organizations including religious institutions with the Government by the end of April (see page 5795). The date had, however, been extended to the middle of May.

He said: "Since the promulgation of the order for registration there has been controversy among the Buddhist sangha and some of them decided to register, but others have not decided anything."

(*The Nation*, Rangoon)

[Prev. ref. 4645:BUR:A]

B. Restrictions On Foreigners: The Home Ministry announced on April 18 that non-diplomatic foreign residents must obtain permission to move from one town to another or to move to towns near the country's borders except that with Laos.

(*The Statesman*, Calcutta)

[Prev. ref. 5627:BUR:B]

CEYLON

A. Emigration Inducement Scheme—Workers' Opposition: The Ceylon Workers' Congress, led by Mr. S. Thondaman, has called upon the plantation workers of Indian origin "to reject outright" the inducement scheme announced by the Government for persons willing to leave Ceylon for good.

The Congress in a resolution passed by its general council said on April 19 that the scheme did not reveal a genuine desire on the part of the Ceylon Government to offer an overall solution to the entire problem, nor did it provide adequate facilities or means for rehabilitation even to those who might choose to avail themselves of the scheme.

According to the Congress, the scheme was neither an inducement nor an incentive for persons of Indian origin to leave the country.

The Congress at the same time urged the Government to take positive steps without delay to initiate negotiations with the representatives of the people concerned with a view to arriving at an agreed solution, thus ending the political destitution to which a tenth of the population of Ceylon had been relegated.

[The Immigration and Emigration Department of Ceylon early in April announced a scheme to pay repatriation allowance not exceeding Rs. 1,000 per family willing to leave Ceylon for good.]

(*The Hindu*, Madras)

[Prev. ref. 5796:CEY:A]

CHINA

A. Birthday Greetings To Mr. N. Khruschev: Mr. Mao Tse-tung and other Chinese leaders sent greetings to the Soviet Premier, Mr. N. Khruschev on his 70th birthday on April 15 proclaiming the unity of Russia and China.

The greetings message said that "although at present there are differences between you and us on a number of questions of principle concerning Marxism-Leninism and there is lack of unity, we are deeply convinced that all this is only temporary.

"In the event of a major world crisis, the two parties, our two countries and our two peoples will undoubtedly stand together against our common enemy."

On April 22, Mr. Yuri Andropov, a leading Soviet ideologist, publicly taunted the Chinese about their greetings message, which stated that in the event of a world crisis China and Russia would stand together against a "common enemy".

Speaking at a meeting attended by Mr. Khruschev in Moscow, Mr. Andropov said that this was an important statement, but added: "How does it agree with the slanderous assertions of Chinese propaganda that our country has entered into collusion with the imperialists and has concluded an alliance with them?" He accused the Chinese leaders of insincerity.

He said that on the day that the Chinese leaders sent their message "foul anti-Soviet articles" appeared in the Chinese Press. It was unbelievable that this was done without the knowledge of the Chinese leaders, but "everyone knows the system in China".

At this point Mr. Khruschev interrupted, saying: "Yes, they kill flies under instructions and they catch spiders under instructions".

(*The Hindu*, Madras and *The Times*, London)

[Prev. ref. 5784:CHI:A]

B. East German Communist Party's Criticism: The East German Communist Party blamed China on April 14 for having "worked up" the Sino-Indian border dispute to open conflict.

In a statement published by the official news agency, ADM, the Central Committee of the Socialist (Communist) Unity Party also called the Chinese leaders racists, nationalists, chauvinists and ultra Leftists.

It was the East German Party's second such attack on the Chinese Communists in 10 days. The previous attack was published in the Central Committee's organ *Neues Deutschland* on April 5.

The statement said: "The leaders of the Chinese Communist Party have acted so that border questions are now being provoked between them and neighbouring countries. They themselves worked up such questions to enter into a military conflict with the Republic of India.

"What is particularly to be condemned in all this is that their pressure on other peoples does not come from the class standpoint but from the racist standpoint".

(*The Statesman*, Calcutta)

[Prev. ref. 5796:CHI:A]

C. Trade With Japan: The strengthening of Japan's trade relations with China was reported in despatches from Japanese correspondents in Peking appearing in Tokyo papers on April 18.

The despatches reported that in the negotiations, the leader of the non-official, but high-power Japanese mission led by a senior member of the ruling Liberal-Democratic Party, Mr. Kenzo Matsumura, at the invitation of Mr. Chou En-lai, and the Chinese officials had reached agreement to step up trade in a number of fields. These included a three-year contract for the export of Japanese fertilizer to China and one for Japan's import of Chinese iron-ore and coal on a large scale.

The agreement to import Chinese ore in large quantities would suggest that China may be offering attractive terms to make it profitable enough for the steel makers to go in for it. India now supplies about six million tons yearly (including Goa)

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and in another three years will be supplying from 10 to 12 million tons.

The fertilizer agreement between Tokyo and Peking is for three years as against the one-year contracts concluded hitherto.

(*The Hindu*, Madras)

[Prev. ref. 5700:CHI:A, 5724:CHI:A]

D. Discovery Of Oilfield: Chinese newspapers reported on April 20 the discovery of a new oilfield and the building of a big, modern refinery there during the past four years.

They said the new field was located at a place called Teaching, but gave no precise indication of its whereabouts, size or productive capacity.

Observers said this was apparent confirmation of recent reports from Hong Kong and Tokyo of the discovery of a large new oilfield in China. It also went some way towards explaining recent Chinese claims that the country was "in the main self-sufficient" in oil.

(*The Times of India*, Bombay)

[Prev. ref. 5641:CHI:C]

INDIA

SUMMARY: Pakistani Violation Of Cease-fire In Jammu; US 7th Fleet Enters Indian Ocean; 17th Amendment Bill Rejected; US Loans.

A. Pakistani Violation Of Cease-fire Line In Jammu And Kashmir—Letter To UN Security Council: In a letter to the President of the UN Security Council on April 25, India has charged Pakistan "with deliberately trying to create tension and conflict across the cease-fire line (in Jammu and Kashmir) in utter disregard of the provisions of the Cease-fire Agreement."

The letter, handed by Mr. B. N. Chakravarty, the chief Indian delegate at UN, to the President of the Security Council, drew his attention to the United Nations military observers' verdict against Pakistan over the violation of the cease-fire line at Karen on February 21.

The Indian letter also enclosed a copy of the Indian protest to Pakistan over the incident.

The letter to the Security Council added that "in consequence of this grave violation by Pakistan of the cease-fire line and the Cease-fire Agreement, proved by the findings of the UN military observer group for India and Pakistan, 14 valuable lives were lost and nine members of (Indian police) the patrol captured and unlawfully detained.

"This is the second serious incident in which the UN Chief Military Officer has had to give an award against Pakistan in recent months. The first was in the case of Chaknot... It is quite clear that the Government of Pakistan is deliberately trying to create tension and conflict across the cease-fire line, in utter disregard of the provisions of the Cease-fire Agreement. It is requested that this communication be brought to the notice of the members of the Security Council."

Exchange Of Prisoners With Pakistan:

India on April 30 received 16 of her armed forces personnel held prisoner by Pakistan, in exchange for an equal number of Pakistani soldiers, who were in Indian custody.

The exchange of prisoners took place at the Wagha check-post on the Indo-Pakistan border, near Amritsar.

The prisoners, who were arrested along the cease-fire line in Kashmir, were handed over to the military authorities of either side. The exchange operations, which lasted three hours, were held in the presence of two UN military observers—one working on the Pakistan side and the other on the Indian side of the cease-fire line.

Out of the 16 Indian personnel, released by Pakistan, one was in a bad condition, with burns all over his body. He was later admitted in the Military Hospital for treatment. When asked about his condition by the Indian military authorities, the Pakistan Military Commander stated that the person received burns on his body when he attempted to commit suicide.

Brigadier M. S. Rik received the Indian prisoners, who included some jawans of the Jammu and Kashmir State Border Police. Brigadier Chaudhari Abdul Karim took over the Pakistani prisoners, all of whom were military personnel.

Some of the Indian prisoners repatriated on April 30 had been in the custody of Pakistan since 1947.

A similar exchange of 12 prisoners on each side took place in 1960.

(*The Hindu*, Madras and *The Times of India*, New Delhi)

[Prev. ref. 5799:INI:D]

B. US 7th Fleet Enters Indian Ocean: It was learnt in Washington on April 9 that a US Navy carrier squadron had quietly entered the Indian Ocean and was bound for East African waters.

This marked the beginning of what were expected to be regular cruises by strong US Navy fleet units through an increasingly important sea area visited only infrequently up to now.

Heading the five-ship **Concord Squadron** was the 42-000-ton carrier **Bon Homme Richard.** Other ships in the group included the destroyers **Shelton, Frank Knox,** and **Blue** and the fleet oil tanker **Hassayampa.**

The Associated Press learned that the squadron entered the Indian Ocean on April 5 from the Pacific via the Malacca Straits which separate Indonesia and the Malaysian Federation. The first port of call was Diego Suarez on the Island republic of Madagascar on April 14.

Then, the squadron steamed north to the Gulf of Oman, just south of Iran. This took the squadron within a few hundred miles of Zanzibar and other East African countries like Kenya.

The beginning of the Indian Ocean cruise, in the wind for some time, came without announcement, perhaps to avoid arousing President Sukarno and other neutralists in that area.

Discussion of a regular US Navy patrol in the Indian Ocean had been under way at least since late in 1963 when Gen. Maxwell D. Taylor, Chairman of the Joint Chiefs of Staff, visited India and Pakistan. There was outspoken opposition in India, although the Prime Minister, Mr. J. Nehru said the movement of US warships into the Indian Ocean did not appear to be detrimental to his country.

The Secretary of the US Navy, Mr. Paul H. Nitze, in January referred to a "power vacuum" in the Indian Ocean area and suggested that the way to fill such a vacuum would be to station a US carrier task force there. The idea actually originated late in 1962 when China attacked India's northern border regions.

At that time, it was known that a US carrier force from the Seventh Fleet had moved into the Bay of Bengal in case its planes should be needed. It later withdrew to the Pacific.

The Pentagon said the Concord Squadron was expected to spend about six weeks on this cruise which would take it to other ports yet to be disclosed.

It said there were no marine forces larger than ship security detachments with the squadron. **Bon Homme Richard** normally carries about 80 planes and its firepower is both atomic and conventional.

On April 10, American Embassy sources in New Delhi confirmed that certain units of the US Navy had been cruising in the Indian Ocean. The cruise was part of a goodwill visit to get acquainted with the area.

These sources, however, added that the ships did not come anywhere near the territorial waters of India. Nor was permission sought to visit any Indian port. The ships were in fact on their way to Madagascar. The sources said it would not be correct to describe them as part of the 7th Fleet.

In Parliament on April 13, the Prime Minister, Mr. J. Nehru expressed regret that ships with nuclear weapons should "wander about in the Indian Ocean".

But he did not agree that India should lodge a protest about it. The Indian Ocean was a vast area and no reference had been made to India about the matter. India would not allow the ships of the Fleet to come within her territorial waters.

(*The Hindu*, Madras and *Dawn*, Karachi)

[Prev. ref. 5606:INI:A]

C. Motion On Constitution (17th Amendment) Bill Rejected In Lok Sabha: The Constitution (17th Amendment) Bill seeking to give protection to several State land reform enactments came to grief in the Lok Sabha on April 28 when in a surprise voting debacle it failed to secure the requisite majority.

The dramatic and unexpected end to the Bill came when the voting figures fell short of the constitutional requirement. Two-hundred-and-six voted in favour and 19 against, but this was less than the simple majority of the total membership of 510 in the House.

[A constitutional amendment requires a simple majority of the total membership of the House and not less than a two-thirds majority of the House present and voting.]

After the Central Law Minister, Mr. A. K. Sen, had replied to the general discussion, the motion was put to vote. As it was a Bill to amend the Constitution, the procedure required division of the House.

When the lobbies were opened after the announcement of the result of the division, Mr. Sen and several other members, who had rushed in, pleaded for another voting.

Many, including Mr. H. C. Dasappa, Central Railway Minister, pointed out that the division bell was not heard and therefore, it was but proper for the Speaker to order a fresh vote.

The Speaker, Mr. Hukam Singh, firmly rejected this demand, saying that all the formalities had been observed by him. He also did not agree to have a fresh count.

The Congress Party had issued a three-line whip to its members to be present at the time of voting in the House. Another whip had also been issued to members to cast their votes in the election to parliamentary committees.

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This was the second time that a constitutional amendment Bill had been thrown out for failing to fulfil the constitutional requirement in regard to voting.

On the first occasion in 1955, a motion for reference to a select committee of the Constitution (7th Amendment) Bill connected with re-organization of States fell through under similar circumstances.

The then Law Minister sought to revive the measure through the 8th Amendment Bill in the same session but was challenged by the Opposition on the ground that under the rules of procedure of the House he could not do so in respect of a matter on which the House had already taken a decision.

The House later suspended the relevant rule, enabling the Law Minister to introduce the motion in the same session. (Under the rule, a motion which raises substantially a matter on which the House has already taken a decision cannot be brought forward in the same session.)

The 17th Amendment Bill sought to remove certain difficulties in the way of speedy land reforms created by pronouncement of courts.

Kotwari land had not been included in the terms of "estate," and the Bill sought to define this position clearly and to revalidate many State legislations which had been struck down by courts on technical grounds.

Lands within the ceiling fixed would not be taken away. Even when such lands were taken away for public purposes, adequate compensation at prevailing market rates would be given.

It was later decided by the Government to re-introduce the Constitution (17th Amendment) Bill and also to seek to have it passed during the current session of Parliament.

(*The Times of India*, New Delhi)

[Prev. ref. 5789:INI:F]

D. Constitution (18th Amendment) Bill Dropped: The Central Law Minister, Mr. A. K. Sen, announced in the Lok Sabha on April 28 that the Government had decided not to proceed with the Constitution (18th Amendment) Bill.

The measure sought in effect to indemnify the actions of the officers in implementing Presidential orders under Article 399 of the Constitution. It encountered stiff opposition from all parties other than the Congress.

Mr. Sen said that this decision was taken in deference to the wishes of many members in the Congress Party and other groups in the Lok Sabha. He said the Government would consider later in consultation with others whether any safeguards were necessary for the protection of officers and what steps should be taken for this purpose.

Earlier, the Prime Minister, Mr. Nehru, informed the Congress Parliamentary Party Executive that the Cabinet had decided to withdraw the Constitution (18th Amendment) Bill. As such, he said there was no need for the Executive to discuss the matter any further and pass any formal resolution to that effect.

Under Article 358 of the Constitution, the fundamental rights of freedom of speech and expression, assembly, etc., contained in Article 19 get automatically suspended with the proclamation of an Emergency.

Article 359 provides that when an Emergency is in operation the President may by order declare that the right to move any court for the enforcement of such or the other fundamental rights as may be mentioned in the order shall remain suspended for the period during which the proclamation is in force.

The Constitution (18th Amendment) Bill sought to provide that the power of the State to make laws or take executive action in an Emergency shall be unrestricted by the rights.

(*The Statesman*, New Delhi)

[Prev. ref. 5247:INI:D]

E. Bokaro Steel Plant—Russian Aid Offered: The Central Minister for Steel, Mines and Heavy Engineering, Mr. C. Subramaniam, announced in the Lok Sabha on May 1 that the Soviet Union had expressed its willingness to assist India in building the Bokaro Steel Plant.

He said: "I have great pleasure in announcing for the information of this House and the country that the Government of USSR has now expressed its willingness to assist India in the building of the integrated Bokaro Steel Plant. The first stage of the project is intended to produce 1.5 million tonnes of ingots and will have a built-in provision for expansion to produce four million tonnes ultimately. The assistance which USSR has now offered will be for building the first stage of Bokaro up to 1.5 million tonnes of ingots. Credit will be provided on the same terms as has been provided for building the steel plant at Bhilai.

"Further technical details have to be worked out and a contract entered into. For this purpose a team of Soviet experts will be coming over here soon.

"I take this occasion to express our thanks to the Government of USSR for having so readily come forward to assist us in building this national project which is of such vital importance to the growth of our country's economy. The USSR has been of great assistance to our country in the planning and building up of basic industries. I am confident that in many more such projects to come, we can count on their friendly assistance.

"I take this opportunity also of expressing my thanks to the various other countries who have shown keen interest in assisting Bokaro. As a matter of fact, as I mentioned earlier, some tentative proposals have been put forward for our consideration by private steel building interests in USA, UK, Japan, France, West Germany and Italy. I want to inform these friends abroad that Bokaro is not the only steel project which we propose to build in the immediate future. It is our intention to explore the possibilities of utilizing these friendly offers to build other steel plants which are under study."

[The Bokaro Steel Plant with an initial capacity of 1.5 million tonnes was originally to have been taken up in 1962. (Bokaro is a place near Ranchi in Bihar.) Aid from USA for meeting the foreign exchange requirements was sought. A team of experts, sponsored by the US Steel Corporation came to India, made a techno-economic survey and submitted a report to the US Government. The report favoured the establishment of the plant, but the team estimated the cost at a much higher figure than Indian estimates and also envisaged a longer time for the actual production of steel. A controversy also broke out in USA whether that country could finance a Government-owned project. The controversy assumed such proportions that the Prime Minister, Mr. Nehru felt it was better to withdraw the aid request to USA and wrote to President Kennedy accordingly in August, 1963. The request was formally withdrawn in September, 1963. The project was then expected to be financed entirely by internal resources, except for parts which could not be fabricated locally. Global tenders were to be invited and in January the Government registered a separate company for the Bokaro Plant. Tenders, however, were not actually invited.]

(*The Times of India*, New Delhi)

[Prev. ref. 5666:INI:I]

F. Two US Loans For Fertilizer Plant: Agreements were signed in Washington on April 23 providing two US development loans totalling Rs. 23.6 crores ($49.7 million) for one of India's largest fertilizer plants to be built at Visakhapatnam.

The loans are being extended to Coromandel Fertilizers Ltd., a new company organized by an Indian-American consortium.

The new plant, expected to be in operation in late 1967, will produce 365,000 tons of ammonium phosphate and 16,500 lbs of grilled urea annually. When in full production, the factory will supply more than a third of the estimated fertilizer consumption of Andhra Pradesh and also meet some of the requirements of Mysore, Madras, Orissa, and Madhya Pradesh.

The fertilizers to be produced will be particularly suited for the major crops of the area, such as rice, sugarcane and tobacco, and will be in sufficient quantity to increase crop production by one million tons a year. In addition, the new plant will result in an annual saving of foreign exchange of about Rs. 10 crores.

Coromandel Fertilizers Ltd. has been organized by Parry Company of Madras. California Chemical Company, a wholly owned subsidiary of Standard Oil Company of California, and the International Minerals and Chemicals Corporation of Illinois.

The two US companies will invest $6.08 million in foreign exchange (Rs. 2.8 crores) in the shares of Coromandel and both companies will bring to the project extensive and successful experience in operating a number of fertilizer plants in USA. The remainder of the financing, Rs. 9.29 crores, will come from Parry Company and the Indian public, who will own a majority of shares in the new company.

Of the two Agreements signed, one was for a loan from the US Export-Import Bank totalling up to $27 million (Rs. 12.9 crores). The second was from the US Agency for International Development for an amount up to Rs. 10.7 crores ($22.5 million) under the Cooley Amendment of the Food-for-Peace (PL 480) programme.

(*The New York Times*)

[Prev. ref. 5472:INI:R]

G. Trade Arrangement With South Viet-Nam: Papers were signed in New Delhi on April 25 for a trade arrangement between India and South Viet-Nam.

The three-year arrangement, the first India has entered into with South Viet-Nam, includes industrial and technical collaboration.

Under the arrangement, South Viet-Nam will supply India with commodities like rubber and timber, while exports from India will consist of engineering goods, capital machinery (including paper, sugar and oil mills and tea-processing machinery), chemicals and pharmaceuticals and jute products.

The trade arrangement was negotiated in New Delhi by officials of the two countries.

The Viet-Namese delegation, led by Mr. Buu Hoa, Director of the Industrial Development Centre, also visited important industrial and commercial centres in Bombay, Madras, Calcutta and other places.

(*The Statesman*, New Delhi)

H. Trade Arrangement With South Korea: The first trade arrangement between the Republic of Korea and India was signed in New Delhi on April 29.

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The arrangement, which contemplates expansion of trade, provides for exchange of commodities consisting mainly of non-ferrous metals like zinc and lead and tungsten ores and concentrates from the Republic of Korea and engineering goods and machinery, ferro-manganese, chemicats, pharmaceuticals, etc. from India.

Mr. Kibong Han, Consul-General of the Republic of Korea, signed on behalf of his country and Mr. D. K. Srinivasachar, Joint Secretary, Ministry of International Trade, signed for the Government of India.

(*The Times of India*, New Delhi)

[Prev. ref. 5679:INI:E]

I. **Canadian Loan For Nuclear Power Station:** Canada and India signed in Ottawa on April 28 an Agreement under which India will be given a loan of $37 million to cover purchases in Canada for a 200,000 kw nuclear power station.

The station, to be located in Rajasthan, will be similar to the one under construction at Douglas Point, Ontario.

The money will be provided through the Export Credit Insurance Corporation. The total cost of the new power station will be $74 million. India will provide the remaining amount.

Speaking after the signing ceremony, the Trade Minister, Mr. Mitchell Sharp, said that the Canadian Government was prepared to consider making long-term loans to any country with a good credit rating to help it buy Canadian-designed nuclear power plants.

He said the export of Canadian engineering services and capital equipment to India would mark the opening of a new *and important phase for Canadian industry and research. "This is one of the first* international co-operative nuclear power projects and will place Canada in the competitive forefront of the world market for similar atomic power stations".

Mr. K. S. Sundara Rajan of the Indian Embassy in Washington said India's decision to buy a Canadian-designed plant was influenced by her lack of facilities to produce enriched uranium. India had supplies of uranium and the capacity to produce natural uranium fuel, the type used in Canadian power reactors.

The Rajasthan plant is expected to go into operation in 1970. It will help India meet her power requirements.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5559:INI:C]

J. **A-IMO Annual Conference:** Inaugurating the 24th annual Conference of the All-India Manufacturers' Organization (A-IMO) in New Delhi on April 24, the Central Minister without Portfolio, Mr. Lal Bahadur Shastri defended the Government's decision to set up the Monopolies Commission (page 5812) by pointing out that there had been a steep increase in profits and consequent concentration of wealth in the hands of a few industrialists.

He quoted figures to show how a small minority of people had been gradually gaining greater control over the means of production in the past few years.

His remarks were a rebuttal of the A-IMO Chairman's earlier criticism of the Government's economic and labour policies.

He said the Government wanted to have correct figures to assess its policies. The growth of monopolies or concentration of wealth in a few hands was not conducive to industrial growth.

He also referred to the Chairman's critical references about the Bonus Commission and his amazement at the way the Government was "tolerating" growing labour indiscipline.

He expressed his regret that the employers' representative, after having agreed to the recommendations of the Bonus Commission, had appended a note of dissent at the last minute.

He emphasized that the employers should not have a closed mind on the subject. "Our approach to the employees has to be a liberal one."

He said that he had always attached great importance to small industries because they could revolutionize the country's economy. They could give a technological bias to the country, provide additional jobs to the people and change the face of rural India.

Referring to the controversy about the public and private sectors in the country's economy, he made it clear that the Government did not wish to enter into the field of small industries. "We have neither the man-power nor the necessary administrative machinery to take over small industries." The big industries created monopolies. But the growth of small industries could help to bring about a socialist society.

Earlier, Mr. Prabhu V. Mehta, Chairman of the A-IMO, said that while deciding the fiscal policy, the need for providing incentives to earn and save more was not given adequate consideration and that even efficiency of operation was not recognized.

He criticized the Government's policy to levy an additional corporation tax of 10 per cent on companies affected by Section 104. The small entrepreneur was entitled to ask why he was penalized and made to pay more than his "big brother."

Resolutions:

In a resolution adopted on April 25, the A-IMO called on the Government to revive the confidence of industrial investors by the immediate abolition of dividend tax and tax on bonus shares and a general reduction in the incidence of tax, including surtax on profits from industrial enterprises compared to profits from purely speculative activities.

It recommended to the Government to mobilize resources for the exchequer without inhibiting generation of savings and their ploughing back in industry or depriving industry of its normal sources of finance.

The Conference was of the view that, with this end in view, there should no longer be any reliance on raising tax incidence on the corporate sector and on entrepreneurs but on profits from public enterprises by their more efficient operation and on buoyancy of public revenue from an expanding economy through stimulation of savings, investment and production. It suggested that drastic savings be effected by cutting down all wasteful expenditure on public administration and by improving its efficiency.

It recommended steps to encourage saving and investment in industries in the private sector by giving liberal tax concessions on ploughed profits in the case of all companies, especially small-scale and medium type manufacturing companies where the overall rate of tax would be largest as per the current year's Budget proposals. Such concessions should also be given on investments in approved basic industries.

It strongly objected to the move for nationalization of banks as a measure of fiscal policy on the plea that they had a useful role to play in a rapid and orderly development of industries by democratic and competitive methods.

It felt that there should be no major changes in the country's fiscal policy in the middle of a five-year planning period. This would enable entrepreneurs to plan their production programmes properly.

It also urged the Government to give positive encouragement and support to industrial units to expand to optimum size without any inhibition or fear of monopolies developing thereby. For a rapid growth, it was essential that industrial units operated on an adequate scale.

It emphasized the need for having certain specified objectives of fiscal policy and also for comparatively lower priority for social ends till the country was firmly set on the path of rapid industrialization. It felt that discriminatory treatment as obtaining at present in the incidence of excise duties was out of place and that no fiscal measures should have retrospective effect.

It also adopted a resolution on the wage policy and productivity in industry in which it recommended that immediately workable agreements be evolved for each specified industry to raise productivity in close consultation with industrial engineers and other experts representing employers and trade unions.

The agreements should stipulate proper work-loads, consistent with working conditions and based on scientifically-determined norms for minimum production and providing for extra payment for additional production.

The Conference also recommended that highest priority be given for the progress of rationalization in industry. Also, indiscriminate and compulsory profit-sharing bonus should be done away with and replaced by an incentive scheme of payment by results in production.

It recommended that non-co-operation by any trade union or management in implementing the agreed programme of increased productivity be treated as a breach of the code of discipline.

It emphasized that stern action should be taken by the Government to discourage inter-union rivalry by strictly enforcing sanctions prescribed under the inter-union code of conduct and, if necessary, by modifying the Trade Union Act.

It also urged the Government to take early action in the matter of amalgamation of all the existing social security measures.

(*The Financial Express*, Bombay)

[Prev. ref. 5231:INI:C]

K. **Diplomatic Appointments:** Dr. Nagoji Vasudev Rajkumar, Indian Ambassador in Senegal, has been appointed Ambassador to Poland.

He is expected to assume charge of his new assignment in July, 1964.

Mr. P. L. Bhandari, the Indian High Commissioner to Nigeria, has been appointed concurrently India's Ambassador to Cameroun and Dahomey, with residence at Lagos.

Mr. S. N. Haksar, Ambassador of India to Italy, has been appointed Ambassador to the United Arab Republic.

He is expected to assume charge of his new assignment in July.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5594:INI:G]

L. **Special Powers For Armed Forces—Bill Passed:** The Lok Sabha passed on April 24 an official Bill seeking to enhance, by one year, the life of the Armed Forces (Spe-

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cial Powers) Regulation, which confers special powers on officers of the armed forces to enable them to aid effectively the civil authority in the disturbed areas of Kohima and Mokokchung districts of Nagaland.

Replying to the brief debate, Mrs. Lakshmi Menon, Minister of State in the External Affairs Ministry, denied that there was any fifth column activity in Nagaland.

She said: "There has never been any fifth column activity either in the civil or the armed forces there. There is a possibility of some such activity being carried out by hostile Nagas. But the administration is very vigilant about it."

About the working of the Regulation in the past, she said it had helped the administration destroy about 350 hideouts of hostile elements, apprehend about 700 of them and seize considerable quantities of arms and ammunition. The powers provided under the Regulation had also helped co-ordinate the activities of armed forces with civil intelligence.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5753:INI:S]

M. **Income Distribution—Mahalanobis Committee's Report:** In its report on the distribution of income and wealth, its second term of reference, the Mahalanobis Committee of the Planning Commission says that there is "no clear indication of a significant change" in the distribution of incomes during the first two Plans.

The growth in the income of employees in these 10 years has been found to have generally kept pace with the growth in the average income per head per employed person for the country as a whole. A notable exception is agricultural labourers who "do not seem to have shared in the increase in income".

Analysing income-tax data, the Committee records that the average incomes of contractors have registered the highest increase, and the rise in the income of this group has been "very much higher than the rise in the income per employed person for the country as a whole".

Self-employed persons engaged in manufacturing, trade, transport and financial business and the salaried class among the tax-payers have also increased their incomes, just keeping pace with the growth of average income per employed person.

Notice has been taken of the "general feeling" that the average person in both urban and rural areas is better fed, better clothed and better housed today than in the 1950s, and that the working conditions have also improved. But the Committee has not been able to collect data to support that feeling.

Data available to the Committee suggest that "the degree of inequality in income distribution is not higher in India than in some other developed or underdeveloped countries, and that the distribution in the urban sector is more unequal, as in other countries, than in the rural sector".

According to rough estimates, the value of the aggregate wealth owned by households and individuals, limited and unlimited liability companies and partnerships, and Central and State Governments and local authorities at the end of March, 1950, was Rs. 17,086 crores. This increased to Rs. 32,164 crores by March, 1961.

The Committee says that the growth in the incomes of mining and factory workers has kept ahead of the average rate of growth. This is also said to be true of the rate of growth in the salary incomes of school teachers and professors at least up to the beginning of the Second Plan.

The rise in the income of professionals was much lower than the rise in the per capita income for the country as a whole between 1951 and 1959.

"It is necessary to re-iterate that the comparability of these trends is seriously vitiated by the highly varying extent of tax evasion among different occupational groups, in particular as between salaried and non-salaried income earners".

At prices prevailing in 1951, the annual earnings of agricultural labourers were as low as Rs. 300. On an average, skilled rural workers earned between Rs. 600 and Rs. 750, the same as school teachers and mining workers who were at a lower income level than factory employees.

During the first two Plans, the index number of average earnings of mining workers roughly doubled. There was a rise of 44 per cent in the average income of factory workers drawing less than Rs. 200 a month and 27 per cent in the average income of Central Government employees. Taken separately, the rise in the case of Railway employees was about 37 per cent. The increase in the case of rural skilled workers was 23 per cent.

Note has been taken of the growth in social services which are "increasingly affecting real incomes particularly of the low-income groups". These services include low-cost housing, free primary education, health and other welfare measures.

Of the total tangible wealth in 1950 the household sector accounted for 71 per cent, the organized private sector 12 per cent and the public sector 17 per cent. By 1961 the respective shares were 60 per cent, 15 per cent and 25 per cent. This substantial increase in the share of the public sector is significant in that "it provides an offset to the tendency towards concentration in the private sector."

Referring to land distribution in urban areas, the Committee says that the top 20 per cent of the households own 93 per cent of the land and operate practically the entire land belonging to urban households. The top 5 per cent of these have 52 per cent of the total land.

In the rural sector, the greatest concentration of land ownership is in the southern States while that in the urban sector is greatest in the eastern States.

No data whatsoever were available for a direct study of the distribution of personal wealth held in the form of bank deposits, shares, securities and commercial property. The Committee could, therefore, study the distribution of dividend income and examine its implications only on the basis of income-tax data.

Ranked according to their dividend income, the top 10 per cent of income-tax assessees shared about 55 per cent of the total of such incomes in 1955-56, while the bottom 10 per cent accounted for only about 2 per cent. In 1959-60 the share of the top 10 per cent was 52 per cent and that of the bottom 10 per cent rose to 2.5 per cent.

Basing itself on the fact that income-tax assessees constitute not more than one per cent of all house-holds, the Committee concludes that the top one-tenth of 1 per cent of households, when ranked by dividend income, own more than half of the total personal wealth in the form of shares. It would thus appear that ownership of shares is much more concentrated than the ownership of land-holdings or residential house property.

This conclusion assumes that there is no tax evasion and that there are no **benami** shareholders. If this assumption is not correct, the concentration of shareholdings is still greater.

Concentration Of Economic Power:

The Mahalanobis Committee has expressed the view that the process of planned development, the Government's tax, credit and investment policies, and the financing system in the country have generally tended to concentrate economic power in a few hands.

Another important contributory factor has been the organization of the newspaper industry, in which large business and industrial groups have acquired controlling interests.

The Committee acknowledges that the Government has tried to counter these unhealthy trends through graduated modification of policies in the various fields, but it feels that these have still to gather momentum.

Both in the corporate sector and in the distribution of national income, the Committee feels that there are large gaps in India's knowledge.

Particularly, if the goal of industrialization is to be combined with social justice and of economic development with dispersal of economic power, a full-time agency should be set up to collect the necessary information, to analyse it and suggest concrete remedial measures. An inquiry should also be conducted into the inter-relationship between the ownership and control of the Press and of industry generally.

The chapter on concentration of economic power clearly suffers from a divided approach. Its criticism of the prevailing governmental and institutional set-up as being slanted in favour of the bigger companies is quite severe for the most part, but an obvious attempt has been made towards the end to restore the perspective somewhat by pointing out that governmental action is catching up with the problem.

It begins by pointing out that the considerable measure of concentration of rural and urban incomes and the even more marked concentration of wealth would call for rethinking on the overall strategy of development in relation to social goals.

Referring to the private sector, it declares that the working of a planned economy during the decade 1951-61 has helped the growth of big companies. This trend has been helped, among other things, by the easy accessibility of the big investor to the capital market; the extensive and lucrative system of tax incentives, particularly in the case of new units; the preference of the foreign collaborator for the large, well-established Indian operator; and the whole mechanism of company management in India, including such devices as the managing agency system, inter-corporate investment and common or inter-locking directors.

"In the Indian context, it is the concentration of control in the industrial sector as a whole rather than in any one or other particular industry that presents the more menacing aspect of concentration of economic power. Shares in joint stock companies are held by an extremely small percentage of the population. This represents a significant concentration of economic power. But more important than ownership is operational control."

It has criticised the banking structure as being unduly weighted against the small entrepreneur. While recognizing that efforts have been made in recent years to reverse this trend, it feels that a lot of ground has to be covered before the position can be considered satisfactory.

It seeks to restore the perspective by pointing out that the disproportionate growth of the larger units and the increasing accession of power and influence by them in economic terms has a certain economic logic behind it, which would counsel caution in tackling the unsocial aspects of the phenomenon.

"The growth of Big Business as such, though indicating the presence of economic concentration, does not necessarily connote the deliberate adoption of an anti-

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social policy. There is such a thing as economy of scale, which works in favour of Big Business, purely on economic grounds; and economic considerations are certainly relevant especially in the context of our scarce resources and the imperative need for our making the most economic utilization of these resources.

"In many industries, the size of the domestic market is small in relation to the size of the plant, at which the maximum average costs begin to obtain; and any attempt to reduce the degree of concentration by breaking down economic-sized units into a larger number of uneconomic-sized plants would only lead to waste. At the same time, there is no doubt that localized concentration of industry, even if unavoidable on economic grounds, must necessarily result in the accruing and possible exercise of monopolistic power.

"What is needed in such a case is not the break-up of large units but the adoption of a policy of regulation, continuous security and possibly nationalization which will help to prevent the emergence of anti-social consequences from the otherwise economically justifiable localized concentration in the form of big units in one industry or another."

(*The Statesman* and *The Times of India*, New Delhi)

[Prev. ref. 5420:INI:L]

N. Airways Agreement: An Agreement has been signed between Air-India, Aden Airways and East African Airways concerning the operation of a combined pattern of services, on a pool basis, covering routes between East Africa and India.

The Agreement is subject to approval of the respective Governments.

The types of aircraft and frequency of scheduled services in the pool are as follows:

Aden Airways—two services a week in each direction Aden|Mogadishu|Nairobi with jet-prop Viscounts.

Air India—two services a week in each direction Bombay|Aden|Nairobi with Boeing 707.

EAA—two services a week in each direction Nairobi|Aden|Karachi|Bombay with Comet 4 jetliners.

After a careful study of the route and the potential market it was decided that closer co-operation was needed between the three airlines, both in the interests of the travelling public as well as the airlines participating, by pooling each other's resources, to offer the travelling public the most frequent and convenient spread of services.

Thus the three airlines will be able to cope more readily with variable requirements, such as scheduling, seasonal traffic trends and aircraft availability. This new pooling arrangement will also entail closer co-operation between all departments of the three airlines, thereby ensuring maximum efficiency to the benefit of all passengers on the route.

The Agreement which has been ratified by the managements of all three airlines, will mean a greater choice of services, particularly between Nairobi and Aden on which sector, uptil this Agreement, Air-India did not carry traffic.

(*The Financial Express*, Bombay)

[Prev. ref. 5421:INI:P]

O. Foreign Aid Utilization: Out of Rs. 2,055 crores of foreign aid so far received for the Third Plan from 19 countries and from the World Bank, only Rs. 896 crores had been utilized up to the end of January, 1964.

This was disclosed in an official statement presented to the Lok Sabha on May 4. It showed that the aid received from Czechoslovakia (Rs. 23 crores), from France (Rs. 38 crores) and from the Netherlands (Rs. 13 crores) had not been utilized at all.

Out of Rs. 46 crores received from Italy, only Rs. 2 crores had been utilized.

Utilization from other countries was slightly less than 50 per cent.

The following is the break-down for the major aid-giving countries:

	Total aid for Third Plan	Utilization up to January 31, 1964.
	(Crores of rupees)	
USA	Rs. 724	Rs. 429
Soviet Union	Rs. 308	Rs. 92
West Germany	Rs. 235	Rs. 119
World Bank	Rs. 289	Rs. 126
UK	Rs. 150	Rs. 74
Poland	Rs. 29	Rs. 1
Yugoslavia	Rs. 19	Rs. 0.09

(*The Times of India*, New Delhi)

[Prev. ref. 4564:INI:I]

P. Iron-ore Export To Japan: Ten leading Japanese steel mills in Tokyo have signed a contract with the Indian Mineral and Metals Trading Corporation for the import of 350,000 tons of iron-ore from the Kiriburu mine in Orissa.

The price of the iron-ore with 62 per cent iron content has been fixed at 55 sh. 6 d. per ton. Shipments are scheduled to be made during the period from July, 1964 to January, 1965.

(*The Financial Express*, Bombay)

[Prev. ref. 5269:INI:E]

Q. Rev. Michael Scott's Visit To Nagaland—Permission Granted: The Prime Minister, Mr. J. Nehru told the Lok Sabha on April 25 that the Government had agreed to the visit of Rev. Michael Scott to Nagaland to help restore peace at the instance of the Nagaland Government.

The Government, he said, was satisfied in having reposed its trust in the Nagaland leaders. Once they expressed willingness to Rev. Scott meeting people in Nagaland, the Government had gladly agreed to it.

Mr. Nehru was replying to a question by Mr. Hem Barua (P-SP) who along with some other members expressed misgivings about Rev. Scott's visit to Nagaland. Mr. Barua recalled the Prime Minister's statement in 1963 that he considered his visit to Nagaland as "undesirable."

Mr. Nehru replied he might have thought so then, but he thought differently now. The Nagaland Ministers had relied on Rev. Scott and the Government had accepted their word.

Earlier, Mrs. Lakshmi Menon, Minister of State for External Affairs, told the House that Rev. Scott came to India to join a committee to persuade the underground Nagas to have peace talks with the Nagaland Government.

The Nagaland Baptist Convention had recently passed a resolution suggesting that Mr. Jayaprakash Narayan, Mr. Shankar Rao Deo, Mr. B. P. Chaliha and Rev. Scott should contact the hostile Nagas and find ways and means of restoring peace.

She said the Nagaland Government approved this move and when the Baptist Convention approached Rev. Scott, he expressed his willingness to assist and came to Dimapur on March 27. Since then he had just commenced their work and it was too early to assess their achievements.

Asked whether it was proper for the Government to secure the services of Rev. Scott who had been supporting the demand for an independent Nagaland, Mr. Lal Bahadur Shastri, the Central Minister without Portfolio, said Rev. Scott had accepted the position that any settlement with the hostiles should be within the frame-work of the Constitution. The Peace Committee had not yet contacted the hostile leaders.

Mr. Barua asked whether the Government had told the Baptist Mission that the Peace Committee would have to function collectively and no individual could be allowed to contact the hostiles.

Mrs. Menon replied the Nagaland Government had given an assurance that Rev. Scott was not moving in Nagaland alone. He was accompanied by the members of the Baptist Mission. There was no basis for Mr. Barua's apprehension.

When Mr. Barua said he wanted Rev. Scott to move in Nagaland with other members of the committee, Mrs. Menon said: "It is for the Nagaland Government to decide whether he should move alone or with other people. They are satisfied that Rev. Scott is doing as they wish him to do."

Answering another supplementary, she said the Nagaland Chief Minister, Mr. Shilu Ao, was convinced of the bona fides of Rev. Scott. He was also convinced that Rev. Scott was not holding the same opinion about an independent Nagaland and felt that Nagaland must remain part of the Indian Union. He, therefore, gave him permission to come there.

(*The Times of India*, New Delhi)

[Prev. ref. 5172:INI:I]

R. State Education Ministers' Conference: In his inaugural address to the State Education Ministers' Conference in New Delhi on April 25, the Central Education Minister, Mr. M. C. Chagla proposed that a Centrally-sponsored sector in education be set up, the main emphasis of which would be on quality. This would comprise institutions—one school in each community block and a college in every district—representing what he called "the peak of excellence and beacon light" for others to follow.

He referred to the proposal to make education a concurrent subject. But, he hastened to add that he was not so "foolhardy or ambitious" as to think that the present Conference itself would come to a decision on it.

This suggestion he placed in the context of the "need for a national educational policy and system" which, he stressed, should focus attention on the country's basic unity, ensure mobility of teachers and students and create leaders of the future. A dyarchy, as in the days of British rule, could not achieve these objectives.

He reminded his listeners: "Let us not pass a resolution which we are not prepared to implement. Let us not adopt resolutions for public consumption."

The whole burden of his speech was how best to implement the educational projects to bring about qualitative improvements. He did not mince words to admit failures at different levels and indicated remedies.

He said that the Constitutional directive regarding primary education might not be fulfilled before 1980, and suggested that arrangements for part-time schooling, as practised in China, might attract more children than now in rural areas. He also commended Madras's experiment

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in trying to make primary education "the concern of the local people".

Regarding secondary education, he referred to the need for new facilities for the training of teachers and for greater scope for vocational training. He disclosed that he was getting a proposal examined by legal experts for the setting up of a Secondary Education Commission on the lines of the University Grants Commission. Even if this Commission was not created, steps could be taken for qualitative improvement of secondary education.

In respect of higher education, he underlined that facilities for post-graduate research should be increased manifold and deprecated demands for more universities which, he added, seemed to have acquired a "status value". The real interest now lay in strengthening the existing universities and their improvement and expansion.

He made it clear that the Centre intended to change radically and rationalize the present procedure for financing State projects through block and matching grants.

He advocated that the status, remuneration and old-age benefits should be the same for teachers in private and Government schools and urged the States to bring forward legislation to remove the existing distinction between the two categories of teachers.

Conference Ends:

At the end of their Conference on April 26, the State Education Ministers agreed to take steps to achieve a broad measure of uniformity in the content of secondary education.

They felt that such uniformity was necessary for promoting national integration, improving the standard of education and facilitating mobility of students and teachers among different States.

Another subject which engaged the attention of the Conference was the quality of education. There was general agreement that more and more Centrally-sponsored projects should be undertaken to improve the quality. It was emphasized that grants should be earmarked for such projects.

The Conference adopted no formal resolutions, but stressed that immediate steps should be taken to realise the objectives on which there was broad agreement.

Apart from agreeing that there should be a uniform standard of attainment of students at the school-leaving stage, the Ministers made another important suggestion affecting secondary education. They said that the entire education at the secondary stage should be completed in school. Hence the pre-university course should be transferred to schools as soon as possible in accordance with a phased programme.

As regards primary education the Conference accepted the target of full enrolment in the 6-11 age-group by the end of the Fourth Five-Year Plan.

After a long discussion on the pattern of education, during which the desirability of a 12-year course was acknowledged, the Conference decided not to commit itself in view of differing conditions in various parts of the country.

Mr. Chagla, summing up the conclusions, said that what the States had agreed to would "take us a long way towards establishing a system of education which will be uniform and national." Because the Central Government was prepared to finance various schemes for improving quality and teacher training, the Ministers had "willingly agreed" that some of the burden should be taken away from them.

The Conference urged that the Centre should spend 10 per cent of its revenue on education, and the States not less than 20 per cent, as suggested by the Kher Committee. (The Central Government now spends about 4 per cent while some of the States spend 20 per cent.)

The Conference laid emphasis on special measures for speeding up enrolment of girls and students from rural and backward areas. It also urged diversification of education by opening more and more technical schools.

Regarding the opening of new universities, the Conference did not record a unanimous view. While Mr. Chagla suggested strengthening and expansion of existing universities, the Ministers pressed their claim for more universities. The Conference, however, welcomed the idea of starting schools of post-graduate studies, which in course of time could be developed into new universities. It was also agreed that all efforts should be made to expand and improve higher education, especially in scientific and technological fields.

The Conference said that programmes for eradication of illiteracy should be taken up more vigorously on the lines of the pilot scheme working in Maharashtra State.

(*The Statesman* and *The Times of India*, New Delhi)

[Prev. ref. 5561:INI:L]

S. Rural Indebtedness: According to a Reserve Bank survey of rural indebtedness, rural households in India are saddled with debts exceeding Rs. 3,000 crores.

Spread over 74 million house-holds, the average indebtedness of each rural family comes to Rs. 406.

The survey, which covers 1961-62, shows that in that year alone the rural population incurred debts amounting to Rs. 1,232 crores (Rs. 180 per family).

Not only does the survey provide an insight into the appalling poverty of the rural masses of the country but it also disproves the contention of many an economist that people in the villages save money which they can invest in agriculture or small industry.

A safe inference that can be drawn from the survey is that the only investment the bulk of the rural masses can make in the development plans is their manual labour. And even to be able to do that they would need some respite from the moneylender's clutches.

That 45 per cent of the debt was incurred in the year under review showed that rural indebtedness was not just a legacy of the past but a continuing facet of Indian life on which a decade of planning had made little impact.

Also the movement to save the villager from the moneylender by providing him easy loans through co-operatives seemed to have made little headway so far. Advances by co-operatives amounted to only 8 per cent of the total loans taken by rural households.

In 1961-62, when the primary agricultural credit societies seemed to be more active than in previous years and accounted for 17 per cent of the year's total loans, the co-operative credit movement appeared to be practically non-existent in some of the States.

In Bihar, for instance, only 3 per cent of the loans taken by villagers in 1961-62 were drawn from these societies. The co-operatives' share was 4 per cent in Assam and Rajasthan and 6 per cent in West Bengal.

The only State where the co-operatives seemed to have scored over the moneylender is Maharashtra where the societies accounted for 43 per cent of the debts incurred by villagers in that year.

Societies in Gujerat, Madras and Madhya Pradesh and Orissa, between them provided between 17 per cent and 27 per cent of the loans given to rural households in these States.

The extent of rural indebtedness per household during the year also varied from State to State. It was the highest in Rajasthan where, on an average, each household incurred a fresh debt of Rs. 390 in 1961-62, bringing its total debt liability to Rs. 797.

The total debt per household was the highest in Punjab—Rs. 803 per family—of which Rs. 308 was incurred in 1961-62.

The total average debts were also high in Mysore, Madras, Gujerat and Andhra being Rs. 689, Rs. 629, Rs. 542 and Rs. 526, respectively. They were comparatively low in Assam (Rs. 137), West Bengal (Rs. 215), Jammu and Kashmir (Rs. 239), Kerala (Rs. 249) and UP (Rs. 279).

Land Holdings:

According to an analysis of the 1961 census of land holdings, over 50 per cent of the agricultural land holdings in India are less than five acres each.

The average size of land holdings in the country as a whole, however, is 7.39 acres.

It was explained that small holdings constitute 2 per cent of the total cultivated area and over the rest of the area, holdings exceed five acres.

Three-fourths of the total cultivated area in the country is held by 15 per cent of the cultivating households. In Maharashtra, Madhya Pradesh, Gujerat, Rajasthan and Punjab a relatively smaller proportion of households have a higher proportion of the cultivated area, indicating that the average size of holdings in these States is comparatively large. On the other hand, in Uttar Pradesh, Bihar and West Bengal the pressure on land is higher resulting in smaller holdings.

The size of holdings is generally small in areas with greater irrigation facilities and assured rainfall and the resulting high density of population. The size of holdings is lowest in rice-growing areas, followed by wheat-growing areas. Millet-growing areas have relatively bigger holdings.

The distribution of cultivating households by interest in land shows that about 77 per cent are located in ownership holdings, 15 per cent in mixed tenancy and about 8 per cent in pure tenancy holdings. The pure tenancy holdings are concentrated mainly in Kerala, Madras, Bihar, West Bengal and Punjab.

(*The Statesman* and *The Hindustan Times*, New Delhi)

[Prev. ref. 5336:INI:G]

T. Progress Of Neyveli Project: The fifth and last 50 mw unit of the Neyveli thermal power station was commissioned on April 29 by Mr. H. R. Kulkarni, Electrical Specialist Engineer, Central Water and Power Commission.

This marks the completion of the first stage of the station. The erection of the station, which began in June, 1961, was carried out by Indian engineers under the technical guidance of Soviet specialists.

With the commissioning of the fifth unit, nearly 50 per cent of the consumption of power in the State grid will be from Neyveli. The equipment for the station has been supplied by the Soviet Union and was financed from out of the Soviet credit of 500 million roubles.

Meanwhile, a programme of expansion of the integrated lignite project at Neyveli involving a total investment of Rs. 137 crores during the Fourth Five-Year Plan is under consideration of the Government.

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When the scheme is put through, the generation of thermal power from Neyveli will be stepped up to 1200 mw. This is sought to be achieved by expanding the existing power station to a capacity of 600 mw. and erection of a new power station of 600 megawatt capacity.

Since the capacity of the existing mine will not be sufficient to meet the needs of the proposed expansion in power generation, it has been proposed to open a second mine capable of producing 7 million tonnes of lignite a year. Investigations in this respect are underway.

(*The Hindu*, Madras)

[Prev. ref. 5741:INI:G]

U. High Court For Goa: A Bill to declare the Judicial Commissioner's Court for Goa, Diu, and Daman to be a High Court for certain purposes of the Constitution was passed by the Lok Sabha on April 25.

Two members representing Goa, Mr. M. P. Shinkre and Mr. Peter Alvares vehemently opposed the measure. The former contended that they could have been consulted before the Bill was brought in, while Mr. Alvares said that the best arrangement would have been for the Maharashtra High Court to function through a Division Bench in Goa as provided in the Goa, Daman and Diu Act of 1962 which empowered the Centre to extend the jurisdiction of the Bombay High Court to these areas.

In her reply to the debate, the Minister of State for External Affairs, Mrs. Lakshmi Menon, insisted that the step was for the benefit of the people of Goa and it was being taken after a proper enquiry and after ascertaining the views of the concerned persons.

(*The Hindu*, Madras)

[Prev. ref. 5028:INI:E]

INDONESIA

A. Asian-African Conference—Preparatory Meeting: Representatives of 21 Asian-African countries assembled in Djakarta from April 10 to 15 for a preparatory meeting for an Asian-African Conference.

Addressing the meeting, President A. Sukarno called on the Afro-Asian countries to "smash and crush" the last vestiges of colonialism and said: "Our best weapon in this struggle against domination lies in preserving Asian-African solidarity."

He said it was not possible for the new countries to embark upon military competition in their growth towards emancipation. Nor could they abolish domination through economic means. Afro-Asian solidarity was the weapon to beat this domination during their growth.

"The inferiority complexes of the past must be transformed into the spirit of self-confidence. The spirit of passiveness inculcated during colonial days must be must be transformed into the spirit of creativeness."

He said this creative spirit could be better used in the development of new concepts. "This is the field where we are pioneers. We belong to the new world, not to the dying past. We have begun to shape new concepts for ourselves. We have the ability to enrich the world in this respect. First, however, we must rid ourselves of the inhibitions which the colonial past instilled in our mind...."

The countries represented at the meeting were: Afghanistan, Algeria, Cameroun, Cambodia, Ceylon, China, Ethiopia, Ghana, India, Indonesia, Iran, Iraq, Liberia, Morocco, Nepal, Pakistan, the Philippines, Syria, Turkey, and the United Arab Republic.

In a brief speech of welcome, the Indonesian Foreign Minister, Dr. R. Subandrio thanked the participants for their presence and their "expressed desire to make it a success."

The meeting then proceeded to elect a chairman, two vice-chairmen, and the secretary-general of the Conference.

Dr. Subandrio was elected Chairman on the proposal of the Chinese Foreign Minister, Marshal Chen Yi. The proposal was seconded by India's chief delegate, Sardar Swaran Singh.

The meeting then elected the Cameroun and Cambodian chief delegates as first and second vice-chairmen.

Indonesia's Deputy Foreign Minister, Mr. Suwito Kusumowidagdo, was elected secretary-general of the Conference.

The meeting ran into serious difficulties over the Indian proposal to invite the Soviet Union and Malaysia to the Conference.

The meeting was bogged down for several hours over the controversy sparked off by the Chinese opposition to the Soviet Union's participation and the Indonesian exception to Malaysia to whose creation she is not yet reconciled.

According to conference sources, China's Marshal Chen Yi stated that the seat of the Soviet Government was Moscow which was part of Europe. He said that China had opposed Soviet entry even in Bandung in 1955 when "we were friends with them."

He made it clear that his opposition to the Soviet Union was not because of the present ideological conflict.

He pointed out that as the Asian-African meeting would be on a Head-of-Government level, he would be surprised to see Mr. Nikita Khruschev, "who is neither an Asian nor an African," at the Conference.

His arguments were effectively countered by the Indian delegation, headed by Sardar Swaran Singh, who also suggested that the second Asian-African Conference should be held in 1965 to coincide with the 10th anniversary of the Bandung meeting.

Conference sources said Indonesia, Pakistan and China wanted the Asian-African Conference to precede the proposed Cairo conference of non-aligned countries (see page 5772).

The Indian proposals drew immediate support from delegates of Ceylon, UAR, Iraq, Ethiopia and Tanganyika. The proposals also received tacit approval from Iran and Algeria.

Pakistan's Foreign Minister, Mr. Z. A. Bhutto, was the first to oppose the Indian proposal to hold the Conference in 1965. He said many Afro-Asian countries were "dangerously divided" and since the strengthening of their solidarity was an urgent necessity, a conference should be convened as early as possible.

He was also understood to have referred to "non-implementation of UN resolutions" in respect of Palestine and one of "our own disputes", and to what he described as "religious apartheid" in Asia.

At the end of the fourth day's deliberations, Dr. Subandrio said on April 13 that the proposed Asian-African Conference would be held in an African Capital. The selection of the venue would be left to the Organization for African Unity.

The preparatory meeting agreed on a 10-nation working group to prepare an agenda for the Conference.

The group consists of India, Indonesia, Ceylon, Pakistan, Ghana, China, Afghanistan, Guinea, Ethiopia and Algeria. It will consider proposals submitted by various countries.

Communique:

An official *communique* at the end of the preparatory meeting said that a compromise formula had been decided to enable Malaysia to be invited to the Conference "as soon as possible."

The **communique** added, however, that no agreement was reached on the proposal to invite the Soviet Union.

The question of invitations to Malaysia and the Soviet Union was the most controversial issue faced by the meeting, splitting the delegations.

India proposed that the invitations be sent to the two countries, while Indonesia led the group which opposed it.

The **communique** omitted the names of Malaysia and the Soviet Union in the list of countries to be invited to the Conference due to open in Africa on March 10, 1965.

The **communique** said: "With regard to the composition of the second Afro-Asian Conference:

"It was proposed that an invitation be extended to USSR.

"Some delegations supported and others opposed the proposal to extend an invitation to USSR.

"A number of delegations stated that they needed consultations with their Governments. After discussion no consensus could be reached.

"Some delegations were of the view that the matter may be placed before the Heads of State—Government at the second Asian-African Conference for their consideration.

"Some other delegations were against submitting this matter to the Heads of State—Government at the second Asian-African Conference for their consideration.

"Therefore no agreement was reached.

"It was also proposed that an invitation be extended to Malaysia.

"In this case it was hoped that the obstacles which prevented reaching a consensus on the invitation would be eliminated.

"In this case an invitation should be extended as soon as possible.

"Some countries that recognize Malaysia stated their position that Malaysia was fully entitled to an invitation and should be invited."

The list of countries which delegates agreed should be invited to the Conference consisted of:

Africa: Algeria, Burundi, Cameroun, Central African Republic, Chad, Congo (Brazzaville), Congo (Leopoldville), Dahomey, Ethiopia, Gabon, Ghana, Guinea, Ivory Coast, Kenya, Liberia, Libya, Malagasy, Malawi, Republic of Mali, Morocco, Mauretania, Nigeria, Ruanda, Senegal, Sierra Leone, Somalia, Sudan, Tanganyika, Togo, Tunisia, Uganda, Upper Volta and Zanzibar.

Middle East: Afghanistan, Cyprus, Iran, Iraq, Jordan, Kuwait, Lebanon, Saudi Arabia, Syria, Turkey, the United Arab Republic and Yemen.

Asia: Burma, Ceylon, Cambodia, India, Indonesia, Laos, Japan, Nepal, North Viet-Nam, North Korea, Pakistan, the Philippines, China, Mongolia, South Viet-Nam, South Korea and Thailand.

The **communique** said it was also decided to invite Western Samoa and the

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"Provisional" Government of Angola. It was also decided to invite:

(a) All 29 countries which attended the first Afro-Asian Conference in Bandung in 1955;

(b) African countries and members of the Organization of African Unity; and

(c) Afro-Asian countries which become independent between now and the second Asian-African Conference.

The objectives of the second Conference would be:

(1) To promote and strengthen mutual understanding and friendship among Afro-Asian nations.

(2) To attain common understanding of the basic problems arising out of revolutionary changes taking place in the lives of the Afro-Asian peoples.

(3) To search for methods to ensure continuous and full co-operation among Afro-Asian nations for development of their solidarity.

(4) To make policies for the peaceful settlement of disputes and for the renunciation of threats or use of force in international relations.

(5) To revive the spiritual heritage of the Afro-Asian peoples and to exploit fully their natural resources.

(6) To formulate guiding principles which would further inspire Afro-Asian people in their struggle against colonialism, racial discrimination and foreign economic exploitation.

(7) To strengthen economic, social and cultural co-operation between Afro-Asian countries.

(*The Times of India*, Bombay and *The Hindustan Times*, New Delhi)

B. Mr. Z. A. Bhutto's Visit: A joint *communique* issued in Djakarta on April 17 at the end of the eight-day visit of Pakistan's Foreign Minister, Mr. Zulfiqar Ali Bhutto, said that Mr. Bhutto and Dr. R. Subandrio, Indonesian Foreign Minister, had exchanged views on the international situation and relations between the two countries and noted that both the Governments had taken positive steps in the economic, cultural and other fields to bring about greater understanding and closer co-operation between the two countries.

It said the two leaders hoped the forthcoming visit of the Pakistan Commerce Minister to Indonesia would be utilized for replacing the present Trade Agreement between the two countries.

In a reference to the Kashmir dispute, the *communique* said a solution based on the wishes of the people of Kashmir as envisaged in the Security Council resolutions should be found.

In regard to Malaysia, the **communique** said, Dr. Subandrio had explained to Mr. Bhutto his Government's views and Mr. Bhutto had expressed the hope that "the efforts of Indonesia and other friendly countries would result in a peaceful settlement of this dispute at an early date."

The joint *communique*, according to reports, marked a complete and significant shift in Indonesian attitude over the Kashmir question.

In June, 1963, when President Sukarno and President Ayub Khan issued a joint communique at the conclusion of the Indonesian President's visit to Karachi, Indonesia had adopted a neutral position in regard to Kashmir.

The joint **communique** had then only expressed the hope of the two leaders that in view of the need for strengthening Afro-Asian solidarity an honourable and equitable settlement of the problem would be reached in the near future.

At the time of President Sukarno's visit to Karachi, Dr. Subandrio who was accompanying Dr. Sukarno, had told correspondents in reply to questions on Kashmir that Indonesia wanted that any solution should be acceptable to both India and Pakistan. He had also said then that Indonesia had kept her "hands off" the dispute between India and Pakistan.

Indonesia, the reports said, thus acquiesced to Pakistan's demand for holding a plebiscite in Kashmir.

According to observers, only one interpretation was possible on the new line adopted by Indonesia, coming as it did in the wake of the recent ministerial meeting for an Afro-Asian Conference. It was the direct result of the strong Indian stand over the question of inviting Malaysia to the Afro-Asian Conference in 1965.

Indonesia had made no secret of her disappointment and resentment over India's support to Malaysia.

Observers also noted that in regard to Malaysia the **communique** avoided any rigid views and only expressed the hope of a peaceful settlement at an early date.

(*Dawn*, Karachi and *The Hindu*, Madras)

[Prev. ref. 5359:PAK:B]

C. Text Of Luns-Subandrio Communique: The following is the text of the *communique* issued in The Hague on April 3 at the end of the talks between the Indonesian Foreign Minister, Dr. R. Subandrio and his Dutch counterpart, Mr. J. M. A. H. Luns:

[A report on the talks and the **communique** appeared on page 5792].

"During the visit to the Netherlands of Dr. Subandrio, First Deputy Prime Minister and concurrently Minister for Foreign Affairs and for Foreign Economic Relations of the Republic of Indonesia and Mrs. Subandrio and a number of high Indonesian officials at the invitation of Mr. J. M. A. H. Luns, the Netherlands Minister for Foreign Affairs, the two Ministers had a thorough and frank exchange of views on the new relations between the two countries. It has become evident that bilaterally there are no political differences that might hamper the development of friendly relations.

"Agreement was reached on the following points:

"It was decided that an exchange of Ambassadors should take place as soon as possible within this year.

"The two Ministers have signed an Agreement to the effect that their respective Governments will foster technical co-operation between the two countries. Co-operation will consist in exchanging knowledge and experience in the broad sense of the terms, possibly accompanied by material aid. Experts may be made available under the Agreement and specific projects involving extensive technical assistance may be carried out. The Agreement also provides the opportunity for the granting by both countries of fellowships for further studies. The Ministers regard this Agreement as constituting an important, general basis for the development of future co-operation in the promotion of scientific and economic progress.

"The two Ministers agreed that official delegations of the Kingdom of the Netherlands and the Republic of Indonesia shall meet within three months either in The Hague or Djakarta to discuss outstanding financial problems. During the negotiations the financial problems which have arisen between the two countries as a consequence of past political events will be discussed. The delegations will endeavour to submit a joint proposal to both Governments with a view to arriving at a settlement of these problems.

"The Indonesian Minister undertook to make the necessary arrangements for resuming the repatriation of Indonesians from the Moluccas and their families, still living in the Netherlands, who wish to return to Indonesia.

"It has been agreed to set up a mixed commission as described in Article XXII, Section 3 of the West Irian Agreement of August 15, 1962. The commission's terms of reference will be to advise the respective Governments on the Dutch concessions and property rights existing in that territory on May 1, 1963. The commission will start its work soon.

"Indonesia has in principle agreed to meet the Netherlands' request to grant landing rights for a twice weekly service of Royal Dutch Airlines (KLM) to Djakarta. The Netherlands has agreed to meet Indonesia's request to grant landing rights in the Netherlands for Garuda Indonesian Airways (GIA.)

"The two Ministers are happy to state that their talks and negotiations have been conducted in the most cordial way and that they have reached the most satisfactory results. They believe that a sound foundation has been laid for the new relations between the two countries.

"The Indonesian Minister for Foreign Affairs and for Foreign Economic Relations has invited his colleague, Mr. J. M. A. H. Luns, to pay a return visit to Indonesia. Mr. Luns has accepted the invitation; the date of the visit will be fixed later."

(*Information Service Indonesia*)

[Prev. ref. 5792:IND:A]

IRAN

A. US-Iranian Military Manoeuvres: Some 2,300 American troops parachuted from big transport aircraft into the Dezful area in south-west Iran on April 13 to begin Operation Delavar, the joint US-Iranian military manoeuvres sponsored by CENTO.

Simultaneously the US Middle East force, consisting of two destroyers and a converted seaplane tender, launched an amphibious landing on Kharg island on the Persian Gulf coast.

The simulated attack on Kharg island was assisted by a helicopter force which dropped troops inland. The three-day Operation was aimed at demonstrating the ability of USA to come quickly to the assistance of friendly Middle East countries and to join forces with local Iranian troops, an unspecified number of whom are taking part in the Operation.

Operation Delavar, the Persian for "courageous", assumed a mock war in which foreign troops penetrated the defensive positions of local forces. A total of 6,800 United States Army, Navy, Marine, and Air Force men took part.

The chief unit in the task force was the 2,300-man brigade of parachute troopers from the 101st Airborne Division, Fort Campbell, Kentucky. They had flown 6,000 miles from America with a stop-over in Turkey. A total of 124 US fighter aircraft and transports took part. This included two fighter squadrons with 18 aircraft each, and more than 50 C-137 and C-130 transport aircraft.

(*The Times*, London)

[Prev. ref. 5598:PAK:A]

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IRAQ

A. New Publicity Law: The Council of Ministers approved on April 5 the new Publicity Law.

The Minister of Culture and Guidance, Staff Brigadier Abdul Karim Farhan, said in an interview on April 6 that the Law ensured freedom of the Press. "Under the new Law, the licence of any publication can be cancelled only with the approval of the Council of Ministers. Besides, the Law will raise the standard of the local Press and provide necessary material and technical potentialities for the publication of newspapers."

An Arab, under the Law, can for the first time issue political and non-political periodicals in Iraq. In accordance with the Law, Iraqi citizens and Arabs are equal.

He said that a political periodical would be licenced in future only for a body which should consist of not less than five efficient and capable persons. "These persons are to form the board of administration of the publication and each will have equal responsibility and equal number of shares."

(*Iraq Embassy*, New Delhi)

[Prev. ref. 5221:IRQ:A]

ISRAEL

A. Independence Day Celebrations: Israel celebrated the 16th anniversary of her independence on April 16 with popular rejoicing, State ceremonial, military parades and tributes to those who worked, fought and suffered in the cause of independence.

In a message broadcast on April 14, the President, Mr. Zalman Shazar said: "On the eve of a new year in the life of our State, its 17th year, let the blessing of peace and all good go forth to all the citizens of Israel, without distinction as to faith or ethnic origin, time of coming to these shores or type of community in which they live. May this next year bring with it for all of us blessings and grace, fruitfulness in all fields of work and spiritual endeavour, amity among ourselves, peace within and without our borders.

"The 16th year of the State was a time of large and constantly growing immigration. There was no pause, as well, in the efforts our people and State made to receive our brothers returning from the lands of dispersion and to prepare homes and work for them. Despite all the difficulties, there was no newcomer who had to say 'There is no place for me.'

"The State's growth, and the manner in which it is meeting its social, educational and cultural needs and strengthening its position in every way, are mirrored in the unprecedented size of the National Budget for this next year. This is a burden that our people will surely bear with willing hearts, knowing that these are taxes of life and progress which give far more than they take.

"Let us, too, on the eve of Independence Day recall in tenderness and grief our heroic sons and daughters who gave their lives for the liberation of our people and the security of our State from the time of the War of Independence until this day. Every one of us feels with their bereaved parents and kin; every one of us, the whole nation, will bear their memory in our hearts for ever.

"The year just ended was termed 'The Year of The First' in appreciation of those who with inspired daring returned to Zion and laid the foundations of our resettlement on the soil of the homeland. The year to come is dedicated to the memory of the courage and suffering and sacrifice that made possible Aliya Beth—'illegal immigration.'

"In this last year the wall of isolation has been breached more and more. Our emissaries, political and technical, have gone to many States in many parts of the world, near and far. We have had a growing number of distinguished visitors from abroad—Kings and Presidents of both old and newly established States; heads of Churches; public figures; distinguished scientists who have held their conferences among us; intellectual leaders who have come to observe the development of our life.

"The sprigs of new friendship have been planted before our eyes. Though many political tests await us, though hatred against us is still shouted forth by those who hope to intimidate us with threats, though hostility and intrigue have not ceased, this last year has seen the strengthening and expansion of our friendship with other nations and the consistent lessening of any threat of international isolation.

"In the light of the closer understanding between the State and the Zionist movement and the assumption of mutual responsibilities, both are now enabled, indeed obligated, to struggle even more ardently for our people's life and future. That the welfare of the State and the existence of the Jewish people everywhere are inextricably interwoven, is growing constantly clearer to all factors in Jewish life.

"To all our brothers in all parts of the world—to those whose mute cry has reached and aroused the noblest hearts among men: to all who have heard and responded; to those who live in tranquillity and those whom the hand of exile has stricken; to them all on this day of rejoicing goes the blessing of brotherhood and encouragement and readiness to aid and demand to be aided.

"Laden with grave responsibilities and rich hope, our State enters its 17th year, looking forward to brotherly harmony at home; to growth and building in the Negev and the north and in all development areas; to greater aliya and sound absorption of those who come; to physical and spiritual merging of the different strains in our people; to the disappearance of the hostility our neighbours feel; to strong and unified resistance against every enemy; to extending a strong and sincere hand to all who wish true peace in our region and in all the world.

"May it be given to us to see the fulfilment of the ancient prophecy: 'And ye shall dwell in your land safely. And I will give peace in the land.'"

(*The Israeli Digest*, Jerusalem)

[Prev. ref. 5277:ISR:A]

B. Industrial Development Programme: A new six-year programme for industrial development has been presented by the Minister for Commerce and Industry, Mr. Pinhas Sapir.

He said its success depended on two factors—that defence expenditure during the six-year period should not exceed the average of the past five, and that the rate of increase in personal consumption be reduced to three per cent a year instead of the present six per cent.

The main target of the plan is to reduce the trade deficit, which now stands at $320 million, by a 10 per cent increase in the proportion (at present 15 per cent) of industrial production which is exported. By this means, the trade deficit would be cut to $100-150 million by the end of the plan period in 1970. The annual average rate of increase in industrial production is estimated at 9.9 per cent, rising from £14,300 million in 1962 to £19,100 million in 1970. The chief difficulty in implementing the plan is likely to be lack of skilled man-power. It is estimated that the population will increase by 500,000 to 3 million by 1970 and that the labour force will increase from 850,000 to over 1 million, 100,000 of the new workers entering industry. Of this figure, 60,000 must be skilled technicians and 7,000 managerial and professional staff if the plan is to work effectively.

The annual average rate of increase in investment during the plan period is 7.8 per cent rising from £1357 million in 1962 to £1650 million in 1970. The highest rate of increase in investment is planned for chemicals (15 per cent); electrical and electronic equipment (14 per cent); minerals (13 per cent); transportation equipment (12 per cent) and printing and publishing (12 per cent). The major increase in exports is to come from chemicals (847 per cent by 1970); refined petroleum products (671 per cent); minerals (381 per cent); and diamonds (122 per cent).

The plan has taken two years to complete and will be reviewed every two years to adapt its implementation to changing circumstances.

(*Middle East Economic Digest*, London)

[Prev. ref. 4763:ISR:A]

JORDAN

A. King Hussein's Visit To USA: King Hussein arrived in Washington on April 14 on a State visit to USA.

Welcoming the King at the White House, President Lyndon B. Johnson gave the assurance of continued US assistance to Jordan and said the King's visit would strengthen the cordial ties existing between the two countries.

King Hussein and President Johnson ended their two-day talks on April 15, and a joint communique said that the talks were marked by cordiality, goodwill and candour.

The communique said that "a common concern for preserving and strengthening a just peace in the area was evident throughout the talks".

It said that President Johnson presented the views of USA on various world problems, including those of the Middle East, and King Hussein put forward the views of Jordan and the other Arab States on various Middle East problems and their impact on relations between the two nations.

The two leaders declared their firm determination to make every effort to increase the broad area of understanding which already existed between Jordan and the United States. King Hussein's visit, it said, advanced this objective.

It added that Mr. Johnson told his guest that USA would continue to support Jordan's efforts to attain a viable and self-sustaining economy.

(*The New York Times*)

[Prev. ref. 2689:JOR:A]

KUWAIT

A. Trade Agreement With UAR: The first Trade Agreement between Kuwait and the United Arab Republic was signed on April 14 by the UAR Minister of Treasury and Planning, Dr. Nazi Deif, and Kuwait's Minister of Commerce, Khalifa Kha-

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led Al Ghaneim, setting up the overall frame-work for improvement in trade between the two countries.

Earlier in April, the UAR Vice-President, Mr. Anwar Al-Sadat visited Kuwait to discuss a proposed £35 million loan, on which agreement has been reached in principle. The loan is in two parts, a direct Government-to-Government loan of £25 million which UAR can spend as it sees fit; and a £10 million loan from the Kuwait Fund for Arab Economic Development (KFAED) which is earmarked for Suez Canal improvements and subject to the regulations of the KFAED, which are similar in many respects to the rules governing World Bank lending. Both these loans are to be repaid in 15 years, with a five-year grace period after which interest at 4 per cent is payable.

The direct Government loan of £30 million to Iraq in October, 1963 was for 25 years but was interest-free. However, some rather lengthy Iraqi-Kuwaiti talks that were carried on for some weeks last Autumn also covered several aspects of relations between the two countries, including the Iraqi offer to supply all Kuwait's additional requirement of fresh water from the Shatt-al-Arab, as well as possible minor re-adjustments of the common frontier.

Kuwait has also made direct Government-to-Government loans (as opposed to loans made through KFAED) to Algeria, and a £5 million loan has been promised to Jordan. Continuous direct aid for educational and social purposes has also been given to the Trucial States over a period of years.

It was announced in Kuwait that all future aid to Arab States would be made through KFAED, but that loans already promised would not be affected. Since all loans come from the reserves, the total Kuwait has for lending to sister-States is not affected, although her control over monies lent is likely to be more stringent.

(*Middle East Economic Digest*, London)

[Prev. ref. 5227:YEM:B]

B. Agreement On Water Pipeline With Iraq: A London report on April 20 said that more than 10 years after the first discussions began, Kuwait has settled with Iraq for a water pipeline from Shatt-al-Arab, capable of supplying 120,000,000 gallons a day.

Feasibility studies have begun, but their findings are not in doubt.

The report said: "In fact, Kuwait has finally committed itself because it no longer depends on the venture for its vital water supplies, as it might have done if the arrangement had been made in 1956. General Kassem is dead, Kuwait is a member of United Nations as well as the Arab League, and the present Government of Iraq has gratefully accepted a special advance of £32 million from Kuwait's bountiful oil revenues.

"In its way the story of Kuwait's water is as interesting as the story of its oil. Until a dozen years ago Kuwait depended for sweet water on supplies brought from the mouth of the Shatt-al-Arab by dhows. The local wells were few and brackish. In bad times an enterprising merchant could make fat profits on water. For some time after the oil began to flow from Burgan oilfield in 1946 this trade went on, but clearly an assured water supply was essential to the development plans begun by the present Emir in the early 1950s.

"According he ordered a seawater distillation plant in conjunction with Kuwait's first power station at Shuwaikh, near the town. The first unit, providing a million gallons a day, was completed in 1953, and a second with the same capacity in 1955. Since Kuwait Oil Company provided natural gas for practically nothing, the process was uncommonly cheap of its kind, about 12s, for 1,000 gallons, but expensive compared with natural sources.

"In 1953 Kuwait first approached Iraq for a piped supply from the Shatt-al-Arab above Basra. A pipeline capacity of 100 million gallons a day was costed at £36 million in 1956, but negotiations broke down because Iraq wanted a lease of some Kuwait territory as part of a scheme for a new port at Umm Qasr. Besides, the Kuwaiti ruling family were already exercised by the problem of preserving their State's identity as a small and incredibly rich community among populous neighbours with whom they share common Arab 'nationality'. Accordingly between 1957 and 1960 two more units with a capacity of 2 million gallons a day each were constructed; they operate by a more economical method at a production cost of about 8s. per 1,000 gallons. A total capacity of 6 million gallons a day, making this the world's largest distillation plant, was reckoned enough for essential needs and enough to avoid any risk of Iraqi fingers on the national gullet.

"In 1960 also, unexpectedly, Kuwait struck domestic reserves of sweet water when sinking wells to provide the Basra road contractor with brackish water. The Raudhatain water field, 55 miles from Kuwait town and 10 from the Iraq border, turned out to have reserves of sweet water—about 625 parts of salts per million—enough to provide 5 million gallons a day for 25 years. A piping system to Kuwait town was completed at the end of 1952, and runs at present about 3,500,000 gallons a day.

"Between the discovery and development of Raudhatain water, General Kassem made his bid to annex Kuwait to Iraq. Obviously, while he was in power, there could be no question of re-opening negotiations about a water supply from the Shatt-al-Arab. His successors, having resumed their place in the Arab League, recognized Kuwait and implicitly relinquished any claim to it, the most obvious political obstacle has gone.

"What will Kuwait do with the water? The obvious need is agricultural. The Government has already exploited the large reserves of brackish water at Sulaibiyah, 10 miles from Kuwait town. It contains about 4,000 parts in a million of soluble salts, but one can wash in it, flush with it, and grow flowers and some kinds of trees and plants.

"One of the changes in 10 years of development regardless of cost has been the planting of hundreds of thousands of trees, but Kuwait is still a disagreeably dusty city, and for most plants the use of brackish water involves a soil change every four or five years. Agriculture on any scale, or forestry enough to furnish a windbrake, demands sweet water in quantities far greater than the 20 million gallons a day of brackish water in use at present.

"Indeed, to any ecologist looking for promising desert to reclaim, Kuwait without its oil income would be a poor prospect. The temperature range is anything up to 100°F a year; there were eight degrees of frost this January and summer shade temperatures of more than 120° are common. Rainfall is 4 inches to 6 inches a year. The soil is thin and bitter, even by desert standards. At the same time, if Kuwait does not grow food it must import it, and while the oil revenues last there is every inducement to get under way as much growth as possible.

"Agricultural experiments have been under way for years. With a current annual oil revenue of £210 million a year, and a population, only half of it native or naturalized, of only 400,000, Kuwait can afford to experiment with the latest techniques of soilless culture and crop and livestock protection. The proposed 120 million gallons of sweet water a day could equip plantations and agriculture on a large square mile where it is now counted in acres. At the same time, a break in supply in Summer could cause the loss of every plant in two or three days.

"It is a fair guess that the feasibility studies will give a good deal of attention to storage, including the maintenance of reserves in the Raudhatain water field. Nine-tenths of Kuwait's sweet water is still supplied by road tanker, and the Summer demand for ordinary purposes will undoubtedly exceed this year's expected total of 8 million or 9 million gallons a day once piped water is a commonplace."

(*The Times*, London)

LAOS

A. Factional Leaders Fail To Reach Agreement: Leaders of the Rightist, Neutralist and Leftist factions met in the Plain of Jars on April 17 in a bid to resolve their differences that had made conditions in the kingdom unstable for a long time. The talks failed to produce any agreement.

The Neutralist leader and Prime Minister, Prince Souvanna Phouma, said later that "no result was obtained" at the summit talks and that he would tell the King of the "impossibility of resolving Laotian problems" and then resign his office.

Observers said the situation was critical, with the coalition of Pathet Lao, Right-wingers and Neutralists threatening to crumble at any moment.

But Prince Souvanna's half-brother, and Leftist Pathet Lao leader, Prince Souphanouvong, said: "We are not losing hope of solving the problem."

The question of the neutralization of Luang Prabang, the Royal Capital, apparently caused the breakdown of the talks.

Prince Souphanouvong said his Right-wing counterpart, General Phoumi Nosavan, would not accept Left-wing proposals on the issue.

[The failure of the summit talks was followed by an abortive coup in Vientiane, a comprehensive account of which will appear in a subsequent issue of **Asian Recorder**].

(*The Statesman*, Calcutta)

[Prev. ref. 5155:LAO:A]

MALAYSIA

A. Request For UN Intervention—U Thant's Reply: The UN Secretary-General, U Thant, informed Malaysia on April 16 that he would examine thoroughly every possibility of trying to solve the confrontation issue with Indonesia and to preserve peace and security in South-East Asia.

U Thant was replying to a request from Tengku Abdul Rehman, the Prime Minister of Malaysia, for United Nations to take over again in the dispute.

A letter from the Tengku had been delivered to U Thant on April 6 by Mr. R. Ramani, Malaysia's Deputy Permanent Representative to United Nations.

An agency report said that annexed to the letter was a list of more than 50 incidents between January 16 and March 27 involving direct confrontation by Indo-

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nesia. U Thant was understood to have told Mr. Ramani that he would study the letter carefully to see what steps he could take.

Malaysian sources in New York were said to have hinted that if U Thant found it impossible to make progress towards a solution of the dispute, Malaysia might take it to the Security Council. The letter was described as preparatory. The Malaysian delegation, it was reported, was expected to have informed talks with other delegations at United Nations.

The Tengku rejected Opposition demands that the British bases in Malaysia should be closed. If that happened, he said, Indonesian troops would march into the country.

Tun Abdul Razak, the Deputy Prime Minister and Minister of Defence, said on April 8 that military training for young men registered under the Malaysian national call-up scheme would begin soon.

Tengku Abdul Rehman told a rally at Ipoh on April 8 that he regarded the cease-fire in Sabah (Borneo) as no longer in force.

According to the Government television service, he said that Malaysian forces would "go across the border" in the event of war with Indonesia. President Sukarno of Indonesia was a man with "no dignity or honour" and he had repeatedly broken his word.

He said that in discussions with Indonesia's Dr. Sukarno and Dr. Subandrio, he had asked why they did not regard Indonesian occupation of the former Dutch-held West Irian as being "encirclement" of Australia in the same way as they said the union of northern Borneo with Malaya was "encirclement" of Indonesia. He said they made no reply.

Australian Assistance:

The Australian Defence Minister, Mr. Paul Hasluck, said in the House of Representatives on April 16 that Australia would deploy more land, sea and air forces in support of the Malaysian forces defending the Sabah territory of Malaysia against Indonesian intrusion.

He said that Australia had decided to take this action in response to an urgent request from Malaysia.

The Malaysian Government had sought the assistance of Australian forces in countering the threat of seaborne infiltration along the coasts of Sarawak and Sabah. It had also asked for engineering construction in Sabah for helicopter support of security operations against terrorists along the northern border of Malaya, and for some air transport support.

Mr. Hasluck said that in response to these requests the Government had decided to make available at once two Royal Australian Navy coastal minesweepers for patrols off the coast of the Malaysian Borneo states. These would supplement the patrol ships in the strategic reserve and the provision of two further vessels would be considered in early June.

An Army engineer squadron of 120 men with plant and workshop capacity would be provided to construct airstrips, roads and bridges in Sabah. In addition, a detachment of four Royal Australian Air Force Iroquois helicopters with pilots and technicians would be made available in support of operations on the Thai-Malaya border. These would release other helicopters for service in Sabah. An addition to these four helicopters would be considered later.

Air transport service would be provided in the Thai-Malaya border area in freight flights from Malaya to Sabah. Mr. Hasluck said that the converted aircraft carrier Sydney would move personnel and equipment from Australia and the services were arranging for the units concerned to be made available as early as practicable.

The engineers will be the first Australian troops deployed into the Borneo territories since the Indonesian confrontation of Malaysia began. The decision to send the engineers was the latest stage in the Australian Government's strategy of graduated response to Indonesian confrontation. It followed earlier phases of material aid, assignment of other RAN ships for patrol duties and the alerting of RAAF squadrons at Butterworth to a state of operational readiness.

Sir Garfield Barwick, the Australian Minister for External Affairs, said in Manila on April 16 that he had told Dr. R. Subandrio, the Indonesian Foreign Minister, that unless Indonesia stopped her aggressive moves against Malaysia the situation would eventually involve Australia because of Malaysia's defence arrangements with Australia. The United States would be involved in large-scale hostilities over the Malaysia issue owing to her military commitments under the ANZUS (Australia, New Zealand, United States) Treaty.

British Support:

Britain's Deputy Foreign Minister, Lord Carrington, assured Malaysia on April 11 that his country would rush troops to the Borneo border, should the Indonesian military confrontation precipitate into war "as we did in the case of Cyprus and East Africa."

He was speaking to newsmen at Kuala Lumpur airport before leaving for Manila to attend the S-EATO Ministerial Council meeting.

He was satisfied that the Malaysian and British security forces at the border were doing a "very good job in the face of mounting Indonesian military aggression."

Asked if he felt it necessary to send more British troops to defend the 1,000-mile East Malaysian border, he said: "Like any commanding general I will never admit the inadequacy of troops."

(*The Times*, London, *The Malayan Times*, Kuala Lumpur and *The Hindu*, Madras)

[Prev. ref. 5708:MAL:A]

VIET-NAM (DR)

A. National Assembly Elections: The President, Dr. Ho Chi-Minh, has been re-elected to the National Assembly along with 366 other deputies.

The election results were announced in Hanoi on April 26 at a meeting held jointly by the Administrative Committee of Hanoi and the Hanoi Committee of the Viet-Nam Fatherland Front.

Among other leaders returned to the National Assembly were the Party's First Secretary, Mr. Le Duan and Mr. Truong Chinh, a member of the Party Central Committee's Politburo.

(*The Times of India*, Bombay)

[Prev. ref. 3468:VND:A]

B. International Conference Proposed—Note To Communist Parties: The Central Committee of the Viet-Nam Workers' Party in a letter to all fraternal Communist parties has called for a conference of representatives of Communist parties.

The letter dated April 21 was made public on April 29.

It pointed out that the split in the international Communist movement would have disastrous results. "In the face of the extremely grave situation now prevailing, we are aware that good preparations are required if such a conference is to effectively bring about the desired results. We propose that such preparations be made in two steps as follows:

"First step—resumption by the Communist Party of the Soviet Union and the Communist Party of China of the talks held in 1963 with a view to working out agreed views and jointly preparing the content of the questions to be discussed at a preparatory conference of representatives of a number of fraternal parties.

"Second step—holding of a preparatory conference of representatives of a number of fraternal parties to discuss, and make adequate preparations for the documents of the conference of representatives of the Communists and workers' parties.

"We are afraid that a conference of representatives of the Communist and workers' parties hastily convened without adequate preparations would fail to bring about a deep understanding in the socialist camp and the international communist movement.

"At present, the imperialists and their agents are attentively following every minute the differences among our Communist and workers' parties. They are trying by every provocative means to deepen the divergences, and thus to threaten the international communist movement. We, communists, must show utmost vigilance in the face of their dangerous schemes and hostile act.

"The tasks of paramount importance new confronting us require our parties to act with the greatest lucidity and circumspection. In any case, we must strive, first and foremost, to preserve the solidarity and unity of the socialist camp on the basis of Marxism-Leninism, proletarian internationalism and the revolutionary principles of the Moscow Declaration and Statement of 1957 and 1960.

"Therefore, we earnestly call upon the fraternal parties, first of all, the Communist Party of the Soviet Union and the Communist Party of China, to do good preparatory work for a conference of the Communist and workers' parties capable of resolving the present differences, with a view to restoring and strengthening unity in the socialist camp and the international communist movement.

"For our part, we pledge ourselves wholeheartedly to strive, together with the fraternal parties, for the unity of the socialist camp and the international communist movement so as to achieve still greater victories for peace, national independence, democracy and socialism."

(*Consulate-General of the Democratic Republic of Viet-Nam*, New Delhi)

[Prev. ref. 5153:VND:A]

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ASIAN RECORDER

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BURMA

A. Mondaing Dam Project: Work is progressing on the Mondaing Dam project which is expected to be completed early in 1965.

Work on damming the waters of Mondaing Creek, which feeds Meiktila Lake, began in 1962.

The 53-feet-deep Dam, with a water surface area of about 1,900 acres, will hold an estimated 950,000,000 gallons of water. Its earth embankment will be 4,200 feet long and 67 feet wide. Water for cultivation will be supplied through a 7-foot diameter pipe 411 feet long. The entire project is expected to cost K89,00,000.

Normally, about 9,500 acres in the vicinity of the Dam, which lies 10.5 miles off the Meiktila-Kyaukpadaung Road, are brought under paddy and cotton cultivation during the Monsoon.

It is expected that when the project is completed, sufficient water will be made available to bring under Winter cultivation such crops as cotton (3,000 acres), groundnut (3,000 acres), beans and pulses (1,500 acres), chilli and onions (1,000 acres) and maize (500 acres).

The project will also bring extra Winter crop income to peasants in about 100 villages in the neighbourhood.

(*The Nation*, Rangoon)

[Prev. ref. 5783:BUR:B]

B. Trade Agreement With India: Representatives of Burma and India signed in Rangoon on April 28 a three-year Trade Agreement providing for the supply of 288,000 tons of coal each year to Burma.

The total value of Indian coal, the supply of which will commence this year, is estimated at Rs. 4.5 crores. The current deal is expected to improve the existing unfavourable balance of trade for India with Burma.

(*The Statesman*, Calcutta)

[Prev. ref. 5002:BUR:A]

CEYLON

A. Judgment In Language Case: A District Judge has ruled that Tamil public servants in Ceylon who had not studied the Sinhala language have still a right to obtain their usual annual increments, despite the Treasury circular instructing Government agents and heads of Departments to stop increment to such persons.

Delivering the judgment in the "language case", filed by a Tamil Government servant, Kodeswaran, the acting District Judge of Colombo, Mr. O. L. De Kretser declared that the action of the Government agent of Kegalle in stopping increment for the plaintiff was an error. Kodeswaran was also awarded costs.

The Judge added: "The case of the plaintiff is that the Government in taking steps to implement the Official Language Act was taking them to implement an Act which was bad in law, in that it was an Act that offended Section 29 (sub-section 2) of the Constitution and that therefore he could not be punished by deprivation of his increments if he decided to ignore the requirement that he should show he had the requisite proficiency in Sinhala by passing the prescribed examination".

[Section 29 (sub-section 2) of the Constitution states that Parliament has no right to enact a law which confers on persons of any community or religion any privilege or advantage which is not conferred on persons of other communities and religions.]

The Judge added: "It is hard to resist the correctness of the submission that, under the cloak that it was the legitimate function of Parliament to decide in what language the official business of the Government should be carried on and that in making that decision the language spoken by the largest number of people should be the choice, an Act had been passed which gave advantage to one community which the other did not have, for the purpose of an act must be found in its natural operation and effect."

(*The Hindu*, Madras)

[Prev. ref. 5629:CEY:B]

CHINA

A. Soviet Proposal To Renounce Use Of Force—Mr. Chou En-lai's Criticism: The Premier, Mr. Chou En-lai, has rejected the recent proposal of the Soviet Government (see page 5685) for renouncing the use of force in settling territorial disputes and boundary issues. He described it as a "new fraud."

In a report on his visit to 13 African and Asian countries and Albania, submitted by him to a joint session of the Standing Committee of the National People's Congress and a plenary meeting of the State Council in Peking in the last week of April, he said that boundary questions between Asian and African countries should and could find a fair and reasonable solution through peaceful consultations. This was also the case with boundary questions between socialist countries. (There are boundary differences between China and the Soviet Union).

But, he said, "imperialist aggression" and occupation of other countries' territories was a matter of a completely different nature.

He said that the periodic meetings in Warsaw between American and Chinese Ambassadors had so far yielded no results. (It is well known that the two sides have been assuming irreconcilable postures—the Chinese Ambassador insisting on USA agreeing to the vacation of Taiwan while the US Ambassador insisting on China agreeing to renunciation of the use of force).

Mr. Chou's main objection to the Soviet proposal was that it deliberately confused imperialist aggression and occupation of other countries' territories with territorial disputes and boundary questions left over by history.

On April 26, the Chinese Communist Party, in a statement issued by the New China News Agency accused the Soviet Premier, Mr. Khruschev and his colleagues of lying and of sophistry and compared them with "ostriches with their heads buried in the sand".

It also suggested that the Soviet Prime Minister had once been forced to retract "Trotskyist" views. It spoke of "a person who in the past supported Trotsky's reactionary views and had therefore to make a self-criticism". It did not say when the episode took place but declared: "We are prepared to publish relevant details when necessary".

The statement, in the form of a note by the newspaper's editorial department, prefaced the full text of three Soviet documents criticising the Chinese position in the Moscow-Peking ideological dispute. These documents were the report made by Mr. Mikhail Suslov to the central committee of the Soviet Communist Party on February 14; a resolution criticising China adopted by the central committee on February 15; and a leading article in Pravda, of April 3.

The editorial note said that extracts from the Soviet "anti-China" documents—which filled six pages in the People's Daily—would be published by newspapers throughout China. They would be broadcast throughout the country and to the whole world in various languages.

In an obvious reference to Mr. Khruschev's 1956 denunciation of Stalin, the note spoke of someone who, "singing the same tune as Trotsky, launched a frenzied campaign against Stalin... with the result that Trotskyists in all countries, then at the end of their rope, began to raise their heads."

The statement said that the Soviet documents contained "lies and nothing but lies, sophistry and nothing but sophistry, abuse and nothing but abuse". The Soviet leaders apparently had profound faith in the philosophy of the lie. "Nor is there much new in Khruschev's speeches. Besides his greater vulgarity, his contribution consists of such gestures as pounding the table, stamping his feet, brandishing his fists, and grinding his teeth."

The statement defended Mr. Mao Tse-tung against Soviet attacks on him. It said that "in their vain effort to vilify Comrade Mao Tse-tung and his ideas the leaders of the Communist Party of the Soviet Union are like ants trying to shake a huge tree, ridiculously overrating themselves."

It advised people to study the Soviet documents "in spite of their offensive smell and their lengthiness", to gain a "clearer understanding of the ugly features of revisionism and to heighten our revolutionary consciousness". It said the documents confirmed that the Soviet leaders were the "greatest revisionists" and "the greatest splitters" of our times.

Chinese Exodus To Hong Kong Alleged:

On April 30, the Soviet Press reported for the first time that more than a million Chinese had fled to Hong Kong.

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In a 1,800-word article describing conditions of poverty in the British Colony, **Izvestia** accused the Chinese leadership of tolerating the Colony as "a loophole into the capitalist world."

The Russians first attacked the Chinese publicly for their policy on Hong Kong in 1962 when Mr. Khruschev compared it with Goa, which had been liberated shortly before.

The new attack on the Chinese leadership came as China accused the Soviet Union of organizing subversion on its border with north-west China.

In a despatch from Hong Kong, an **Izvestia** correspondent said Chinese leaders regarded Hong Kong as "a loophole into the capitalist world" through which, according to the Western Press, they received "not less than half of their annual hard currency income".

Describing poverty and prostitution in the Colony, the correspondent declared: "I cannot keep silent about the problem of refugees. There was a mass crossing in 1962 and the whole Hong Kong Press was full of it. It is hard to realise and impossible to reconcile oneself to the fact that these refugees are from the Chinese People's Republic.

"The refugees say they decided to abandon their homeland because economic conditions are becoming worse and worse and the people are living in poverty.

"When you see these exhausted people, who only have occasional earnings in colonial Hong Kong, but at the same time refuse to go back, a thought strikes you.

"Where are the Chinese leaders of their country, the leaders who so favour ultra-revolutionary phrases but neglect the task of improving the life of their own people?"

It was easy to understand why capitalist businessmen had no fears for the *future of their investments in Hong Kong. "They see that for the present no one threatens the existence of the ulcer of colonialism on ancient Chinese land."*

The country was the centre of opium smuggling and "brothels constitute a substantial item in Hong Kong business. There is no shortage of 'clientele'.... and no shortage of 'hostesses,' as they are called here. More than a million refugees have crossed into Hong Kong from China in recent years.

"In order to avoid poverty and get some sort of bread, Chinese girls go on the streets and the 'luckiest' of them get into brothels."

Mediation Efforts By Rumania And North Viet-Nam:

Rumania, in a new effort to bring about a truce between Moscow and Peking on April 26 published documents revealing that it had made an urgent call for a Sino-Soviet "summit" with the Rumanian Party present as mediator.

The Rumanian Party also disclosed that Russia had "agreed in general" to the truce plan and that it was China which failed to heed it and, instead, continued its anti-Soviet campaign.

The Rumanian Party felt it was "the duty of every party to do its utmost to divert the danger of a split," and, therefore, proposed that "the two parties, together with the Rumanian Workers' Party", try to settle the dispute in a three-party conference.

This conference, proposed to Russia and China in March, should serve to "discuss and finalise an appeal to all Communist and workers' parties.... to solve controversial issues in conformity with the norms jointly established at the 1957 and 1960 Moscow conferences concerning relations between Communist Parties."

The Rumanian Party statement ran into over 12,000 words. The publication of the documents was decided by the Party's central committee on April 22 after a week-long plenary session.

The documents offer a rare insight into the power struggle between the two giants for leadership of world Communism and illustrate how the Rumanians are striving to remain neutral in the conflict and, by playing the role of a mediator trying to establish themselves as the "third power" between the two.

While supporting the Soviet idea of peaceful co-existence with the West and —without naming China—refuting Chinese criticism of the limited nuclear test ban Treaty, the Rumanian "policy analysis" made it clear that Bucharest would defend its economic position in the Communist bloc and resist Soviet attempts to curb Rumania's industrial development.

North Viet-Nam proposed also that China and the Soviet Union renew their ruptured 1963 talks as one of two preliminary steps to an international conference to resolve the present crisis.

The Viet-Namese, in a letter sent on April 21 to all 87 Communist Parties throughout the world, insisted, however, that the present Sino-Soviet differences must be solved on the basis of Marxism-Leninism, the usual reference to China's position.

The letter said it recognized that no international conference could be a success unless it was carefully prepared and unless all parties acted "with the greatest lucidity and circumspection".

The resumed Sino-Soviet talks would work out "agreed views" and prepare the questions to be discussed at a preparatory conference of representatives of "a number of fraternal parties." This would be the first step.

The second would be to hold the preparatory conference, which would "make adequate preparations for the documents of the conference of representatives of the Communist and workers' parties."

(*The Times of India*, Bombay, *The Statesman*, Calcutta and *The Hindustan Times*, New Delhi)

[Prev. ref. 5808:CHI:A]

B. French Ambassador Named: France named on April 27 Mr. Lucien Paye, a former Education Minister and Ambassador to Senegal, as her first Ambassador to Peking.

The announcement from the French Foreign Ministry came exactly three months after France and China had announced the establishment of diplomatic relations.

A spokesman of the Peking diplomatic mission in Paris said the Chinese Ambassador would be Mr. Huang Chen, a Deputy Foreign Minister and former Ambassador to Indonesia.

France will shortly submit to China offers to build cargo and passenger ships, a spokesman of the shipbuilders' association in Paris said. The spokesman, Mr. Jean-Pierre Dobler, was a member of a shipbuilders' delegation which recently had preliminary talks in Peking.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5700:CHI:A]

C. Sino-Pakistan Air Service: The Pakistan International Airlines (PIA) inaugurated on April 29 its scheduled service to China amidst pledges of friendship and good neighbourly relations by the leaders of the two countries.

The **People's Daily**, organ of the Chinese Communist Party, in an editorial entitled "An airline of friendship, an airline of peace", hailed the event as "a landmark in the development of Sino-Pakistan relations of friendship and co-operation."

The opening of the new service makes PIA the first air carrier of a non-Communist country ever to land planes on Communist soil on a scheduled basis. It would appear that for some time to come, only the PIA wil be operating on the route and that reciprocal Chinese services will not be started in the immediate future.

China completed in record time the technical facilities required for the PIA inauguration, according to a message from Pakistan's Chief Administrator of Civil Aviation to his Chinese counterpart.

The **People's Daily** was certain that relations of friendship and co-operation between the two countries would "develop ceaselessly."

(*The Hindu*, Madras)

[Prev. ref. 5731:PAK:F]

D. Payments Agreement With Czechoslovakia: China and Czechoslovakia signed on April 24 an exchange and payments Agreement in Peking for 1964.

Under the Agreement, China will export mineral ores, food-stuff, animal products, textiles and other goods in return for steel products, machine tools, lorries, machinery spare parts and other items.

(*The Statesman*, Calcutta)

[Prev. ref. 1385:CHI:A]

E. Cultural Pact With UAR: Representatives of China and UAR signed in Cairo on April 30 a new Cultural Agreement widening the scope of the existing Agreement of 1956. It is valid for two years.

It provides for admission of 10 to 15 Chinese students for Arabic studies in UAR universities at their own expense.

The Agreement also provides for visiting Chinese professors to deliver lectures on Chinese literature for one month at the Faculty of Arts in one of the UAR universities.

Chinese lecturers will be seconded to higher modern languages schools while the Arabic teachers from UAR will be seconded to the Chinese schools and colleges.

China will also be sending a scientific delegation to visit the scientific organizations in UAR.

Besides they wil be exchanging doctors for the study of prevalent diseases in both the countries.

The Chinese delegation led by its Vice-Minister for Culture had been on a tour of UAR for the past three weeks.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 1086:CHI:B]

HONG KONG

A. Agreement With China On Water Supply: Officials of the Kwangtung provincial government and British officials from Hong Kong signed in Canton on April 23 an Agreement for improving Chinese water supplies to the British Colony.

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Under this Agreement, Kwangtung province will provide an increased supply from March, 1965, to help alleviate the Colony's chronic shortage of water.

(*The Times*, London)

[Prev. ref. 5664:HGK:A]

INDIA

SUMMARY: Dhebar Committee's Report On Bhuvaneshwar Resolution; Fourth Finance Commission; Textiles Agreement With USA; Increase In Exports; Tourist Traffic.

A. Implementation Of Bhuvaneshwar Resolution On Democracy And Socialism—Dhebar Committee's Report: In its report on the implementation of the Bhuvaneshwar resolution on democracy and socialism adopted by the Congress, the Dhebar Committee suggested on May 9 that the Chief Minister or the Minister in charge should be held accountable to the Congress Parliamentary Board for failures in the field of agriculture and that the "necessary consequences of failure to discharge the responsibility should follow."

The Committee, headed by Mr. U. N. Dhebar, had been appointed by the Congress President, Mr. K. Kamaraj to suggest ways and means of implementing the Bhuvaneshwar resolution.

Devoting a large part of its attention to agriculture, the Committee emphasized the need for a "very high level political machinery" under the A-ICC to ensure speedy implementation of land reform measures in the States and to clear "the hurdles on the way". It referred to "built-in deficiencies" in some land reform laws.

The Committee's opinion was that the Government should acquire, before the end of the current Plan, "a commanding position" in grains processing and trade to assure proper prices for farmers and consumers. Its other suggestions in this regard included fixation of margins to be charged at different levels and effective implementation of the policy of licensing of wholesalers.

It underlined the responsibility of the Congress organization and the Government in removing certain weaknesses in the process.

In its view the Five-Year Plans represented the correct basic strategy for achieving the objectives of socialism and democracy. If the results in the past had not been up to expectation, the fault was not that of strategy but of implementation.

The Congress and the Government carried a "moral obligation" to ensure that the results of the Plans bear a "reasonable relationship" to people's efforts and that not only the burdens and sacrifices, but the fruits were also equitably distributed. It suggested several modifications in the organizational approach also.

With suitable organizational changes, the public sector industry should expand and the Government should undertake in full or in a very large measure the responsibility for the establishment and efficient operation of all the important intermediate and capital goods industries and be ready to enter a field where the private sector fails to implement projects assigned to it.

In particular, the Committee said, additional capacities in industries of mass consumption like cloth should be created in the co-operative or State sector on a decentralized basis and there should be a powerful check on "multiplicity and sophistication of varieties" in these articles.

Recognizing that there should be effective control over the pace and manner of expansion of the private sector, the Committee recommended changes in the system of licensing of industries to avoid delay in the execution of projects and industries being controlled by large business houses.

"For a real curtailment of economic power in private hands, it will be necessary for the Government to intervene more extensively than at present in both financial and distributive activities."

Without going directly into the question of nationalization of banks, the Committee made a series of recommendations to strengthen further the Reserve Bank's control over bank operations. It suggested that the Reserve Bank should have the authority (and "be always prepared to exercise it") to direct commercial banks found to indulge in "undesirable practices" to reconstitute their boards of directors or amalgamate them with public sector banks or other approved scheduled banks or run them under the Reserve Bank's overall guidance.

The Committee briefly referred to the disparities of income to say that to remove them "more purposive fiscal measures should be adopted". About unaccounted money, its only comment was "no step (to deal with the existing evil) can be considered too drastic."

(*The Statesman*, New Delhi)

[Prev. ref. 5643:INI:A]

B. Fourth Finance Commission: The Fourth Finance Commission, headed by Dr. P. V. Rajamannar, retired Chief Justice of the Madras High Court, has been asked to report on five additional subjects, apart from the two items required under the Constitution.

The personnel and terms of reference of the Commission, set up under Article 280 of the Constitution, were announced by the Central Finance Minister, Mr. T. T. Krishnamachari, in the Lok Sabha on May 5.

The other members of the Commission are Mr. Mohan Lal Gautam, former Minister of Uttar Pradesh; Mr. D. G. Karve, retired Deputy Governor of the Reserve Bank; Prof. Bhabatosh Datta, Director of Public Instruction, West Bengal; and Mr. P. C. Mathew, Special Secretary in the Ministry of Finance. Mr. Mathew will also be the Secretary of the Commission.

The Commission has been asked to make recommendations to the President of India in regard to (a) distribution of the net proceeds of taxes between the Centre and the States and (b) the principles which should govern Central grants-in-aid to the States.

The President has also directed the Commission to make recommendations on the following further matters:

(1) The assistance that may be granted by way of grants-in-aid under Article 275 to such States as are in need of assistance.

In recommending this assistance, the Commission will be expected to take into account the revenue resources of the States during the Fourth Plan period other than those to be raised by way of additional taxation, the expenditure on the maintenance and upkeep of Plan schemes completed during the Third Plan, the moneys required for servicing of the debt, including the debt to be incurred in the Fourth Plan, setting apart of the proceeds of estate duty on property other than agricultural land over specified limits for repayment of the States' debt to the Centre and the scope of economy consistent with efficiency to be effected by the States;

(2) Changes, if any, to be made in the principles governing distribution among the States, under Article 269, of the net proceeds in any financial year of estate duty in respect of property other than agricultural land;

(3) Changes, if any, to be made in the principles governing distribution of grants to be made available to the States in lieu of taxes on railway fares;

(4) Changes, if any, to be made in the principles governing distribution of the net proceeds of additional excise duties levied in replacement of States' sales-tax on cotton textiles, sugar and tobacco; and

(5) The effect of the combined incidence of States' sales-tax and Central excise duties on production, consumption or export of commodities or products, duties on which are shareable with the States, and adjustments, if any, to be made in the States' share of Central excise duties as a result of the increase in States' sales-tax on such commodities or products over a limit to be specified by the Commission.

The scheme of devolution to be recommended by the Commission will cover the five years from 1966-67 to 1970-71, which correspond with the period of the Fourth Plan. It is expected to make its report well in time for the preparation of the Budget for 1966-67.

(*The Financial Express*, Bombay)

[Prev. ref. 4506:INI:I]

C. Soviet Equipment For Six Hydraulic Stations: The Soviet Union is supplying equipment for six hydraulic power stations in India this year.

According to a representative of the Machinoexport recently, Soviet specialists have reached agreement with the authorities in Orissa on the terms of contract for one more power station. Deliveries for the plant will begin in the second half of 1965 and completed by 1967. The station will be commissioned in 1967 or 1968.

Machinoexport will also supply the entire equipment for a 100,000 kw thermal power station at Harduaganj in UP. Though the contract has not been signed, the proposal has been accepted in principle.

Soviet engineers will take steps to meet the problems of setting up the plant at Harduaganj as it has "high seismicity and loose ground". The power station will be built on piles. The boiler will be designed to withstand "nine-point earthquakes". The highest resistance of boilers in Soviet power stations is eight points.

About the 400,000 kw Patratu power station in Bihar, Machinoexport says that while work on it is in progress, the Government of India has decided to double its capacity. It had asked the Soviet organization to supply more equipment for the thermal power station. "Preliminary talks on this question have already been held and agreement on principle reached."

Mr. Boris Resinchenko, a representative of Machinoexport, told Tass on his return from India that Indian specialists had praised the quality of Soviet equipment for these power stations. Over 120 Soviet enterprises were taking part in supplying equipment to India's power stations being built with Soviet help.

(*The Statesman*, New Delhi)

[Prev. ref. 5789:INI:E]

D. Textiles Agreement With USA: India and the United States announced in Washington on May 8 the conclusion of a bilateral Agreement concerning trade in cotton textiles between the two countries for a 2½-year period, beginning April, 1964.

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The Agreement was negotiated under Article 4 of the long-term arrangements regarding international cotton textiles, concluded in Geneva in February, 1962.

The Agreement between the two countries is designed to promote orderly development and growth of cotton textile exports from India to USA. It is the result of the bilateral talks held between the two countries in February this year.

It provides specifically for export ceilings on carded sheetings, printed cloth, carded twills and satins, fabrics, and towels.

India's cotton textile export to USA in five principal fabrics is limited during the first six months to the agreed level of 18.5 million square yards.

The annual agreeable level for these categories which is 37 million square yards, will be increased by a growth factor of 2½ per cent for the next 12-month period, and on a cumulative basis by a growth factor of five per cent for the final 12-month period.

All specific category ceilings are also subjected to the same increases that are applied to the aggregate ceilings.

Under the Agreement, the US Government has agreed not to request restraint under Article 3 of the long-term arrangements in respect of the categories which are subjected to specific limits during the term of the bilateral Agreement.

The two Governments agreed to exchange statistical data required for effective implementation of the Agreement.

The Indian Government agreed to use its best efforts to space evenly the annual exports of six categories covered by the Agreement.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 4945:INI:B]

E. **Light Water Nuclear Power Station At Tarapur—Agreement With General Electric:** International General Electric Company and its Indian subsidiary signed a contract in Washington on May 8 with the Indian Government to build one of the world's largest light water moderated nuclear power stations at Tarapur.

The Agreement covers a complete 380,000 kw. (net electrical) boiling water reactor power station consisting of two 190,000 kw. units and includes the supply of all associated equipment, related services and the initial fuel load.

The atomic power station, to be located about 60 miles north of Bombay, will be India's first US-designed nuclear power station. It will feed electric power to consumers in Maharashtra and Gujerat.

The Agreement is the largest commercial contract ever undertaken in the company's history. It represents a total of $95 million in US dollars and Indian rupees for equipment and technical services to be supplied by the company and its Indian subsidiary.

Site preparation and other expenses of the Indian Department of Atomic Energy, not a part of the General Electric station and fuel contracts, bring the total project cost to $114 million. The Agency for International Development (AID) is financial $80 million of the project cost under a long-term loan to India.

(*The New York Times*)

[Prev. ref. 5318:INI:I]

F. **New Syrian Envoy:** Mr. Umar Abou Rishe has been appointed Syrian Ambassador to India.

He was earlier in India from 1954 to 1959 as Ambassador of Syria and later as Ambassador of UAR.

(*The Times of India*, Bombay)

[Prev. ref. 5527:INI:I]

G. **New Kuwaiti Envoy:** According to an official announcement in New Delhi on May 5, Mr. Yacoub Abd Al Aziz Al Roshaid has been nominated as the first Ambassador of Kuwait to India.

Mr. Roshaid was the Chief of Protocol in the Ministry of Foreign Affairs of Kuwait.

(*The Times of India*, New Delhi)

[Prev. ref. 5235:INI:O]

H. **India Not To Ratify ILO Convention:** India will not ratify a convention on basic aims and standards of social policy adopted by the International Labour Conference in 1962 although the law and practice in India "generally satisfy the various provisions of the convention."

Giving reasons for this, a Government statement laid on the table of the Lok Sabha on May 6 said that the convention was not being ratified at present because "it may not be practicable to give immediate effect to all its provisions."

The Government of India found it particularly difficult to legally prescribe a minimum age for employment and to bar employment of children in any occupation during the school hours as required by the convention.

It also did not consider it practicable to grant migrant workers from other countries special benefits, in addition to their normal wages to meet the needs of their families left behind.

India will ratify another ILO convention—on equality of treatment in the extension of social security benefits to nationals and non-nationals alike—but will accept obligations only for provision of medical care, sickness benefit and maternity benefit to non-nationals working in India.

The Government statement said that it was not possible to accept obligations under the convention for the provision of old-age, employment injury, survivors and invalidity benefits to non-nationals because of foreign exchange difficulties.

The statement said no racial or other discrimination was practised in India in giving vocational training to workers except that some additional concessions were given to Scheduled Castes and Tribes.

There was a net-work of training facilities available throughout the country and in many cases training was given free. Facilities extended to teaching staff of training institutions compared favourably with those in other institutions.

(*The Times of India*, New Delhi)

[Prev. ref. 4725:JAP:C]

I. **Diplomatic Appointments:** Nawab Ali Yavar Jung, India's Ambassador to France, has been appointed Permanent Representative in UN.

The present incumbent, Mr. B. N. Chakravarty, who was hospitalized after a heart attack, is retiring from service.

Mr. B. K. Acharya, Ambassador to Morocco, has been appointed High Commissioner in Canada.

The Ottawa assignment had been lying vacant since the return of Mr. C. S. Jha to New Delhi a few months earlier.

(*The Times of India*, New Delhi)

[Prev. ref. 5631:INI:F]

J. **Indian Ocean Weather Study—American Scientist's Report:** An American scientist, Dr. Colon S. Ramage, reporting in Washington on May 5 the first major meteorological results on the International Indian Ocean Expedition, said that the Monsoon system influenced weather conditions far beyond the borders of India and Pakistan.

Dr. Ramage had spent 20 months in the Indian Ocean area gathering meteorological data from three specially-fitted weather aircraft.

The powerful Summer system, spawned over the Indian Ocean, he said, was so complex that accurate long-range weather forecasts were apparently not now possible for the subcontinent.

He stressed that the findings were pieced together from information gathered by scientists of the 20 nations working together in a "high degree of co-operation". "Included were cloud cover pictures from the American Tiros VIII satellite, meteorological stations rimming the Indian Ocean area and the collection of data by the International Meteorological Centre in Bombay."

He added: "The Summer winds, picking up enormous amounts of moisture and heat over the Indian Ocean, bring torrential rains to the southern land masses of Asia and have a profound effect on the area's agriculture.

"The Monsoon system acts to inject vast amounts of energy into the atmosphere above India and Pakistan, affecting temperature and air circulation throughout that area and probably around the entire globe."

(*The Statesman*, Calcutta)

K. **Increase In Exports:** Exports during 1963-64 totalled Rs. 795 crores—highest on record—showing an increase of over Rs. 81 crores over the previous year.

This was stated in a review of the Ministry of International Trade.

The most encouraging feature was that more commodities were sent to more destinations. The higher value of the exports was accounted for by the increase in the volume of goods exported rather than any fortuitous gain in prices.

The items showing increases were sugar, jute manufactures and new manufactures such as engineering goods, chemicals, art silk fabrics and plastic goods.

Exports, were, however, lower by nearly Rs. 4 crores in respect of tea and about Rs. 1 crore each for essential oils, bones, hides and skins, mica, coal and coke.

The declining trend in cotton fabrics export had been arrested.

Exports to the ECAFE region increased by Rs. 42 crores. Exports to ECM countries rose only marginally.

There was an increase of Rs. 12 crores in the exports to Eastern Europe.

To give a fillip to the export of Indian films, a Corporation called the Indian Motion Pictures Export Corporation has been set up. The Corporation proposes to enlist the support of 10 to 15 top class producers of films with whom it is proposed to conclude agreements for the acquisition of rights for exploitation of their productions in specified overseas territories. It

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also proposes to appoint its own agents in foreign countries.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5666:INI:J]

L. Increase In Dearness Allowance To Central Government Employees: The Central Government's decision to give dearness allowance to its employees earning basic salaries between Rs. 400 and Rs. 500 was announced in the Rajya Sabha on May 7.

Higher rates of dearness allowance for those drawing salaries less than Rs. 400 were also announced, the increase varying from Rs. 3.50 on salaries up to Rs. 109 a month to Rs. 20 on Rs. 400.

Nearly 2.3 million employees are expected to benefit by the increase, which is expected to cost the exchequer nearly Rs. 14 crores annually.

The new rates were announced in terms of the recommendations of the Second Pay Commission, the average of the Working Class Consumer Price Index for 12 months having reached 135 in January, 1964.

The new rates of dearness allowance are as follows:

Rs. 20.50 for pay up to Rs. 109; Rs. 25.50 for pay in the slab Rs. 110 to Rs. 149; Rs. 42 for the slab Rs. 150 to Rs. 209; Rs. 50 for the slab Rs. 210 to Rs. 299; Rs. 35 for the slab Rs. 316 to Rs. 384; and Rs. 20 for the slab Rs. 400 to Rs. 580 (with marginal adjustments for pay slabs Rs. 300 to Rs. 315, Rs. 385 to Rs. 399 and Rs. 581 to Rs. 600).

The new rates will take retrospective effect from February 1.

Another major concession announced on May 7 was the further liberalization of the educational allowance scheme for Central employees.

For Central Government employees drawing salaries up to Rs. 600 a month it was decided that "the tuition fees payable and actually paid in middle and higher secondary schools should be reimbursed at rates not exceeding those approved by the State Government of the area for Government and aided schools".

The new concession, which in effect makes education of children of Central Government employees earning up to Rs. 600 a month free up to the higher secondary stage, is expected to cost Rs. 4.3 crores a year.

(*The Statesman*, New Delhi)

[Prev. ref. 5680:INI:J]

M. Anti-Corruption Drive: A non-official drive to root out corruption was launched in New Delhi on May 5 by the Central Home Minister, Mr. G. L. Nanda.

The Sanyukta Sadachar Samiti, which has assigned to itself the task of receiving and screening public grievances of delays and denial of justice before passing on suitable cases to the authorities for necessary action, will also take suitable measures for improving the social climate by laying emphasis on ethical standards and spiritual aims.

Mr. Nanda said the Samiti had been brought into being as an answer to a challenge. There was extreme annoyance and resentment among the people that through corrupt practices large sections of businessmen created for themselves numerous opportunities for profiteering and that their incomes thus swelled at the expense of the common man. The people had also come to look upon certain classes of officials as symbols of Governmental authority which was often being exercised to fleece and harass them. Quite a few of those who wielded political power and functioned in high places came in for adverse criticism. Prevalence of corruption was being accepted as an obvious reality.

Everywhere there were lamentations that failure to maintain standards of integrity was affecting the vitality of the nation. The worst feature of the situation, however, was that people were developing a sense of despair and despondency.

Very often the picture of corruption was overdrawn. In fact corruption was not more prevalent in India than in other countries. "There are many Government servants whose career is free from any taint of corruption. It is not true that every businessman has recourse to dishonest ways. And it is demoralising for the nation, that because of the lapses of a few, sweeping statements should be made about persons in political life generally."

Still the fact remained that a climate of lack of confidence existed. People had come to believe that corruption had made inroads into many walks of life. The report of the committee on prevention of corruption headed by Mr. K. Santhanam had disclosed a disturbing situation (see page 5790).

"It is a disquieting picture which spells out the enormous waste of public funds and gives us a measure of the nation's loss in terms of public welfare and economic advance. Of much greater consequence, however, is the loss of faith in our institutions and the growing discontent which these conditions are giving rise to. If the confidence of the people in a social system is undermined, their enthusiasm will dry up and any call for hard work and sacrifice will not be heeded. Their full co-operation in the nation's programmes will not be forthcoming. This is what we are facing now."

The Samiti was intended to be a purely non-official and non-political body. It had been registered under the Societies Registration Act XXI of 1860 (Punjab Amendment) Act 1957 as extended to the Union Territory of Delhi and its central office has started functioning at Central Secretariat, New Delhi. It will have branches in the States and the Union Territories.

Members of the Samiti would be confined to those who under proper guidance took the following pledge: "I hereby take the pledge that I will not give or take a bribe and I will not be a party to the giving or taking of bribe in any form. I will render all assistance in the eradication of corruption."

The aims of the Sanyukta Sadachar Samiti had been set out in the following terms:

(1) To create a social and moral climate which will foster moral values and ethical living and discourage anti-social attitudes and corrupt practices.

(2) To develop the will and capacity of the people to fight and eradicate corruption in all forms.

(3) To mobilize the strength and resources of social and religious organizations in the country for this purpose.

(4) To launch an intensive and widespread campaign in the country for moral awakening and social enlightenment.

(5) To apply moral and social sanctions for counteracting corrupt tendencies and dishonest dealings.

(6) To assist in redressing people's grievances relating to corruption and set up a suitable machinery for this purpose.

(7) To make arrangements for study and research on the problems connected with corruption.

(8) To publish suitable literature and carry on propaganda for eliminating corruption; and

(9) To enlist and train a large force of active workers.

(*The Times of India*, New Delhi)

[Prev. ref. 5595:INI:J, 5790:INI:G]

N. Industrial Development Bank Set Up: The Lok Sabha adopted on April 30 a Bill to establish a bank for providing credit and other facilities for the development of industry in the public and private sectors.

The Central Finance Minister, Mr. T. T. Krishnamachari, who piloted the measure, explained that arrangements for financing industrial enterprises were quite inadequate in relation to the prospective growth of the economy or the demand for capital for new enterprises or for the modernization or expansion of existing undertakings.

The specialized agencies like the Industrial Finance Corporation, ICICI, the Refinance Corporation for Industry and the National Industrial Development Corporation had disbursed less than Rs. 200 crores which was by no means sufficient for realising the targets of industrial production or growth in the current and succeeding Plans.

Illustrating the gap between the demand for and supply of industrial credit, he said the investment on industrial and mineral development in the Third Plan was expected to be about Rs. 1,800 crores in the public sector and Rs. 1,335 crores in the private sector, including about Rs. 150 crores for modernization of plant, particularly in the jute and cotton textile industries.

In view of the increased costs and prices, these estimates had already turned out to be incorrect. The outlay in the public sector would now have to be about Rs. 500 crores more if the physical targets were to be achieved. There might be a proportionate or even greater increase in the capital outlays in the private sector.

Apart from the fact that the estimates indicated the existence of a real gap, it was common knowledge now that in certain vital and strategic sectors, industrial development had been stagnant and unsatisfactory.

The existing institutions were clearly not well equipped and perhaps not intended to carry the additional burden of financing industrial expansion or growth in these or in several other directions.

The industrial development bank was envisaged as a central co-ordinating agency, which ultimately would be concerned, directly or indirectly, with all problems or questions relating to the long and medium-term financing of industry and would be in a position, if necessary, to adopt and enforce a system of priorities in promoting future industrial growth.

The new institution would have an authorised capital of Rs. 50 crores, which might, if necessary, be increased to Rs. 100 crores. It would have much greater freedom in regard to its policies or day-to-day operations than the existing industrial financial agencies. It would be in a position to supplement the capital or other resources of the existing agencies, to refinance their loans, to grant direct loans to specified projects and to finance the export of capital goods by the new engineering or other industries.

The industrial development bank, apart from discharging any or all these functions, as circumstances might require, would be in a position to undertake special investigations for proving the commercial feasibility of any important proposals. It would be able to help in pro-

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viding technical assistance to various authorities or undertakings interested in industrial development.

It was proposed to establish, by amending the Reserve Bank of India Act suitably for this purpose, an industrial credit (long-term operations) fund. This new fund, like the national agricultural credit (long-term operations) fund, which the House authorised and accepted in 1955, would be created on the books of the Reserve Bank of India and fed by allocations from out of the annual profits of the Reserve Bank. The fund was intended to be used for supplementing the resources which the industrial development bank might be able to raise in the normal course, for financing the activities of the established agencies which were concerned with the provision of industrial credit, and, to the extent necessary, for financing the development bank's own programmes.

In addition, a development assistance fund was also proposed to be created. This fund would be credited from time to time with amounts which might be allocated for this purpose by the Central Government. But it would be placed at the disposal of the industrial development bank, and would be used by that bank for financing certain essential industries, which, on purely commercial considerations or in the light of the standards or criteria which were normally adopted by credit institutions, might not be able to obtain any financial assistance. "We are hoping, through the creation of the development assistance fund, to bring into existence over a period of years a number of enterprises which may be of vital or strategic importance to the country, but which an ordinary banker or a commercial institution, interested only in increasing or maximising profits, may not be willing, or may not be able, to finance."

(*The Financial Express*, Bombay)

[Prev. ref. 3937:INI:J]

O. IAC And Air-India Budgets For 1964-65: According to their Budget estimates, Indian Airlines Corporation (IAC) expects to make a profit of Rs. 65,10,000 in 1964-65 and Air-India Rs. 3.75 crores.

The Budget estimates of the two Corporations were placed on the table of the Rajya Sabha on May 7.

According to the revised estimates for 1963-64, IAC will make a profit of Rs. 33,50,000 against the originally estimated loss of Rs. 74,46,000.

Air-India's profit for 1963-64 is now estimated at Rs. 3.45 crores against the earlier Budget estimate of Rs. 2.78 crores.

During 1964-65 both Corporations expect to increase their traffic revenue by about Rs. 3 crores each.

During question hour the Deputy Minister for Transport, Mr. Ahmed Mohiuddin, disagreed with Mr. A. M. Tariq that Boeing aircraft gave IAC more profit than Caravelles.

He said both were showing profits and there could be no comparison between the two as they operated different services on different routes. Their capacity also differed.

He said that Caravelle operation showed a profit of Rs. 13,16,000 in February and Rs. 15,30,000 in March against Rs. 7,16,000 and Rs. 6,75,000 for Boeing operation during the same period.

The Minister of Transport, Mr. Raj Bahadur, said that the estimated operation cost per hour was Rs. 5,438.31 for a Caravelle and Rs. 10,616.98 for a Boeing.

Mr. Mohiuddin said that a total of 43 civil aircraft and eight gliders were involved in major accidents in 1961-63. Nine aircraft were destroyed in the accidents.

He said that 45 members of the crew and 42 passengers were killed in the accidents. The total loss to IAC was Rs. 7,58,000.

Investigation reports of air accidents in India and abroad were studied and the recommendations of the investigating officers examined and implemented as far as practicable.

(*The Statesman*, New Delhi)

[Prev. ref. 5249:INI:L]

P. Bhakra Right Bank Hydro-power Station To Be Expanded: The Bhakra right bank hydro-power station, which is being erected with Russian economic and technical assistance, is being further expanded by one unit of 120 mw.

A contract was signed in New Delhi on April 29 between the Punjab State Electricity Board and Technopromexport, a Russian organization, for the supply of the fifth unit of 120 mw capacity for this power station.

It will be financed out of the rouble credit given by Russia to India under the Agreement of February, 1961.

The contract also provides for Russian technical assistance in erecting the new unit and putting it into operation.

The installation of this unit will raise the installed capacity of the power station to 600 mw and will make it one of the biggest hydro-power stations in the country.

(*The Statesman*, New Delhi)

[Prev. ref. 5341:INI:F]

Q. General Insurance Business During 1962: The net premium income in India in all classes of general insurance business of Indian insurers increased to Rs. 26.54 crores in 1962 from Rs. 23.50 crores in 1961.

These figures were given in the Indian Insurance Year Book, 1963 recently published by the Controller of Insurance, Government of India.

In 1962, Rs. 8.51 crores were earned from fire insurance, Rs. 4.52 crores from marine insurance and Rs. 13.51 crores from miscellaneous insurance business. In the case of non-Indian insurers, the net premium income in India in all classes of general insurance business increased to Rs. 9.06 crores in 1962 from Rs. 8.44 crores in 1961. The non-Indian insurers earned in 1962, Rs. 3.74 crores from fire insurance, Rs. 2.15 crores from marine insurance and Rs. 3.17 crores from miscellaneous insurance business.

The net premium income outside India of Indian insurers, which was also higher in 1962 than in 1961, amounted to Rs. 17.47 crores in 1962 of which Rs. 8.14 crores related to fire, Rs. 3.11 crores to marine and Rs. 6.22 crores to miscellaneous insurance business.

The index number of general insurance business in India (base year 1956) recorded a rise of 11.2 in 1962 as against a rise of 15.3 in 1961.

The Year Book showed that on December 31, 1963, there were 142 insurers registered under the Insurance Act, 1938, for transacting one or more classes of general insurance business. Of these, 76 were Indian and 66 non-Indian.

Forty-five of the Indian and 40 of the non-Indian insurers were registered for all the three classes of general insurance business; nine Indian and 10 non-Indian insurers were registered for two of the three classes and the remaining, that is, 22 Indian and 16 non-Indian insurers were registered for only one class.

This excluded the Life Insurance Corporation of India which was registered for life, fire, marine and miscellaneous insurance business.

Of the Indian insurers, 23 having their registered office in Maharashtra State accounted for about 73 per cent of the total net premium income. About 70 per cent of the net premium income in India of non-Indian insurers went to 54 insurers constituted in Britain.

The net premium income in India of the five Indian non-tariff insurers transacting miscellaneous insurance business was 3.8 per cent of the net premium income in India of all Indian (tariff and non-tariff) insurers. The proportion for the one non-Indian non-tariff insurer was 0.1 per cent in fire insurance and 5.5 per cent in miscellaneous insurance business of all non-Indian insurers.

(*The Financial Express*, Bombay)

[Prev. ref. 5583:INI:M]

R. Cotton Production: According to the Indian Central Cotton Committee's annual report for 1963, India ranks fourth among the nations of the world in cotton production, although it has the largest acreage under cotton.

The United States, USSR and China produce more cotton than India with less acreage under the crop, according to the report, which was laid on the table of the Lok Sabha on May 5.

The reason for lower production in India was the lower yield per acre in the country.

In 1962-63, the area under cotton in India was 19,074.00 acres and the total production was 53,12,000 bales. The yield was 115 lbs. per acre in India, compared to 249 in China, 457 in USA, 543 in USSR, 555 in Mexico and 586 in Egypt.

The yield per acre in India increased by 22 per cent during the Second Five-Year Plan period. Attempts were being made to further improve yields through intensive cultivation measures.

After conserving supplies to meet internal demand, 330,000 bales of cotton were allowed to be exported during the year. Japan remained the largest single buyer of Indian cotton.

India, however, imported during the year long staple cotton totalling 861,000 bales—mainly from USA and Africa.

(*The Financial Express*, Bombay)

[Prev. ref. 5451:INI:E]

S. Kathara Coal Washery Opened: The Bihar Chief Minister, Mr. K. B. Sahay, on May 9 laid the foundation stone of the Kathara coal washery of the National Coal Development Corporation (NCDC) at Kathara, near Hazaribagh. It is the biggest coal washery in India.

Mr. P. C. Sethi, Central Deputy Minister for Steel, Mines and Heavy Engineering, presided. Mr. Siloulanev, Economic Counsellor to the Embassy of USSR, also attended the ceremony.

The washery is being set up with Soviet collaboration at a cost of Rs. 8.05 crores. It will have a capacity of three million tonnes of coal annually and is expected to be commissioned by the end of the Third Five-Year Plan.

The project will be financed out of the 112.5 million roubles Soviet credit under an Agreement signed in February, 1961.

The annual output of the washery will be about 1.5 million tonnes of clean coal, which will be used in Bokaro, Bhilai and Rourkela Steel Plants. It will also produce about 1.5 million tonnes of middlings

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per year with an ash and moisture content of about 50 per cent to be used by Patratu and Chandrapura power stations.

The washery is the second of three new washeries to be opened by NCDC during the Third Plan. The first is being set up with Polish collaboration. The second is at Kathara and the third is being set up at Sawang, Hazaribagh district. NCDC has at present only one washery in production at Kargali in this area, which is undergoing expansion.

(*National Herald*, Lucknow)

[Prev. ref. 5462:INI:L]

T. **United Socialist Party In UP Legislature Dissolved:** The United Socialist Party in the UP Legislature on May 7 went out of existence with the Speaker's announcement in the Assembly that its three members, Mr. Shibban Lal Saksena, Mr. Narsingh Narain Pande and Mr. Duryodhan Prasad, had joined the Congress.

The induction of Mr. Pande into the Congress—he was the author of the charge of a Minister and some Socialists being involved in a ganja smuggling racket in Gorakhpur district—led to protests by Socialist members later in the day.

Mr. Ugra Sen, Mr. Radhey Shyam and Mr. K. N. Misra raised the question how the Minister and Mr. Pande could sit together on the same benches while the House was discussing other matters. They said the Congress should keep either Mr. Pande or the Minister, but not both together. In any case, the House should be told what had happened to the ganja racket inquiry.

The Deputy Speaker closed the matter by saying that the Chief Minister, who was concerned with the inquiry, was not present in the House.

(*National Herald*, Lucknow)

[Prev. ref. 4984:INI:F]

U. **Tourist Traffic During 1963:** Tourist traffic to India registered an all-round increase during 1963.

With the exception of Latin America, Africa and Asia all parts of the world sent a large number of tourists to India.

Americans came in larger numbers than before and constituted the single largest group in the tourist traffic, accounting for 27.6 per cent of the total arrivals against 24.7 per cent in the previous year.

Canada too registered a big increase and together the two North American countries accounted for 29.2 per cent of the tourist traffic in 1963.

Western Europe contributed a little over this figure, namely, 29.9 per cent. The total of 42,121 for this region in 1963 represents an 11.6 per cent increase over the previous year's figure. Fifty-five per cent of the West European tourists came from Britain.

Europe generally improved its performance, the following being the percentage increases: France 31, West Germany 49, Italy 12.6, Austria 35, Belgium 10.2, Denmark 11.5, Netherlands 12.9, and Switzerland 16.6.

Eastern Europe too did better than in 1962, the total for the region being 6.6 per cent higher.

Though the number of tourists from Africa and West and East Asia has generally been declining, Japan, Korea and Hong Kong have sent larger numbers, as also Australia, New Zealand and Fiji.

(*The Times of India*, New Delhi)

[Prev. ref. 4854:INI:H]

INDONESIA

A. **Dr. R. Subandrio On Inflation Effects:** The Foreign Minister, Dr. R. Subandrio, told Parliament on April 27 that the country was suffering from extraordinary inflation following the West Irian dispute with Holland.

He said that money in circulation at the end of March totalled 288,000 million rupiahs (about £2,290 million at official exchange rate) compared with 136,000 million rupiahs (about £1,080 million) in December, 1963.

He also said that gold and foreign reserves had dropped, foreign debts were rising, exports had fallen, and the country faced production, export and transportation difficulties.

He said the reason for inflation was that $400 million in anticipated foreign aid to bolster Indonesia's economy had not arrived.

Despite these ills, he maintained that Indonesia's confrontation with Malaysia was a blessing in disguise because it enabled her to be rid of Singapore's economic domination.

(*The Statesman*, Calcutta)

[Prev. ref. 5272:IND:C]

JAPAN

A. **Move For Ratification Of ILO Convention:** The House of Representatives approved on April 23 establishment of a special inter-party committee intended to accelerate ratification by the Diet of the ILO Convention.

Four related labour laws need revision to satisfy the requirements of the Convention's guarantee to labour of freedom of association.

The issue is highly contentious between the ruling Liberal Democrats, some of whom oppose such freedom, and the Left and the unions.

One factor which it is assumed may speed things up is the expected loss of face if an ILO mission arrives to find the Convention still unratified. Many newspapers fear that the world will consider it as "exposing the immature state" of labour-management relations and likely to harm Japan's foreign trade.

Japan has agreed to receive an ILO fact-finding mission next Autumn.

(*The Times*, London)

[Prev. ref. 4725:JAP:C]

B. **Boom In Shipbuilding Industry:** Japan is breaking all records in shipbuilding output with a total of 2,201,000 tons of merchant shipping under construction, according to *Lloyd's Register of Shipping*.

This is nearly 60,000 tons more than her previous record in September, 1963 and compares with a current British total of 1,606,000 tons.

More telling than the amount of shipping on the stocks, though, is the industry's throughput as measured by new ships started and launched. In the first three months of the year Japan laid down the remarkable total of 202 new ships of 1,194,000 tons. The equivalent British total —itself above the recent average—was 58 ships of 379,000 tons. Tonnage launched in Japan was 840,000 tons: in Britain 186,000 tons. West Germany started 320,000 tons and launched 188,000 tons. Sweden started 238,000 tons and launched 200,000.

Meanwhile, the Government is paying considerable attention to the shipping industry because of the delicate balance of international payments position. Shipping accounts, in particular, have been showing increasing deficits every year.

The Prime Minister, Mr. Hayato Ikeda, himself, is taking considerable interest in this problem and, under his directions, the Government has now raised the shipbuilding goal for fiscal 1964 from the previous 640,000 gross tons to one million gross tons.

Simultaneously, shipping leaders have been asked to expand their fleets and the Government has promised them help in this to the maximum extent possible. Mr. Ikeda is keen that shipbuilding circles should co-operate in expanding Japan's own shipping fleet in addition to constructing ships for exports.

Shipbuilding yards are at present witnessing an unprecedented export boom and have sufficient orders from abroad to keep them busy for three years.

Ninety-seven shipping lines, which carry freight to and fro from foreign countries, were re-organized recently into six groups under the Law for Reconstruction and Adjustment of Shipping. This law lays down that in future only shipping lines operating vessels totalling one million gross tons or more may receive long-term, low-interest loans from the Japan Development Bank, in which the Government is investing.

Japanese shipping enterprises lost virtually all their ocean-going vessels in the last War and received no State compensation for their losses. However, they managed to build new vessels and continue operations with loans from the Japan Development Bank. This has resulted in serious financial difficulties for these lines The companies are hard pressed to repay accumulated interest on loans from the Government and commercial banks.

Japan's fleet totalled 5.6 million gross tons in 1939. In 1962, it had risen to 8.87 million tons.

In the past, the Government had on several occasions taken measures to defer payment of interest on loans. Despite this assistance, the Japanese shipping industry is experiencing depressed business conditions, even 18 years after the end of the War, while other industries have grown at an amazing speed. Interestingly, the volume of international trade has expanded rapidly during these years.

Before the last War, Japan's merchant fleet not only brought in foreign currency, but also helped to a considerable extent in keeping the nation's balance of international payments in the black. The position is now reversed and shipping revenues and expenditures are responsible in no small measure for the deterioration of the balance of international payments position.

Despite the fact that the total trade volume is expanding yearly and keeping pace with the nation's fast rate of economic growth, deficits are accumulating in shipping accounts. This is because the expansion rate of ocean-going ships cannot match the growth of trade.

Imports too are constantly going up because of Japan's growing dependence on foreign raw materials. As a result, payments exceeded receipts by $212 million in freightage and $216 million in port charges in fiscal 1963 resulting in a deficit of $428 million.

It is estimated that these deficits will increase by about $100 million a year so long as the expansion of Japan's fleet maintains the current rate of increase, namely, 800,000 gross tons a year. It is feared that at this rate the nation's shipping account will show a deficit of $650 million in fiscal 1967.

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According to a report by the Ministry of Transportation, in order that Japan should eliminate the deficits by 1967, a total of 10.8 million gross tons of ship bottoms must be built during the next four years or at the rate of 2.7 million tons a year.

Such a programme, however, is virtually impossible and so the Transportation Ministry wants to set aside the question of rectifying the imbalance in harbour service receipts and payments for a while, and, instead, concentrate on wiping out the deficits from the international freightage account by fiscal 1967.

Specifically, the Ministry estimates that 5.36 million gross tons of shipping bottoms will have to be built by the middle of 1967 if the freightage account is to be balanced as a whole. Further, the Ministry estimates that a total of 323,500 million yen will have to be invested in the Plan in order to achieve this objective.

In 1962, Japanese freighters shipped 52.4 per cent and 45.6 per cent respectively of the nation's total annual exports and imports. The Ministry expects that the four-year plan for building the Japanese fleet, when completed in 1967, should bring these two percentages to 61 and 72 respectively.

Many believe that this is aiming very high, but there is also the feeling that the objective is not completely beyond the possibility of achievement.

(*The Times*, London and *The Financial Express*, Bombay)

[Prev. ref. 5657:JAP:B]

C. **Chinese Offer To Sell Rice:** China, disregarding her own famine conditions, has made a firm offer of *1,00,000 tons of rice to Japan at the rate of £48 per ton which Japanese traders consider cheaper than California rice.*

Chinese-designated "friendly firms" in Japan have welcomed the offer.

Tokyo sources thought that the Chinese move was political and was designed to prevent Japanese efforts to improve relations with Formosa.

The Chinese offer followed reports of Formosan willingness to resume rice supply to Japan.

Japanese Government sources said that any consideration of the Chinese offer would irritate Formosa again. However, a senior Japanese Minister, who visited the Communist Chinese trade fair in Tokyo publicly said he was so impressed by Chinese foodgrain exhibits that he would prefer purchase of maize from China.

Meanwhile, Japan's top banker, Mr. Yoshizane Iwasa, who recently led a mission of Japanese bankers and industrialists to USA, warned that Americans considered trading with China as helping a militant nation. He said that USA was "deadly" opposed to Japan extending China long-term credits and deferred payment supplies.

(*The Times of India*, Bombay)

[Prev. ref. 5700:CHI:A]

D. **Pacific Road Union Conference:** The second Pacific Regional Conference of the International Road Union, an advisory body of United Nations, decided on April 25 to recommend to the Governments concerned to take necessary steps to improve sections of the proposed Asian highway system falling within their respective countries.

The Conference pointed out that in addition to local resources those from United Nations and other international organizations were available for this purpose.

Discussions at the Conference, which ended in Tokyo on April 26, focussed on the economic and social benefits that would accrue to the entire area traversed by the proposed highway.

The resolution adopted at the closing session pointed out that the highway from Tehran to Singapore and Saigon would serve an area of 2½ million square miles with a population of over 600 million. An all-weather highway linking these countries would "substantially contribute to the economic and social development of the localities, the nations and the entire international region."

Of the 7,000 miles of the highway, only 300 miles are still unmotorable and the resolution particularly recommended to the Governments concerned to complete these sections. These sections are for the most part in East Pakistan and Burma.

The Conference also called for drafting a comprehensive road construction programme to be carried out over the next 20 years and urged the adoption of international road signs throughout Asia.

(*The Hindu*, Madras and *The Japan Times*, Tokyo)

LAOS

A. **Abortive "Coup d'etat" By Rightist Forces:** A Right-wing army group seized power in Vientiane on April 19.

The coup, led by Gen. Kouprasith Abhay, proved abortive. No foreign Power supported it and the King denounced its leaders.

It set up a Revolutionary Committee of the National Army, which turned out to be ineffective.

The Right-wing leader in the coalition Government, General Phoumi Nosavan, was not included in the Revolutionary Committee.

Vientiane's radio station, which was occupied by coup members, broadcast a series of communiques on April 19.

The first communique said: "The National Army advises the population that as of 4 a.m. (local time). April 19, the National Army took in hand the powers held up to now by the Government of National Union (headed by Prince Souvanna Phouma). Calm prevails in Vientiane as well as throughout the Laotian territory."

Another communique said: "The Revolutionary Committee rose with success and took over the country. They ask the foreigners to remain calm and to restrict their travel to routine duties."

A further communique said that the breakdown of the "summit" peace talks at the Plain of Jars between Prince Souvanna Phouma and the Pathet Lao leader, Prince Souphanouvong (see page 5841) was one of the causes that prompted the officers to stage the coup ..

[Laos, beset by civil war for more than 10 years, gained independence within the French Union in 1949. In 1954, after a year of internal strife, a nine-nation Conference at Geneva agreed on methods to end hostilities and the country's independence was recognized. But the troubles continued until 1957 when Prince Souvanna Phouma included the Communists in a neutralist government. This government collapsed in 1953 when the premiership was taken over by Phouv Sananikane. In June, 1960, a Right-wing government took office, but two months later this was brought down by a coup and replaced by another neutralist government. By December, this government was driven from the capital, Vientiane, and the civil war went on. In 1962 the Geneva Conference, under the co-Chairmanship of Britain and Russia, agreed to guarantee the neutrality of Laos. An International Truce Supervisory Commission of India, Canada and Poland was set up to supervise a cease-fire. Prince Souvanna Phouma, (63), Prime Minister of Laos since 1962, has held the post four times. Son of the late King Sisavang Vong, he was educated in France and worked as an engineer for some years. He was Premier from 1951 to 1954. He became Premier again in 1956, but a coalition Government of neutralist, Right and Left-wing factions collapsed and he became Ambassador to France. Right-wingers ruled the Government until a coup in 1960 led by paratroop Captain (now General) Kong Lae brought back Prince Souvanna Phouma as Premier of another coalition.]

The latest coup was strongly condemned by the Soviet Union.

The British Government announced on April 19 that it regarded the seizure of power by the Revolutionary Committee in Vientiane as contrary to the spirit of the 1962 Geneva Agreements on Laos.

A British Foreign Office statement said that as co-Chairman of the Geneva Conference, Mr. R. A. Butler, British Foreign Secretary, would consult other Governments principally concerned.

The US State Department said that USA was "categorically opposed" to a seizure of power in Laos.

A statement on the reported coup said: "We are maintaining a close watch on the developments and are in touch with our Embassy there. The US Government has fully supported, and continues fully to support, the Geneva Agreements of 1962 and the Royal Government of National Union.

"We are therefore categorically opposed to any seizure of power and are urging immediate release of the Neutralists as a first step towards restoring the situation."

A French Foreign Office spokesman said the French Government considered it essential to restore the authority of the National Union Government in Laos in the interests of the Laotian people and for the maintenance of peace in that area.

The spokesman said the Government strongly deplored the events which took place in Vientiane and which appeared to have been the work of the Revolutionary Military Committee seeking to take the place of the National Union Government.

He said the arrest of the Premier, Prince Souvanna Phouma, was received with surprise.

Prince Souvanna Phouma's secretariat in Paris issued a statement calling on the major world Powers to secure the Laotian Prince's liberation.

The statement said: "It is necessary that all the great world Powers, like the United States, Great Britain, the Soviet Union and France, should obtain the liberation of Prince Souvanna Phouma who is at present unable to speak freely, and that they should renew confidence in him, backing him against all extremist factions."

The Indian Premier, Mr. J. Nehru sent a message to Prince Souvanna Phouma, expressing the hope "that the present difficulties will disappear and that you will continue to lead the Laotian Government and people to a full realisation of the objectives embodied in the Geneva declarations with the assistance of the International Commission as envisaged in the Geneva Agreement".

In the course of his message, he said "the maintenance of peace and stability in Laos is of paramount importance in the context of peace in Indo-China and indeed in the whole of South-East Asia".

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He re-iterated that the neutrality of Laos, which is a product of the Geneva Conference, "offered the best guarantee for peace and preservation of the independence and territorial integrity of Laos."

In the face of mounting domestic and international pressure the *coup* leaders had to restore the reins of administration to Prince Souvanna Phouma whom they had placed under house arrest.

On April 23 Western Powers and the Soviet Union appealed to King Savang Vatthana to preserve the coalition Government headed by the neutralist Prince Souvanna Phouma.

Envoys of USA, Britain, France, the Soviet Union, India, and Australia flew to Luang Prabang, the royal capital, to lodge an appeal with the King. They insisted on preservation of the 1962 Geneva Agreement which merged the warring Right-wing, neutralist, and Pathet Lao factions into a coalition Government.

It was understood that the envoys were told by the King that he had condemned the coup d'etat and that Prince Souvanna Phouma would remain Prime Minister. Prince Souvanna Phouma indicated to the envoys that he intended to stay in Luang Prabang for several days.

On April 24 Prince Souvanna Phouma announced that he and his Cabinet had accepted the conditions laid down by the Revolutionary Committee for a settlement of the Laos crisis.

However, General Siho Lanphouthakoul of the Revolutionary Committee, told newsmen that Prince Souvanna's Government would not exercise normal power until it fulfilled the conditions of the Revolutionary Committee.

General Kouprasith Abhay said the Revolutionary junta was prepared to return control to neutralist Premier Souvanna Phouma if he met certain conditions:

(1) The Government of National Union continues to exercise its functions.

(2) That Prince Souvanna, "in consideration of foreign policy," will alter and enlarge his Government "in conformity with the present situation."

(3) That the Revolutionary Committee proposes and recommends that "qualified personalities" be taken into the Government and at the same time the Committee will "follow and observe closely the execution of the Governmental tasks until the final goal is attained."

The Pathet Lao leaders demanded a "summit" meeting of the leaders of the three Laotian factions—the Pathet Lao, the neutralists and the Rightists.

At the same time it refused to recognize the Revolutionary Committee, and said it opposed any change in the tripartite coalition Government headed by Prince Souvanna Phouma.

In a communique the Pathet Lao said it considered "that the Coalition Government still exists" and that it "cannot recognize any Government or ministerial changes or acts resulting from the coup d'etat staged by Rightist elements".

The Pathet Lao leader, Prince Souphanouvong, on April 30 warned that he "might unleash generalized military operations as of May 9," if Prince Souvanna Phouma co-operated with the Revolutionary Committee.

Prince Souvanna Phouma accepted an invitation from Prince Souphanouvong to go to the Pathet Lao stronghold of Khangkhay on May 5.

In a communique released to the Press, Prince Souvanna Phouma announced that he had "decided to continue his efforts to restore peace and concord" to Laos and that this decision had the full support of Gen. Phoumi Nosavan, leader of the Right-wing faction.

He appealed to all the eight Laotian Ministers, who had taken refuge abroad, to return to Vientiane immediately. (The four Pathet Lao Ministers in this group and several others had called this return impossible for security reasons.)

Talks With Pathet Lao Leaders:

On May 4, Prince Souvanna Phouma visited Khangkhay and conferred with Pathet Lao leaders.

He was accompanied by the British and Soviet Charge d'Affaires representing the two Chairmen of the Geneva Conference, representatives of the International Truce Supervisory Commission, the French Ambassador, Mr. Pierre Millet, and the First Counsellor, Mr. Michel Cadol, as well as the Australian Ambassador.

Later, the Prince said: "I saw Prince Souphanouvong and Phoumi Vongvichit, President of the Neo Lao Haksat and Secretary of the Central Committee. I explained the changes in the political situation in Vientiane and the solutions I envisaged to solve the crisis.

"I asked them to consider these proposals. They agreed. The proposals will be considered. I shall return to Khangkhay in three or four days.

"The atmosphere was very friendly. I hope the next meeting will yield more concrete results."

General Kong Lae, Commander of Laotian neutralist forces, regards the situation in the Plain of Jars, where fighting flared up between neutralists and Pathet Lao forces after the abortive coup in Vientiane, as "serious."

He told a correspondent at his headquarters in Muong Phanh that he expected increased attack by Pathet Lao forces. He said they would advance because "they want to take Vientiane eventually."

His troops were getting supplies direct from the Americans. Their morale was high and they had arms and ammunition but not enough food. "We have the ideals but not enough support from foreign countries. The Pathet Lao have everything they want from North Viet-Nam and China. We cannot stop the war. The Laotians themselves cannot stop the war. We will be fighting the rest of our lives."

(*The New York Times*, *The Times*, London and *The Times of India*, Bombay)

[Prev. ref. 5841:LAO:A]

MALAYSIA

A. Alliance Victory In Elections: The Alliance Government headed by Tengku Abdul Rehman won its third General Election in Malaya with a resounding victory on April 25.

It was generally accepted that the verdict confirmed that universal opinion was against Indonesia's confrontation policy and that the confederation of Malaya, Singapore, Sarawak, and Sabah was a strong anti-communist bloc in South-East Asia.

The Tengku said that the victory had been momentous and that "it has given us very much courage to face our enemies with confidence. I pray that Malaysia will continue to flourish and prosper in peace. To hell with Sukarno."

All the 13 Malayan Ministers were returned, all with increased majorities. There were 276 candidates for the 104 parliamentary seats and 765 for the 11 Assemblies in the states in Malaya. The Alliance Party composed of the United Malays National Organization, the Malayan Chinese Association, and the Malayan Indian Congress, won two parliamentary seats and four state seats without opposition on nomination day.

The Tengku in a straight fight with a member of the theocratic Pan-Malayan Islamic Party, polled 17,109 votes and had a majority of 11,647.

The Alliance Party put up candidates for all the 104 Parliamentary seats and won 89 of them (with the two walk-overs). The results, with the number of seats contested by each party in parentheses, were:

Alliance (104)	89
Socialist Front (63)	2
Pan-Malayan Islamic Party (53)	9
United Democratic Party (27)	1
People's Progressive Party (8)	2
People's Action Party (9)	1

Most of the country's 2,700,000 voters went to the polling stations. Booths were erected on the rubber estates to enable the tappers to vote.

With 36 seats already in his possession in Sabah and Sarawak, the Tengku has 125 seats in the 150-member Malaysian Federal Parliament. He told newsmen that the two problems to be dealt with immediately were the presence of terrorists on Malaysian soil and the menace of subversion.

He also said that his first job would be to appoint a new Minister to look after affairs in the Borneo states. The Malayan vote had given him added strength to counter Indonesia.

Before the poll, he said the new Government's first task would be drawing up legislation to deal with Indonesian and Indonesian-supported guerrillas now fighting Malaysian and British troops in Malaysian Borneo.

It is expected that these laws will be along the lines of those in force during the 12-year Communist rebellion in Malaya, which ended in August, 1960.

Apart from the capture of new seats for the Government, a feature of the elections was the vastly-increased majorities for sitting members of the Tengku's coalition.

The Left-wing Socialist Front took the worst beating, its federal representation dropping from eight to two. Both its chairman, Mr. Ahmad Boestamam—a political prisoner for the last one year—and its Secretary-General, Mr. V. David, were defeated.

The Socialist Front and the conservative Pan-Malayan Islamic Party, (PMIP) whose representation dropped from 13 to nine, oppose the idea of Malaysia and the Tengku's Western-inclined defence, foreign and economic policies.

The Singapore People's Action Party (PAP), which has ruled Singapore for the past five years and was making its first appearance in Malaya with a token nine candidates, surprised many observers by getting only one member elected. But since the PAP already has 12 Singapore seats in the Federal Parliament, this still leaves it the biggest single opposition group in the House.

Of an electorate of more than 2,750,000, 2,100,000 went to the polls. Fifty-seven per cent voted for the alliance coalition, an increase of five per cent on the last General Election.

In simultaneous elections for the Assemblies of the 11 States of the Malayan peninsula, the Alliance won control of all except Kelantan, which remained in the hands of the PMIP.

(*The Times*, London and *The Malayan Times*, Kuala Lumpur)

B. Document On Alleged Indonesian Plot: The Government on April 23 accused Indonesia of training saboteurs and supplying them with arms and explosive to try to overthrow the democratically

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elected Governments of Malaysia—Malaya, Singapore, Sarawak and Sabah.*

An official document said that guerrillas trained in Indonesia planned to assassinate Tengku Abdul Rehman, the Malaysian Prime Minister, and Tun Abdul Razak, his deputy. Mr. Lee Kuan Yew, the Prime Minister of Singapore, was also on the assassination list.

The report said that under a screen of diplomatic privilege Indonesian officials had assisted political parties which were working for the incorporation of Malaysia into a greater Indonesia. It accused Brigadier Djatikusumo, who arrived in Singapore in November, 1958 as the Indonesian Consul-General, of having ordered his staff to collect information about the strength of the armed forces in the Island.

Indonesian agents, it said, had been encouraged by consular officials to find jobs in service establishments. There were plans to use volunteers who had returned from West Irian and those from Malaya who opposed the concept of Malaysia to build up an Indonesian fifth column.

There were also, the document said, plans to:

(1) Organize training for them in sabotage and subversion;

(1) Build up a number of encircling front-line bases in the Riau islands and Sumatra, overlooking Singapore and Malaya on which stores of explosives could be accumulated and from which attacks could be launched;

(3) Organize bogus commercial shipping companies as communications links with Singapore and employment agencies for agents;

(4) Place agents in Singapore and Malaya to penetrate defence secrets, to attack public utilities with explosives and to create alarm by sporadic explosions; and

(5) Prepare for a naval landing in Singapore and Malaya.

The agents were urged to join Army units stationed near the coast to find suitable landing places. The statement asserted that arms were to be supplied to secret groups in Malaya by the Indonesian Consulate-General and were to be stored in fish traps. Other weapons were to be captured from the police and military arsenals. Funds were allotted by the Indonesian Government through the Embassy in Kuala Lumpur.

Indonesia, it was stated, intended to intrude militarily into Sarawak and Sabah and to try to land military groups in Singapore and Malaya to link up with the fifth column. Agents were to try to penetrate local political and other organizations to subvert them to overthrow the Government.

The document said that an important task of the agents was to sabotage and destroy important military installations and public utilities, to disrupt the economic life and administration as well as the defence of the country and to cause chaos and disorder.

British Condemnation:

The British Secretary of State for Commonwealth Relations and the Colonies, Mr. Duncan Sandys, told the House of Commons on April 27 that Indonesian-inspired attempts at terrorism and sabotage in Malaya and Singapore, coupled with Indonesian activity in eastern Malaysia, had further strengthened British resolve to support Malaysia.

He had been asked if he would make a statement about fur her developments in the conflict between Indonesia and Malaysia affecting British co-operation in the defence of the Malaysian Federation.

He said that in the past fortnight Indonesian guerrillas had continued to ignore the cease-fire and had carried out hostile acts at more than a dozen places within Malaysian territory. Operations by the security forces to eliminate these intruders were being intensified. "The Malaysian authorities have reported further Indonesian-inspired attempts at terrorism and sabotage in Malaya and Singapore, where there have been 11 bomb explosions in recent weeks. All these developments further strengthen our resolve to support Malaysia in upholding her independence and territorial integrity."

Asked whether any fresh attempt was being made to secure a conciliation of the conflict, he replied: "There is nothing we would like better than to get a peaceful solution.

(*BIS* and *The Times*, London)

[Prev. ref. 5719:MAL:A]

C. Consular Relations With Philippines: It was officially announced in Kuala Lumpur on May 3 that Malaysia and the Philippines had agreed to exchange consular representatives.

The Ministry of External Affairs said that in accordance with the agreement reached between Tengku Abdul Rehman, Prime Minister of Malaysia, and President D. Macapagal of the Philippines at Pnom Penh in February the Governments of Malaysia and the Philippines had agreed to set up consular establishments at Kuala Lumpur and Manila from May 18.

In Manila, a Philippine Government announcement said the opening of consular ties with Malaysia did not mean diplomatic recognition of the Federation.

It named Mr. Juan C. Dionisio, former Philippine Consul-General in Singapore, Consul in Kuala Lumpur.

(*The Times of India*, Bombay)

[Prev. ref. 5708:MAL:A]

PAKISTAN

SUMMARY: US Reaction To Sino-Pakistan Ties; Baluchi Tribesmen Clash With Army; President Ayub Khan's Appraisal Of Economy; PICIC Activities.

A. Growing Sino-Pakistan Ties—US Reaction: A despatch to *The Hindustan Times* revealed on May 2 that American displeasure at Pakistan's pro-Peking activities had been clearly conveyed to the Foreign Minister, Mr. Z. A. Bhutto during his visit to Washington.

According to authoritative sources, Mr. Bhutto was told that Washington would take serious notice of any facility given to Peking that serves to give the impression that its militant policies are acceptable and may be successful.

This coincides with a high-level US policy decision to increasingly distinguish between Soviet and Chinese Communists. The blanket phrase "Communist bloc" will be discouraged; instead, official US spokesmen are to emphasize that they regard Peking's policies as a greater threat to peace than Moscow's.

Despite contrary opinions propagated by France and some sections of domestic opinion the Johnson Administration is making it clear that it has no intention of modifying the US policy of "forceful confrontation of Chinese expansionism."

It was pointed out to Mr. Bhutto that at a time when American soldiers are fighting and dying in Viet-Nam, the US Government cannot be expected to take kindly to an ally actively helping Peking to develop and improve its foreign relations. It was also pointed out that half-a-million American fighting men and the entire Seventh Fleet had been committed to defending the areas adjoining mainland China.

The firmer line being taken by USA with Pakistan was conveyed to Mr. Bhutto in many ways. He was with the US Secretary of State, Mr. Dean Rusk for over an hour the day Pakistan International Airlines inaugurated its service to Shanghai. Subsequently, US sources made it known that they feared that the new outlet would help Peking's campaign to ship propaganda materials abroad.

Although China is not within its area of direct concern, the CENTO Ministerial Council discussed Pakistan's relations with China at American initiative.

A US official contradicted Mr. Bhutto's explanation that Pakistani newsmen could not accept invitations to cover the CENTO meeting and exercises because of foreign exchange difficulties.

State Department officials who normally accompany a visiting dignitary were noticeably absent when Mr. Bhutto addressed the National Press Club. The tone and informed nature of questions put to him by several American newsmen indicated that they had been briefed in advance. He has had the most critical Press coverage that any Pakistani representative has yet had in USA.

The tough US stand with Mr. Bhutto has been influenced by reports that he has pushed Rawalpindi nearer Peking than President Ayub Khan and other moderate Pakistani leaders may have intended, and it is believed that if President Ayub Khan is convinced that Mr. Bhutto's policies involve the real risk of seriously damaging relations with USA, he may be persuaded to take remedial measures.

Pakistan's fund of popular US goodwill is also running low. This was not only indicated by newspaper coverage and comments but also the increasing number of critical speeches in Congress.

The latter has hurt the Johnson Administration because, critics are using the passive attitude by S-EATO's Asian members as a weapon to oppose increasing US involvement in Viet-Nam.

The previous week, Senator Gruening and Senator Morse drew attention to Pakistan's dubious role.

Senator Gruening said: "Details of Pakistan's refusal to play its part (in Viet-Nam) are interesting. Addressing the National Press Club, Mr. Bhutto stated that on the contrary Pakistan would pursue its programme of normalizing relations with Communist China and Russia despite its defensive alliance with USA.

"We may well ask just what value to USA is this defensive alliance. All it has done apparently is to cost Uncle Sam a lot of money and to have created dissatisfaction with the USA in India—another large-scale beneficiary of US aid.

"Pakistan is in Asia. India is in Asia. South Viet-Nam is in Asia. So if Pakistan is at odds with us on our Asia policy just what good is our defensive alliance with Pakistan and what results have come from our ladling out to Pakistan $1.5 billion?"

Next day Senator Morse said, "Few nations in the world have received as much money from the USA as has Pakistan. When the Foreign Aid Bill is reached this year Pakistan will be included in the amendment that I shall offer to bring to an end all foreign aid to alleged allies that are perfectly willing to take our money and then walk out on us.

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"We have extended this money to Pakistan on the theory that Pakistan was an ally against Communist expansion in Asia. We could not have been more wrong. After the statements by her Foreign Minister we know that Pakistan is no such thing. Least of all has she any intention of drawing upon herself the disapproval of Communist China by supporting a US war effort in Viet-Nam."

Mr. M. Shoaib's Statement:

The Finance Minister, Mr. Mohammed Shoaib, told a news conference in Rawalpindi on May 2 that US aid to Pakistan had not slowed down during recent months because of what a newsman referred to as strains in the relations between the two countries.

Mr. Shoaib also expressed the hope that US contributions towards the Consortium loan would remain at the same level percentage-wise.

He hoped that commodity assistance from different countries, particularly from countries other than USA, would be much more substantial. It was in the interests of these countries to step up their commodity assistance lest Pakistan's import pattern might have to be directed towards USA.

[During the current year, Pakistan has already signed an Agreement with America for $100 million worth of commodity assistance and hopes to sign another Agreement. Similar assistance from other countries is around $10 million.]

Mr. Shoaib, however, expressed fear that the amount of soft loans that Pakistan might be able to get through the Consortium would decrease. He said West Germany did not have much money for such loans and the International Development Association had not yet received US quota of funds for such soft lending. If soft loans were going to be difficult to secure, Pakistan might have to secure loans at commercial rates from the World Bank.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5731:PAK:E]

B. US Loan To Finance Commodity Imports: It was made known in Karachi on May 7 that a $100 million US loan to Pakistan to finance imports of commodities—chiefly iron and steel products—from USA had been authorized by the Agency for International Development (AID).

About $90 million of the loan proceeds will be for purchases of iron and steel, principally pig-iron, tinplate, billets and steel strip. All will be bought from United States producers.

The remaining $10 million is intended for imports of other commodities such a lubricants, medicines and pharmaceuticals, dyestuffs, machinery and automobile spare parts and tires. These also will be purchased in USA.

The imports are necessary for Pakistan's economic development under the nation's Second Five-Year Plan.

The new loan partially fulfils a pledge of $212.5 million made by USA for assistance to Pakistan in the current fiscal year. The US pledge is part of $430.2 million in aid committed for this period by nine 'free world' nations, the International Bank and the International Development Association, as members of a World Bank Consortium formed in 1961 to support Pakistan's development.

Under the AID Development Loan procedures, authorization of the loan will be followed by the negotiation of an Agreement setting forth the terms and conditions of the loan. After the loan agreement is signed and required conditions are met, funds from the loan will be made available to Pakistan for the commodity procurement.

About $90 million of the dollar exchange to be provided by the loan is expected to be used by private importers in Pakistan and $20 million by Government agencies.

The loan is repayable in dollars over a period of 40 years, including a 10-year grace period, with interest at 3/4 of one per cent during the grace period and two per cent during the remaining 30 years.

(*Dawn*, Karachi)

[Prev. ref. 5598:PAK:B]

C. Baluchi Tribesmen Clash With Army: The Indian Press quoted the *Kabul Times* on April 27 that there was unrest in the frontier regions of West Pakistan (on the border with Afghanistan) and clashes had occurred between tribesmen and Pakistani soldiers.

In a report from "Southern Pakhtoonistan" the paper said that clashes between the Baluchi tribe and the Pakistani troops still continued. Pakistan soldiers consisting of regular troops, militia and police led by Col. Iqbal, were controlling these forces against the defenceless Baluchi tribes.

According to the report, Pakistani soldiers had opened fire on villages and mountain dwellings.

The report also referred to the arrests of a number of important tribal leaders for allegedly taking part in the recent armed clashes between Baluchi nationalists and Pakistani troops and for participating in the "freedom movement."

The **Kabul Times**, in a report from Bajawar said that recently a group of Utmankhail had fired on the Pakistani military camp of Monda, inflicting heavy losses.

A report from Momand said that at a large jirga of Utmanzai, Atokhail and another tribe held recently, tribal leaders had urged Pakistan to refrain from further interference in their affairs and to release all Pathan political prisoners.

Another report said that two contingents of Pakistan Army in civilian clothes and equipped with firearms had been brought to Jala Wan area with a view to surrounding the Baluchi tribesmen. "Pakistani planes zooming over the area bombed men in plainclothes unknowingly and inflicted heavy casualties amongst them."

A report in an earlier issue of **Kabul Times** said that Mr. Abdul Haq, a member of Opposition in the Pakistan Assembly, had disclosed in the Assembly that Pakistani planes had bombed a village in Kalat Nasser in Southern Baluchistan, resulting in injuries to 40 persons.

Mr. Abdul Haq had stated that although news about the bombing was kept secret by the Pakistani Government, he had evidence to prove that the bombing did take place.

(*The Hindu*, Madras)

[Prev. ref. 4483:PAK:B]

D. Air Service Between Pakistan And Britain Via Moscow: The first through air service between Pakistan and Western Europe *via* Moscow opened on May 10.

The weekly service connects Karachi, Kabul, Moscow, Frankfurt and London. Other airlines' service from South Asia and from Western Europe terminate in Moscow.

The new service will provide the first direct connexion between the Soviet Union and West Germany.

(*Dawn*, Karachi)

E. President Ayub Khan's Appraisal Of Economy: In his first-of-the-month broadcast, President Ayub Khan disclosed on May 1 that the size of the Second Plan (Rs. 2,300 crores) would actually be exceeded by nearly Rs. 100 crores.

This was indicated in a preliminary evaluation report for the mid-Plan period prepared by the Planning Commission.

The President said the country would start the Third Plan with a reserve of nearly $1,000,000,000 in the pipeline. This was a tribute to those who saved and reinvested their incomes, to those who quietly paid the increasing taxes and to those who silently worked "with a rare sense of dedication and zeal" in formulating or executing the Plans.

He expressed gratification that the country was achieving this healthy rate of growth "with much more reliance on our own national effort than was ever thought possible." Not only the necessary domestic resources for the Second Plan would have been raised, but the target would be exceeded by Rs. 300 crores.

The economy today, he said, presented a healthy and cheerful contrast to the nearly bankrupt economy which the present Administration had taken over in October, 1958. He cited the following instances:

The national income had risen at a rate which was nearly double the rate of population growth.

During the current year, the national income was expected to rise by a further 6½ to 7 per cent. It was perhaps the highest rate of growth attained by any developing country at any time.

The country's exports were likely to exceed the Plan targets by about Rs. 200 crores, increasing at an annual rate of about 7 per cent as against only 2 per cent forecast in the Plan.

The country was now financing over 30 per cent of its development imports from its own foreign exchange, and would be spending about Rs. 100 crores annually on development from the same source.

He hoped that the proportion of the country's own foreign exchange expenditure would increase steadily "so that we can gradually relieve our friends of the necessity to continue to finance the same proportion of our development effort."

(*Dawn*, Karachi)

[Prev. ref. 5659:PAK:D]

F. PICIC Activities During 1963: Addressing the sixth annual general meeting of the Pakistan Industrial Credit and Investment Corporation (PICIC) in Karachi on April 20, the Chairman of the Corporation, Mr. A. W. Adamjee, said that the Corporation during 1963 had sanctioned loans amounting to Rs. 17.49 crores for the establishment of 38 new industrial ventures and balancing and modernization of 27 existing units.

The total amount of loans sanctioned since the commencement of operations stood at Rs. 55.13 crores at the end of 1963. These loans, he added, covered 361 projects, all in the private sector, of which 158 had been completed by the end of 1963 and were in production.

He said that PICIC was conscious of the situation in East Pakistan and was doing its best to meet it. But, major efforts to stimulate the private sector in East Pakistan should come from the Government.

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He said that disinvestment of profitable ventures of EPIDC, a larger association of private sector in new profitable projects of the EPIDC and association of private parties on the Board of Directors of the EPIDC were some of the measures which the Government might consider in this connexion.

He suggested the setting up of a separate local currency fund to provide for minority equity participations in small and medium sized projects in private sector. One of the important handicaps in such projects, particularly in East Pakistan, is that the private entrepreneurs are not able to put up the necessary equity to qualify for a loan from the financing institutions. The establishment of such a fund or agency could fill this gap, he said.

According to a PICIC Press release, the borrowing limit of the Corporation was increased to Rs. 60 crores outstanding at any one time, by adoption of an amendment to the Articles of Association of the Corporation.

Previously, PICIC's borrowing limit was restricted to three times its paid-up capital, reserves and Government loans to it. By the amendment now made, PICIC's borrowing powers are almost doubled. This was considered necessary to enable PICIC to raise more funds from abroad for meeting the country's growing requirements in the industrial sector.

By another amendment, the designation of the General Manager was changed to Managing Director.

(*Dawn*, Karachi)

[Prev. ref. 4312:PAK:B]

VIET-NAM (RVN)

A. World-wide Assistance In Anti-Communist Operations—US Appeal: President Johnson of USA expressed the hope on April 23 that other nations would associate themselves with the effort to prevent the spread of communism in South Viet-Nam.

He did not specify what sort of assistance he was referring to, but Mr. Dean Rusk, the US Secretary of State, said on his return from Viet-Nam that military advisers from other countries would be welcomed in Saigon.

Mr. Johnson's remark was made at a news conference in the White House. He said activity in South Viet-Nam would be stepped up and he was hoping to gain efficiency and effectiveness from the recommendations made by Mr. Rusk and Mr. Robert McNamara, the Secretary of Defence.

Mr. Johnson said: "I would hope that we would see other flags there, other nations, as a result of the S-EATO meeting, and other conferences we have had and that we could all unite in an attempt to stop the spread of.... communism in that area of the world."

[There are already a number of British, Australian, and Malaysian military advisory groups in South Viet-Nam and other countries, such as Canada, and New Zealand, have given material assistance.]

Mr. Rusk said recently that the Philippines and the KMT Administration (Formosa) had offered fertilizer for use in the Spring planting season. He said he did not expect any South Viet-Nam request for combat troops from other nations.

(*The New York Times*)

[Prev. ref. 5768:RVN:A]

ASIA OUTSIDE ASIA

A. New Exploding Star: A Hungarian astronomer said on March 17 that he had discovered a new supernova or exploding star in the Great Bear constellation.

Mr. Miklos Lovas, of the new North Hungarian Piszkestetoe observatory, told the Hungarian news agency, MTI, that an explosion of this nature occurred once every 300 years in a given galaxy or a cluster of stars.

The explosion, which occurred at a distance of 10 to 15 million light years from the Earth, was so bright that it was emitting more light than several billions of stars in the same galaxy put together.

The discovery of a new "supernova" is always hailed by astronomers, because comparatively little is known about the reason for stars to explode and increase their light output.

(*The Statesman*, Calcutta)

[Prev. ref. 5168:AOA:C]

B. Fall In World Temperatures—US Scientists' View: A Washington report on March 29 said that the general drop in the world's temperature had been welcomed by a group of American scientists who see it as one hope of saving vast tracts of land from submersion by the sea.

The oceans around USA have been rising steadily, due to the melting of the Antarctic ice-cap, with the increase in the last 14 years being as much as nine inches.

The scientists belong to the US Coast and Geodetic Service, which has recorded the highest increase at Eugene Island, off the Louisiana coast in the Gulf of Mexico.

The heavily populated Atlantic coast of USA is also faced with this danger of inundation, the Coast and Geodetic Service reports. Sea-level increases along this coast since 1940 range from three inches at New York to six inches at Sandy Hook, New Jersey.

Admiral Arnold Karo, Director of the Service, says the rate of increase has diminished somewhat in the past few years but that there is no indication that sea levels will start to fall. "Ice in Antarctica and Greenland is melting. If it all melted, it would increase the sea level by several hundred feet—and of course we do not expected that, at least not for hundreds of years."

He hoped that the drop in world temperatures would slow down the melting process, though he warned that "a warning trend cannot be ruled out, and warmer weather will mean more melting ice and swollen oceans. By the turn of the century we might have a problem on our hands."

Another ray of hope is that nature is already redressing the imbalance in some areas of the country. In these regions, the land mass is rising to such an extent that the sea levels actually appear to be dropping.

This is happening in south-east Alaska, where the apparent sea level has dropped 14 inches since 1940, even though it has risen due to melting glaciers.

(*The Statesman*, Calcutta)

[Prev. ref. 4474:AOA:K]

C. Dead Man Revived In Russia: The Soviet Press reported on March 15 that a man who had been clinically dead for three hours was revived by surgeons after several hours' efforts.

It was the first time that a man, after remaining for several hours in a state of clinical death, was revived and wholly recovered his creative faculties, the **Komsomolskaya Pravda** said.

Lost in snowy wastes in subzero weather in Vladivostok, a young tractor driver in a "virgin land" fainted, fell to the ground and died, the paper said. He was found three hours later. When he was placed in a truck, his body made the sound of wood. His heart was beating no longer, his eyes were fixed, his breath had stopped.

The surgeon of a nearby clinic, Paul Abramian, worked on the body for 12 hours according to the methods of famed Professor Vladimir Negovski, and succeeded in reviving the man. For several months, doctors continued efforts to keep him alive. On March 15, he went back to work.

[Prev. ref. 4776:AOA:Q] (*Tass*)

D. Revolutionary Find By Astronomers: It was reported from Pasadena (California) on March 30 that astronomers had found an object in the sky moving so fast and at such a great distance that it had upset current concepts of the age and size of the Universe.

Dr. M. Schmidt of the Mount Wilson and Palomar observatories and Mr. T. A. Matthews, a radio astronomer, discovered the mysterious source of incredibly powerful light and radio waves.

The object, believed to be an exploding galaxy or cluster of galaxies, was the most distant yet seen by man. It was moving faster than anything ever observed in the heavens—approximately half the speed of light.

Until now, astronomers had measured the speed and distance of objects by a technique known as "red shift". The faster an object goes the more its light shifts into the red part of the spectrum.

However, they keep finding objects farther and farther away. The new object, called 3C-147 is 10 to 20 per cent farther away than the most distant previously known object, 3C-295.

"This means", said Dr. Schmidt, "we must begin to be more cautious in announcing estimates of distance. We don't know what scale to use, we only know that some objects are farther away than others."

This reversal of astronomical confidence means revisions in estimates of the size and age of the Universe.

Einstein said that anything going faster than light would cease to exist. Since 3C-295 was six billion light years away and going at half the speed of light, astronomers figured that nothing could exist beyond 12 billion light years.

They also calculated the age of the Universe at 12 billion years, since that is the time it would take light to travel to us from the oldest objects.

(*The Statesman*, Calcutta)

[Prev. ref. 5204:AOA:D; 5252:AOA:A]

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ASIAN RECORDER

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ADEN

A. Fighting With Tribal Guerrillas—British Troops Re-inforced: British troops were rushed on May 2 to Aden to re-inforce the hard-pressed forces fighting a mountain battle with tribal guerrillas, who oppose the South Arabian Federation.

The British Ministry of Defence said that 600 men had been sent to Aden. Planes were taking off throughout the night with troops and equipment. They were flown out after an urgent request by the South Arabian Federal Government for more military aid.

This followed a skirmish with guerrillas in the mountainous country around the Aden-Dhala road. Two British soldiers were missing, presumed dead.

The Ministry of Defence said that operations against the "dissidents" had been going on continuously since then and at least 60 had been killed. Reports coming in from Aden said there were "large concentrations of enemy troops." Many were in uniform and were armed with modern weapons, including mortars and machine guns.

The Defence Ministry spokesman said the fighting was taking place well within the boundaries of the Aden Protectorate. He added: "The enemy are well-armed troops organized from Yemen. They are mostly local tribesmen from the Protectorate."

British planes and heavy guns on May 3 pounded at the "Red Wolves" in the Radfan mountains near the borders of the Yemen Republic.

Combined British-Arab forces continued their steady advance towards fortified rebel positions in the mountainous Radfan region, 60 miles north of Aden. Two British soldiers were killed in fighting on May 1, and two more injured.

Unconfirmed reports from Taiz in the Yemen on May 3 said the heads of the two Britons had been displayed in the Capital.

Yemen's Republican Information Minister, Mr. Ahmed Almarwani denied reports that the two British soldiers had been decapitated.

In a statement over Sanaa Radio, he said Britain was still living in the era of the Imam when heads were chopped off and exhibited in public.

A report on May 5 said that in recent clashes between British troops and the tribesmen opposed to the South Arabian Federation Government, about 100 tribesmen had lost their lives. Two British soldiers had been killed.

UK Plan To Send More Troops:

The British Prime Minister, Sir Alec Douglas-Home, announced in the House of Commons on May 4 that he would withdraw troops from West Germany if necessary, to restore peace in the Radfan area of the South Arabian Federation.

But he seemed very anxious to calm down the anger aroused in Britain by the report that heads of two soldiers were displayed in Yemen.

He said the report had neither been confirmed nor refuted and added that Britain had no wish to quarrel with either UAR or Yemen and only wanted a peaceful settlement.

He said that the flare-up was an internal matter, although the hostile tribesmen had undoubtedly received modern arms from Yemen. Their activities menaced the security of the people of Aden and Britain had re-inforced the troops there on a request by the South Arabian Federal Government.

The Labour Party through its spokesman expressed deep revulsion at the report of the beheading, but their questions brought out the admission from Sir Alec that the statement by the British Commander about the incident had been made by him on his own and that the British Government was now seeking confirmation through the American Embassy in Sanaa.

Sir Alec in reply to other questions repeated that he was anxious that the frontier between Yemen and the Federation should be demarcated with the help of United Nations. He had made representations to the UN Secretary-General, U Thant and he would do so again.

More British troops landed in Aden to re-inforce troops fighting rebel tribesmen in the Radfan mountains.

Two Royal Air Force transport planes flew in with headquarters staff from Lisburn, northern Ireland, to join others.

In London, Mr. R. A. Butler, the British Foreign Secretary, said that in their recent Washington talks he and Mr. Dean Rusk, the US Secretary of State, had reached "absolute agreement" about their Middle East policy.

Mr. Butler, who was speaking to newsmen at London airport after official visits to Washington, Tokyo and Manila, said that Britain had not asked USA to impose economic sanctions against the UAR Government. Britain was not seeking a quarrel or fight with President Nasser. "I attempted to get them to understand our point of view on the defence of Aden, which we intend to defend as we intend to defend Malaysia. They were completely in sympathy with our policy."

British Bombing Raid:

An RAF bomber flew over the Radfan mountain area on May 9 dropping leaflets warning the "Red Wolf" tribesmen to clear the area.

At the same time an RAF spokesman revealed that a bombing raid was launched against a concentration of rebels on another mountain peak the previous weekend in which 14,000-lb bombs were dropped and "a number of persons were killed".

Group Captain Alex Blythe, commander of the RAF station at Khormaksar, told newsmen that the bombing raid was carried out with British Defence Ministry permission. A large concentration of tribesmen had been seen there. As well as killing an unknown number of people it caused "considerable damage to rock entrenchments."

British Marines and paratroops swept down the slopes of Vap Budge peak on May 9 to recover bodies of two of their comrades who died in the battle with rebels of Radfan. The two paratroops were killed on May 5 while taking the tiny village of El Nawill. They were buried temporarily in a shallow grave. British troops encountered no resistance and the bodies were flown out by helicopter to Aden.

The British Field Commander said the object of the operation was to remove the threat to the strategic trade and pilgrim road linking Aden with Dhalu, some 90 miles to the north.

Sir Alec Douglas-Home's Statement In House Of Commons:

The British Prime Minister, Sir Alec Douglas-Home, told the House of Commons on May 4 that recent violent acts of subversion along the Aden-Yemen frontier had been "encouraged and sustained on a large scale" from the Yemeni side of the border.

He also referred to the dangers of the "background situation" to the border conflict—the presence of some 40,000 Egyptian troops in Yemen—and said that as long as the Yemeni authorities resisted the placing of United Nations observers on the frontier, it was difficult for the UN Secretary-General to proceed with his mediation efforts.

He said: "These operations are essentially of an internal security nature, taking place wholly within the frontiers of the South Arabian Federation.

"The Federal Government, lacking the military resources to deal with subversion on this scale, asked for British assistance. In view of the strength of the opposition encountered, it has been necessary for them to be re-inforced. This is being done by the despatch of troops already available from the garrison in Aden, and the 1st Battalion of the King's Own Scottish Borderers are being despatched to take their place in Aden State.

"There is no doubt that violent subversion in the Radfan area had been encouraged and sustained from Yemen. The opposition encountered by our troops is further evidence that support from across the frontier has been on a large scale."

UN Special Committee's Appeal To Britain:

The UN Special Committee on Decolonization on May 11 adopted an 11-nation resolution in New York urging Britain to halt military operations in South Arabia.

The vote was 18 to 3 (Britain, USA and Australia), with two abstentions (Italy and Denmark).

Ten African and Asian countries and Yugoslavia sponsored the resolution.

Britain's Mr. Cecil E. King announced beforehand that he would vote against the resolution on the ground that its military action in South Arabia was aimed at meeting the campaign of subversion from the UAR and Yemen, seeking to break up the South Arabian Federation.

For Iraq, Dr. Adnan Pachachi charged that Britain was using bombs against the population of its own territory and that

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the Special Committee must act to halt a colonial war.

An eight-member delegation representing the Afro-Asian group in United Nations expressed their concern about the Aden situation to U Thant and asked him to use his good offices in finding a solution.

The delegation was headed by the Turkish representative who is chairman of the Afro-Asian group for the month of May. The other representatives were from Indonesia, Ghana, Mali, Kenya, Guinea, Kuwait and UAR.

(*The Times*, London, *The Statesman*, Calcutta and *The Hindustan Times*, New Delhi)

[Prev. ref. 5087:ADN:A; 5824:YEM:A; 5825:YEM:D]

B. **Budget For 1964-65:** The Finance Minister of Aden State, Al-Haj Abdel Hamid Ghanem, presented the Budget for the financial year April 1, 1964 to March 31, 1965 to the Legislative Council on April 19.

It provides for a surplus of £25,498, revenue being estimated at £3,970,714 and expenditure at £3,945,216; £150,000 was provided by Britain—the second instalment of a special grant of £500,000 spread over the three years immediately following Aden's merger with the South Arabian Federation in 1963.

Al-Haj Ghanem announced that he did not intend to vary taxation, but proposed to introduce tax concessions for a limited period for bona fide new industrial and economic investment of a permanent nature.

(*Middle East Economic Digest*, London)

[Prev. ref. 5543:ADN:A]

INDIA

SUMMARY: Sheikh Abdullah's Talks In New Delhi; A-ICC Session; Diplomatic Appointments; Re-organization Of Rehabilitation Ministry; Southern Zonal Council Meeting.

A. Sheikh Abdullah's Talks In New Delhi: Sheikh Mohammed Abdullah, former Prime Minister of Kashmir, arrived in New Delhi from Srinagar on April 29 accompanied by Mirza Afzal Beg. (For his release see page 5796).

On behalf of Mr. J. Nehru, his daughter, Mrs. Indira Gandhi received the Sheikh. The Government was represented by the Deputy Minister for External Affairs, Mr. Dinesh Singh, and the Commonwealth Relations Secretary, Mr. C. S. Jha.

Others present at the airport included Mr. Jaya Prakash Narayan, the Swatantra leader, Mr. Minoo Masani and Miss Mridula Sarabhai.

In the afternoon over tea, Mr. Abdullah and his two principal lieutenants—Mirza Afzal Beg and Maulana Masoodi—talked with Mr. Nehru at the Prime Minister's residence. This was the first meeting between Mr. Nehru and Mr. Abdullah in 12 years.

On April 30, Sheikh Abdullah had talks lasting 90 minutes with Mr. Nehru. Although no indication was available as to the precise nature of the talks, it was learnt that the discussions were of a very general nature covering Indo-Pakistan relations and Pakistan's attitude towards India in the national and international spheres.

A spokesman at the Prime Minister's house stated: "The discussions ranged over the background of the Kashmir situation and the communal problem and its effect on the country as a whole."

News Conference:

Sheikh Abdullah told newsmen in New Delhi on April 30 that accession of Kashmir to India was not "the only fundamental problem for me."

He had been asked what was the use of his talks with Mr. Nehru when it had been categorically stated by the Government of India that the accession of Kashmir was irrevocable and final.

Sheikh Abdullah said: "Do you think accession is the only problem? This is not the only fundamental problem for me. There are other problems".

Asked to comment on the progress of his two-day talks with Mr. Nehru, he replied that the talks were proceeding "very well."

A correspondent asked whether it was true that he had told some persons, who had met him during the day, that he had not changed his stand vis-a-vis Kashmir, following his discussions with Mr. Nehru. He snapped back: "I have not said anything like that."

Asked whether he had plans to visit Pakistan, he replied good-humouredly: "I am getting good meals here". He, however, hastened to add that he could not say anything further at present.

A foreign correspondent asked: "Don't you think it is desirable that you visit Pakistan?"

The Sheikh replied: "Every sane person will say that it is desirable to bring India and Pakistan together".

Asked about Mr. Nehru's attitude in his current talks with him, the Sheikh said that Mr. Nehru had always been sympathetic in his approach to the Kashmir question.

On May 1, Sheikh Abdullah told newsmen that he was not thinking in terms of a confederation of India and Pakistan or any such proposal but he was thinking in terms of "peace and amity".

He was asked whether he was optimistic of carrying "something" to Kashmir as a result of his discussions in New Delhi.

He said he had no doubt that he would carry something. "I will carry the good wishes of India. I have no doubt about it. I know the mind of the Indian people. I know that there is nothing else except love. I have seen it. I do not forget it. I do not and cannot forget the sympathy and assistance which the people of India show to us. One cannot forget this."

He said that wherever he went in New Delhi, he saw a desire to bring peace in the sub-continent. But it was not enough if this feeling prevailed only in one part of the sub-continent. In the other part also "there must be responsive action."

Meeting With Mr. G. L. Nanda:

Sheikh Abdullah had a two-hour meeting with the Central Home Minister, Mr. Gulzari Lal Nanda on May 2.

In a statement afterwards, Mr. Nanda said he had made it clear to Sheikh Abdullah that any alternative in the present position of Kashmir would create "serious difficulties".

He also told the Sheikh that if there was to be peace, stability and progress in the country the best way out was "to stay where we are with regard to Kashmir". "Kashmir is an integral part of India in every sense." The best course that could be followed "is for everybody in Kashmir to settle down" and "to establish complete unity with the rest of the country."

Asked how Sheikh Abdullah reacted to his suggestion, he said: "He did not agree with me. He thinks that this is not a complete solution. According to him, there may be some other better solution."

He said the Sheikh did not suggest any alternative solution but held that something should be done which would be acceptable to India, Kashmir and Pakistan.

He said that his discussions with Sheikh Abdullah also related to the question of communal harmony and the steps taken to improve the living conditions of the people of Kashmir through Five-Year Plans.

He also pointed out to Sheikh Abdullah that the action taken by Pakistan to control communal disturbances was not at all comparable with that of India and in this matter India and Pakistan could not be equated. "I told him that here we want to localise and stamp out communal trouble but there, in Pakistan, it is a different story."

He said that the Sheikh had talked of communal harmony and progress. He reminded the Sheikh of his own share in the shaping of the First Plan. The first Plan for Kashmir was drawn up for Rs. 11 crores when Sheikh Abdullah was the Premier and the outlay of the Third Plan for the State was Rs. 75 crores. Since then the per capita income had gone up considerably.

He also explained to Sheikh Abdullah the progress recorded in food production, electricity, education and medical facilities in the State. "I told Sheikh Abdullah that I am a very simple man who takes a simple view of things. One thing which is more important than the legal and constitutional aspects of the Kashmir question is the good and welfare of the people of the State. Kashmir is a part of India and what is good for them is also naturally good for India". He said the Sheikh had reminded him of his (Mr. Nanda's) ancient family links in Kashmir and he in turn reminded the Sheikh of the work done by him to promote communal harmony. He referred to the communal harmony which prevailed in Kashmir "even in those worst days" of Partition and said he gave full credit to Sheikh Abdullah for building up such traditions in the early days.

He had told the Sheikh that his contribution to communal amity was a great source of inspiration and had strengthened our hands. "I told him these efforts should continue and that in this matter he had a great role to play. If this situation remains and develops, we will be able to discharge our duties and responsibilities here much more effectively."

He also told the Sheikh that "for the sake of protecting the minorities and ensuring their rights and privileges, I am prepared to stake my life."

After his meeeting with Mr. Nanda, Sheikh Abdullah told newsmen: "My friends here have been obsessed with the accession business. It is a very minor point. It is only a means to an end. If accession does not bring about peace to Kashmir and the sub-continent, what value has it got?

"My main aim is to find ways and means of bringing about sanity in the whole sub-continent. Once you achieve this result, all this accession business will disappear."

Talks With Acharya Vinoba Bhave And Mr. C. Rajagopalachari:

Talks between Sheikh Abdullah and Acharya Vinoba Bhave, the Sarvodaya leader, began at Bajajwadi near Wardha on May 4.

Mr. Jaya Prakash Narayan, Mirza Afzal Beg and Mr. Choudhary Mohammed Shah

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a former MP from Kashmir, were present at the talks which lasted two hours.

Sheikh Abdullah, who flew into Nagpur from Delhi early in the morning, first paid a visit to Sevagram. He offered prayers at Gandhiji's hut.

From Sevagram, he proceeded to Bajajwadi where he was received by Mrs. Janakidevi Bajaj.

Sheikh Abdullah told newsmen after his talks with Acharya Vinoba Bhave that any solution of the Kashmir question should not weaken India's secularism, "it should also satisfy the aspirations of Pakistan and also Kashmiris."

On Kashmir's accession to India, he said: "The accession of Kashmir was not achieved as was the case with the other Indian States." Pakistan said that Kashmir belonged to them. That was rejected by the also satisfy the asiprations of akistan and Kashmir requested the Government of India to defend the State against Pakistani attack.

Sheikh Abdullah said in Madras on May 5 that he and the Swatantra leader, Mr. C. Rajagopalachari had agreed upon a solution for the Kashmir problem.

He declined to indicate what it was as he thought it would be unfair for him to do so before meeting Mr. Nehru to whom he was going to present it in his final discussions.

He, however, pointed out that the solution—in his as well as in Mr. Rajagopalachari's opinion—was an honourable one for all parties, on which they could work and was "such as would not give a sense of victory either to India or to Pakistan and will, at the same time, ensure a place of honour for the people of Kashmir."

When newsmen pressed him to reveal the broad outline of the proposal, he counselled patience and said he would not keep the people guessing for long. All that he would say was that it was a "possible and practicable solution."

President Ayub Khan's Letter—Sheikh Abdullah's Reply:

On May 6, Sheikh Abdullah received a letter from the Pakistan President, F-M Mohammed Ayub Khan.

In the course of the letter, the Pakistan President referred to the UN resolutions and Pakistan's vital interests in Kashmir. He added: "You will understand our anxiety that no settlement is reached without due consultation and agreement with us."

Sheikh Abdullah told newsmen that before going to Pakistan he must have a clear idea as to what he wanted to discuss with the Pakistan President.

A New Delhi message said that it struck members of all parties as something extraordinary that the Head of a State of a foreign country should have boldly addressed a letter to Sheikh Abdullah brushing aside all protocol. The fact that the Government of India itself had not raised any objection to it was regarded as significant encouragement given to Sheikh Abdullah by Mr. Nehru to pursue his own approach.

Answering a question in the Lok Sabha Mr. Nehru said that there was nothing extraordinary in the Pakistan High Commissioner extending an invitation to Sheikh Abdullah to visit Pakistan.

The following is the text of Sheikh Abdullah's reply to President Ayub Khan's communication, sent on May 7:

"My present discussions with the Indian leaders mainly centre round the question of exploring ways and means of establishing lasting amity and good neighbourly relations between India and Pakistan.

"This, in my judgment, is the key to a peaceful and honourable solution of the Kashmir dispute that has so far bedevilled the relations between the two countries.

"I also believe that no solution will be lasting until it has the approval of all the parties concerned, namely, India, Pakistan and the people of Kashmir.

"My talks so far have been exploratory, and at present we are working on some proposal which can broadly form the basis of such a solution.

"You may rest assured that when my discussions reach a stage where such a proposal takes a concrete shape, I shall lose no time to inform you and avail myself of your kind invitation for mutual consultations before it (proposal) takes a final shape."

He left New Delhi for Srinagar on May 13.

Soon after his arrival in Srinagar he told newsmen that he would return to New Delhi after a week to resume discussions with Mr. Nehru, after which he would leave for Pakistan in the third week of May.

Mr. J. Nehru's Assurances To Congress And Lok Sabha:

The Prime Minister, Mr. J. Nehru assured the Executive of the Congress Parliamentary Party on May 6 that whatever might be the nature of the talks between him and Sheikh Abdullah, "there would not be any deviation from the basic stand taken by the Government on the Kashmir issue".

[Sheikh Abdullah had told newsmen that a solution to the Kashmir problem would definitely involve a change in the status quo in the State.]

Mr. Nehru, who was replying to a request from several members in the Lok Sabha for information about the trend of the talks, stated: "The talks are mostly concerned with wider issues rather than the immediate issues that members may have in their mind."

He added that Sheikh Abdullah had told him something about what transpired between him and Mr. C. Rajagopalachari and Acharya Vinoba Bhave.

Also on May 6, Mr. Nehru assured the Lok Sabha that no agreement would be reached with Sheikh Abdullah without reference to Parliament.

His brief statement on the subject in response to a request from Mr. Hiren Mukherjee. Deputy Leader of the Communist group, was cheered by both Congress and Opposition members.

Mr. Mukherjee sought an assurance that no decision would be taken behind the back of Parliament. He wanted Mr. Nehru to give the House some idea of what had happened during the talks in view of "disquieting" reports in the Press. He, however, left it to Mr. Nehru to say whatever he considered proper so that the talks were not in any way hindered.

Mrs. Renu Chakravarty, another Communist member, asked Mr. Nehru to throw some light on Sheikh Abdullah's talks with Mr. C. Rajagopalachari and his subsequent statement that he had discussed with the Swatantra leader a concrete proposal to solve the Kashmir issue.

Mr. Nehru said he could quite understand the desire of the House to be informed of the "so-called" talks. Sheikh Abdullah had gone to Wardha to meet Acharya Vinoba Bhave and to Madras to see Mr. Rajagopalachari. He did not know the details of his talks with Mr. Rajagopalachari and Acharya Bhave. The Sheikh gave him a brief account of what had transpired at these meetings, but it was difficult for him to repeat what he had told him.

(*The Hindu*, Madras and *The Times of India*, Bombay and New Delhi)

[Prev. ref. 5796: INI: A]

B. A-ICC Session: At its opening session in Bombay on May 15, the A-ICC approved by a large majority an amendment to the Congress constitution on the voting rights of its primary members.

The amendment, unanimously adopted by the Working Committee the same morning, gives the primary members the right to elect Block Congress Committees and electoral colleges for District Committees which in turn choose members of Pradesh Committees.

According to Mr. S. K. Patil, who moved the amendment, the bogus membership multiplies 10 times at the time of elections to the Congress committees. The amendment was only an experimental measure which could be withdrawn or altered.

The change in the Congress constitution is a compromise on the original suggestion that the primary members should be totally disenfranchized.

The amendment lays down that only "active" members who enrol a minimum number of members for the Congress and wear khadi will be eligible for election.

Mr. Patil said that a Block Congress Committee would cover the area of a development block with a population of about 60,000. The Block Congress Commitee consists of members elected by the primary members at the rate of one for a population of about 5,000. Every block should have at least 30 active members.

He added that wherever the population of a block was less than the prescribed limit of 60,000 or more, the Working Committee had been given the power to make the necessary adjustment in the rules.

Resolution On Communal Situation:

On May 16, the A-ICC adopted a resolution on the communal situation.

An eloquent reply by Mr. Morarji Desai, mover of the resolution, showing firm determination to put down communal disturbances and deep concern for the welfare of the refugees from Pakistan led to the withdrawal of 23 of the 24 amendments tabled by delegates.

Mr. Desai said the argument that the disturbances in some parts of the country were only the repercussions of what had happened in Pakistan could not stand. There could be no justification on grounds of provocation for the incidents in some parts of the country. Such happenings needed to be ruthlessly put down.

Intervening in the debate on the resolution, the Prime Minister, Mr. J. Nehru expressed the hope that India and Pakistan would develop closer relations "to the advantage of both"; he assured Pakistan that she had "nothing to fear from India unless she herself attacks India".

He said that if Sheikh Abdullah could help the two countries to improve their relations "he will have done a great service to both countries. We will have to help him in this attempt, but in doing so, we must adhere to our principles as well as to our basic attitude in regard to Kashmir."

He declined to go much into the details of his talks with Sheikh Abdullah "at this stage". But he said Sheikh Abdullah had talked even more about relations between India and Pakistan than about

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Kashmir. "We did not arrive at any clear solution of this problem, but various suggestions were made. Some of these suggestions appear to be difficult in the present circumstances, even though ultimately they may be found to be acceptable by both countries".

He gave the assurance that no final decision would be taken "without reference to the Congress as well as Parliament. That decision would be based not only on our principles out also on our attitude towards the question of Kashmir."

The following is the text of the resolution:

"For many years our country had to face problems arising out of communal tensions. Time and again the Indian National Congress and the A-ICC have made their determination abundantly clear to stand by the ideal of a secular State. Unfortunately there has been recrudescence of communal tensions and conflicts in some parts of our country.

"The A-ICC deeply deplores these incidents of communal violence. They were no doubt provoked by the wilful persecution of non-Muslims, including Hindus, Christians and Buddhists in Pakistan, the continuing movement of refugees from Pakistan into India and their tales of horror which inflamed the minds of the people here. But wrongs done to members of minority communities in Pakistan can provide no extenuation at all for attacks in India on innocent citizens belonging to the minority community. Such acts are a matter of shame and the A-ICC cannot but condemn strongly those elements which exploit people's sentiments and misguide them into horrible activities completely opposed to the tolerant, kindly and peace-loving temper of our people.

"It has to be appreciated at the same time that the vast bulk of the people in the country are law abiding, and in a number of cases, members of the majority community exposed themselves to risks at the hands of unsocial elements while extending protection to members of the minority community. It is the anti-social elements which pose the most serious problem and should continue to be dealt with ruthlessly, in the interests of peace and security of the community.

"During the freedom struggle, the Congress under the guidance of Gandhiji accepted communal harmony as an essential prerequisite for the achievement of the country's independence. It strove constantly for establishing amity and understanding among different communities in India, and succeeded in a large measure. After independence there have been communal incidents in the country but they were on a small scale and confined to local areas. In all these cases the Government took prompt and strong measures to put down disorders and prevent their recurrence.

"Deep religious feelings were roused at the unfortunate theft of the holy relic in the Hazratbal shrine at Srinagar. Thanks to the Government of India and the Government of Jammu and Kashmir, the holy relic was recovered and duly installed in its place. Throughout this period communal peace was maintained in the State for which the people and the Government of the State deserve congratulations. But meanwhile the Press and leaders of public opinion in Pakistan—even persons in the highest positions of authority—exploited this incident to fan the flames of communal passions leading to the most horrible brutalities perpetrated on members of minority communities specially in Jessore, Khulna and Rajshahi in Pakistan.

"Our President appealed to the President of Pakistan for issuing a joint declaration calling upon the people of both countries to take to the path of communal goodwill and harmony. Pakistan set its face against this appeal and also did not at first respond favourably to the suggestion for a meeting of the Home Ministers of the two countries. Ultimately, on the initiative of our Prime Minister, the Pakistan Government agreed to this meeting. As a result of the conference of the Home Ministers of India and Pakistan, there was some progress in achieving an understanding regarding the problems affecting the minority communities. The A-ICC commands recourse to all possible methods for the establishment of communal peace in India and Pakistan.

"The A-ICC notes that strong and prompt steps were taken by the Government of West Bengal and the Government of India for putting down the communal trouble which took place in Calcutta early in January. The further escalation of persecution of minorities in East Pakistan and the stream of refugees led to an outburst of communal violence in Jamshedpur and Rourkela. The A-ICC appreciates the steps taken by the State Governments and the Government of India to put down these disturbances, to prevent their recurrence anywhere, and to rehabilitate those who were uprooted by these disturbances.

"The A-ICC expresses its deep sympathy for all those who have suffered on account of these disturbances and calls upon the Government and the people to continue to make every effort to ensure that every Indian irrespective of caste and creed can live in absolute safety and on terms of equality, honour and dignity.

"India has always repudiated the two-nation theory, and our Constitution enshrines the principles of equality in rights and opportunities for all citizens in a secular State. It is heart-rending to see that members of minority communities in Pakistan feel compelled to be torn away from their hearths and homes. Since January this year over 3,00,000 refugees have poured into India. Their relief and rehabilitation cast a severe burden on a poor country which ever since independence has been addressing itself to the task of eradicating poverty, ill-health and ignorance.

"The Chinese aggression has cast a further heavy burden on our resources. Pakistan's allegation that India is encouraging members of minority communities to come out of Pakistan is thus a travesty of truth. The A-ICC expresses the hope that the Government of Pakistan will create conditions in which members of minority communities could continue to live in their ancestral homes with a complete sense of security. If, however, finding it impossible to live with safety and honour, they are compelled to leave Pakistan and come to India, the Government and the people of India must treat their relief and rehabilitation as a national responsibility for which massive efforts will have to be made by all concerned.

"The A-ICC appeals to the Government of India, the State Governments and the people at large to ensure firmly that the influx of refugees is not allowed to create any communal tension; at the same time no effort should be spared to give solace and relief to these brethren of ours and to rehabilitate them economically as well as psychologically.

"Repeatedly the Congress Working Committee and the A-ICC have called upon the people to work for the abolition of communlism, casteism, provincialism and linguism which hamper the path of emotional integration, encourage fissiparous tendencies and weaken the social and psychological base for rapid economic progress.

"Secularism is a priceless heritage of our country, and is the foundation on which a progressive modern State can be built for the welfare of the common man. The A-ICC re-iterates its firm resolve to maintain and consolidate national integration based on secularism as a necessary condition for the country's march towards democratic socialism."

Session Ends:

The three-day session of the A-ICC ended on May 17.

The last day of the session was devoted to the consideration of the Dhebar Committee's report on democracy and socialism (see page 5845).

The 'house' devoted over eight hours to the discussion of the report, taking up even the time originally allotted to non-official resolutions.

A feature of the Bombay session was that the Congress President, Mr. Kamaraj, did not rise even once to address the delegates.

As Mr. Nehru himself pointed out, a resolution on the international situation, as was customary, was not there.

The debate on the Dhebar Committee report was marked by a sharp criticism of the Congress approach to socialism and the party's policies to reach that goal. Among those who were highly critical of the party's economic policies were Mr. V. K. Krishna Menon, Mr. A. P. Jain, Dr. Punjabrao Deshmukh and Mr. N. V. Gadgil, all former Ministers of the Central Government.

Mr. U. N. Dhebar, who had placed the report before the "house." In his reply requested the Working Committee to give serious thought to the suggestions made during the debate on the various problems.

While presenting the report, Mr. Dhebar had proposed only its consideration. No formal resolution had been moved for its adoption.

The delegates, however, "generally endorsed" the report through an amendment to Mr. Dhebar's original proposal, moved by Mr. Bibhuti Mishra.

(*The Times of India*, Bombay and *The Statesman*, New Delhi)

[Prev. ref. 5642:INI:A]

C. Air Vice-Marshal Arjan Singh Appointed Chief Of Air Staff: Air Vice-Marshal Arjan Singh was appointed on May 13 Chief of the Air Staff.

He will take over from Air Marshal A. M. Engineer who is proceeding on four months' leave from August 1 preparatory to retirement. At the end of his leave Air Marshal Engineer will assume charge as India's Ambassador in Iran.

Air Vice-Marshal Arjan Singh, who is 45, was commissioned in 1939 and began his service with No. 1 IAF Squadron in the North-West Frontier. He commanded and led the same squadron in the Arakan and Burma operations and was awarded the Distinguished Flying Cross in 1944 for being a "fearless and exceptional pilot."

He was selected in 1949 to attend a course at the Joint Services Staff College, Latimore, and soon after his return from the UK he was promoted to the rank of Air Commodore and appointed Air Officer Commanding, Operational Command.

He worked as Air Officer-in-Charge, (Administration) Air Headquarters, in the rank of Air Vice-Marshal from May, 1961 and took over as Deputy Chief of the Air Staff in the beginning of 1963. On August 5, 1963 he was appointed Vice Chief of the Air Staff. He was the overall commander of the joint air training exercises Saffrasha, held in November, 1963 with the US Air Force, the RAF and the Royal Australian Air Force.

Air Vice-Marshal Arjan Singh is now in Washington as a member of the Indian team which is having talks with US defence officials.

The retiring Air Chief, Air Marshal Engineer, has held this office since the beginning of December, 1960. Before he joined the Air Force, he won the Aga Khan prize at the age of 17 as the first Indian to fly solo both ways between India and England within a month in a Gipsy-moth. That was in 1930 when aviation was still in its infancy in India. Born on De-

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cember 18, 1912, Air Marshal Engineer was commissioned in 1933 and while under training at Cramwell he won the Grove Memorial Prize as the best all-round pilot of the term. He won the D.F.C. for gallantry and leadership in 1942. In 1948, he took over command of No. 1 Operational Group, later known as the Operational Command. He planned successful air operations in support of ground troops in Jammu and Kashmir, eventually leading to the Zojl La breakthrough, the capture of Karjil and the uninterrupted airlift to far-flung outposts in the State. He took over as Deputy Chief of the Air Staff in 1952 and six years later he took over as Managing Director of H.A.L. The project to manufacture HF-24 aircraft was launched during his tenure there.

(*The Times of India*, New Delhi)

[Prev. ref. 3706:INI:G]

D. **Economic Collaboration Agreement With Czechoslovakia:** The Governments of India and Czechoslovakia signed in Prague on May 11 the second Economic Collaboration Agreement providing for a credit equivalent to Rs. 40 crores.

The new credit will finance the expansion of the boiler plant at Tiruchirapalli and the Heavy Electricals Plant at Hyderabad, setting up of an additional foundry and forge facilities for existing foundries, two new machine tool plants, one tractor and power-tiller factory and one 220-mw. power plant. The credit will also finance the import of components required for joint ventures to the extent of Rs. 14 crores.

The credit will be repayable in rupees which will be utilized for the export of Indian goods to Czechoslovakia. The repayment period will be 10 years for projects and eight years for components.

(*The Statesman*, New Delhi)

[Prev. ref. 5069:INI:I]

E. **New Bulgarian Envoy:** Mr. Chirsto Dimitrov, Ambassador of Bulgaria, presented his letter of credence to the President at Rashtrapati Bhavan on May 13.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 2169:INI:C]

F. **Diplomatic Appointments:** Vice-Admiral Ram Dass Katari, former Chief of Naval Staff, has been appointed Ambassador to Burma.

He is expected to assume charge shortly.

Mr. P. A. Menon, Ambassador to West Germany, has been transferred to Djakarta as Ambassador to Indonesia.

The former Indian Ambassador in Djakarta, Mr. Apa B. Pant, has been appointed Ambassador to Norway.

(*The Times of India*, New Delhi)

[Prev. ref. 5631:INI:F]

G. **Assassination Of Mr. Jigme Dorji—Death Sentences:** The Royal Commission of Justice appointed by the Maharaja of Bhutan on May 15 sentenced four army men responsible for the assassination of the State's Prime Minister, Mr. Jigme Dorji, to death on a charge of treason.

They were Brigadier Bahadur Namgyal, former Deputy Chief of the Army, Jambey, the assassin, Lt-Col. Sangyal Dorji and Naik Doley.

The sentence of death being mandatory under the Bhutanese law for treason, the Commission recommended to the Maharaja that Naik Doley's sentence be commuted to life imprisonment. All the sentences were to be confirmed by the Maharaja. The sentences came at the end of a two-day trial during which all the accused admitted their guilt.

The trial was held in the Assembly Hall in Thimpu. About 1,000 people, military and civil, crowded the court, and about another 2,000 packed the courtyard where the proceedings were relayed by loudspeakers.

The Royal Commission of Justice comprised six Bhutanese judges and was presided over by the chief secretary of the Bhutanese Government, Mr. Chiney Dorji.

(*The Statesman*, Calcutta)

[Prev. ref. 5798:INI:B]

H. **Re-organization Of Rehabilitation Ministry:** The Central Government has decided to set up a Directorate-General of Relief in the Ministry of Rehabilitation for expediting the work of refugee resettlement in different States.

A number of camp-commanders will also be appointed in different camps where the migrants from East Pakistan stay in transit before they are dispatched to the States.

The expansion and the re-organization of the Ministry of Rehabilitation followed the visit of the Central Minister, Mr. Mahavir Tyagi, to several refugee camps in Madhya Pradesh and Orissa.

After a personal study of the conditions in these camps and also their administration, Mr. Tyagi was said to have come to the conclusion that to meet the grave situation created by the continuous influx of migrants, it was necessary to strengthen the present camps and to organize new ones in different States. (At present there are 41 refugee camps in the country.)

The new Directorate will also help in co-ordinating the activities of various camps and provide a more uniform standard of administration and discipline.

Directive To States:

The Central Government has directed all States to re-organize and strengthen their intelligence machinery so that the authorities receive advance warning of any communal conflict which may be developing.

This advice has been given because it is realized that in the recent riots in Bihar and Orissa inadequacy of intelligence hampered and delayed the measures to control rioting.

The Home Ministry was believed to have suggested that besides the intelligence staff and CID, revenue officials, village headmen and agencies engaged in field work of various types be asked to "keep their eyes and ears open" and immediately report to the authorities any signs of communal tension that they might notice.

Such an arrangement, it was pointed out, should avert situations like the one a few weeks ago in which the authorities were taken by surprise by the volume and virulence of communal rioting.

The move to improve the intelligence is a corollary to the elaborate instructions which were issued recently to all State Governments on how to deal with a mob.

Contrary to the earlier practice of opening fire only as the last resort, it has now been decided that should an ugly situation appear to be developing the police must open fire early and the "firing should be effective and purposeful."

The extent to which the authorities' attitude to the use of force has changed following the recent disturbances is evident from the directive that any hesitation on the part of the police and magistracy to employ effective force "would be regarded as a grave dereliction of duty."

The States have been asked to use their powers under the Preventive Detention Act and the Defence of India Rules to detain individuals who might be inciting communalism and creating tension. If necessary, the powers to detain under the DIR be delegated to district magistrates.

The Centre has also urged stern action against those who indulge in looting during disturbances. Those from whose houses looted property is recovered should be arrested and prosecuted. If any of the recovered articles carry blood stains, the prosecution, the Centre feels, should be on charge of murder.

(*The Financial Express*, Bombay)

[Prev. ref. 5799:INI:C]

I. **Doctors And Engineers To Serve In Armed Forces:** Doctors and engineers recruited in future to the Central and State Services and by public undertakings will be required to serve in the armed forces for a minimum term of four years during the first 10 years of their service.

Orders issued by the Central Government to this effect say that the entrants will be posted either as commissioned officers or as civilian officers engaged in work relating to the defence effort in India or abroad.

Some time ago this scheme was discussed by the Emergency Committee of Secretaries after obtaining the views of the Central Ministries concerned.

This compulsory military service has been necessitated by the shortage of personnel in the technical branches of the armed forces.

The Central and State Governments have already liberalized the terms for the release of civilian officers with engineering and medical qualifications to join military service. The Central Home Ministry has issued orders protecting their interests and offering them certain other concessions.

The Central Government has also issued orders that 50 per cent of the Central Class I and Class II Engineering and Medical Services, which are to be filled by direct recruitment, should be reserved for temporary commission graduate engineers and doctors.

The Army is also granting short-service commission to engineers, initially tenable for five years. In March, 1963 a university entry scheme was introduced under which short-service commission on probation is granted to suitable engineering students studying in the final and pre-final year of the degree course.

A scheme for the grant of direct junior commission in the Corps of Engineers to selected civilian personnel who possess the required technical qualifications was also sanctioned in October, 1963.

(*The Statesman*, New Delhi)

[Prev. ref. 4983:INI:A]

J. **Central Assistance To States:** The Central Ministry of Works and Housing has released Rs. 69,39,000 to seven more State Governments as Central assistance for the Centrally-sponsored slum clearance scheme.

Out of the total amount allocated, Rs. 35,33,000 are as loan and Rs. 34,06,000 as grant.

The break-up of the allocation is:

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Assam—Rs. 2,52,000 (loan Rs. 1,26,000, grant Rs. 1,26,000); Gujerat—Rs. 9,57,000 (loan Rs. 4,79,000, grant Rs. 4,78,000); Kerala—Rs. 3,75,000 (loan Rs. 2,50,000, grant Rs. 1,25,000); Madhya Pradesh—Rs. 7,05,000 (loan Rs. 3,53,000, grant Rs. 3,52,000); Madras—Rs. 40,50,000 (loan Rs. 20,25,000, grant Rs. 20,25,000); Mysore—Rs. 4,50,000 (loan Rs. 2,25,000, grant Rs. 2,25,000); and Rajasthan Rs. 1,50,000 (loan Rs. 75,000, grant Rs. 75,000).

Earlier, the Ministry had released Rs. 142,04,000 to Maharashtra, West Bengal, Punjab, Andhra Pradesh, Bihar, Orissa and Uttar Pradesh.

(*The Times of India*, New Delhi)

[Prev. ref. 5452: INI:G]

K. Studies On Fourth Plan—Planning Body's Recommendations: The Perspective Planning Division's paper, which has been accepted as the basis for future studies on the Fourth Five-Year Plan, envisages an integrated programme of development for the decade 1966-76.

It recommends a total outlay of Rs. 66,000 crores during the period—Rs. 22,000 crores for the Fourth Plan and twice that for the Fifth Plan.

This, in its view, is essential for achieving the social and economic objectives set by the nation, and the effort is not beyond the country's capacity.

The main social aims of the scheme are a minimum level of consumption of Rs. 20 per month per head by 1976; substantial improvement in the standard of amenities in rural areas; and the attainment of a social order which, besides providing equality of opportunity to all, will prevent excessive disparity in income and wealth.

To attain this, the study says, an acceleration of the national income from the anticipated figure of Rs. 18,000 crores annually by the end of the Third Plan to Rs. 26,000 crores in 1970-71 and Rs. 37,300 crores in 1976 is necessary. This assumes an annual compound rate of increase of seven per cent.

The foreign exchange needs of the Fourth and Fifth Plans are sought to be rapidly curtailed to make the economy more or less independent of foreign help by 1976. This, combined with a high rate of investment, would lead to a self-reliant and self-generating economy.

The rate of investment under the scheme will be stepped up from 11 per cent of the national income in 1961 to 21 per cent in 1971, after which it will maintain itself at that level.

The total consumption under the scheme will in 1975-76 be 2.27 times that in 1960-61. In per capita terms this would work out to a rise of 60 per cent, or an average annual increase of 3.2 per cent after allowing for a population growth of 2.2 per cent per annum.

This would compare very favourably with the situation during the Second and Third Plans when the actual per capita increase has been less than one per cent per annum.

Enrolment in elementary education institutions is sought to be trebled over the period 1961-76; the number of secondary school students will go up four times and the expansion of facilities at university or corresponding levels 3.5 times. All children between the ages of five and 11 and half of those in the age-group 11-14 will be in school by the end of the Fourth Plan. The Fifth Plan goal is to have 90 per cent of the age-group 6-14 attending school.

Scholarship facilities will be greatly expanded to put education within the reach of most deserving candidates irrespective of means.

The total outlay on education is to be stepped up from about two per cent in 1961 to nearly four per cent by the end of the Fourth Plan and 4.7 per cent by the end of the Fifth Plan.

Family planning is to be accorded high priority: the goal is to cover the country by the end of the Fifth Plan with a network of family planning clinics, which would provide free advice and assistance.

The basic amenities available in the villages are to be augmented in a dramatic fashion. Under the programme for rural electrification, for example, the number of villages with power will go up from 40,000 in 1966 to 100,000 in 1971 and 200,000 in 1976. Since most of these villages will be large-sized, in effect the bulk of the countryside will enjoy the advantages of electricity.

Of the 70 million likely to be added to the labour force during 1961-76, nearly 50 million will be absorbed in non-agricultural pursuits, the balance finding employment in the agricultural and related sectors.

A sizable increase in the share of the public sector is planned during the next two Plans. It is hoped that by 1976, about half of the total stock in the country will be owned by the Government. This will have two effects. First, it will help reduce the present wide disparities in wealth and secondly, it will facilitate mobilization of surpluses of productive enterprises.

The study assumes a step-up of about 4.7 per cent per annum in income from agriculture but a much higher rate of increase in industry and other sectors. Mining, manufacturing industries and construction, for example, will go up by 11.4 per cent a year, during the decade 1966-76. The increase in the latter category during the first half will be 12.5 per cent. The figure for transport will be 10 per cent. Small-scale industries will double their growth rate—from four per cent annually to eight per cent.

Because of the much larger increase in industry, the share of agriculture in the total national income will decline from 43 per cent in 1966 to less than 33 per cent in 1976. Mining and manufactures, on the other hand, will improve their share from 19 per cent to 27 per cent.

The critical sectors of development are metals, machinery, fertilizers, coal, oil, power, transport, major irrigation works, higher technical education, scientific research and survey of natural resources. These are important not only because they support the basic programme of development but also because if they fail to come up to expectations the assumptions with regard to the balance of payments would be upset, throwing the economy back into the lap of the aiding nations.

The step-up in the heavy and intermediate industries would change the production picture in a dramatic fashion. In 1961, nearly half the total national output was derived from small-scale and household industries, engaged in processing agricultural produce and manufacture of consumer goods. Capital goods and intermediate industries accounted for less than one-fourth of the total industrial output.

During the 15-year period 1961-76, the outturn of the latter will multiply 10 times, boosting its share in the total from 23 per cent, to about 43 per cent in 1971 and 51 per cent in 1976.

It is in these critical sectors that gestation lags are long and advance action is, therefore, necessary. The existing lack of technical organizations for planning, design engineering and constructing complex enterprises, needs to be rapidly corrected.

The study declares that financial resources for a plan of this kind are not the determining factor but flow from its shape and size. This is because revenues depend also on the scope of the production planned.

The total annual investment planned at the end of the Third, Fourth and Fifth Plans is respectively Rs. 2,900 crores, Rs. 5,400 crores and Rs. 7,800 crores. The share of the private sector gradually falls over the years. The figures for the public and private sectors in 1966, 1971 and 1976 being Rs. 1,800 crores and Rs. 1,100 crores, Rs. 3,450 crores and Rs. 1,950 crores, and Rs. 5,200 crores and Rs. 2,600 crores.

The return from the private sector is assumed at 13 per cent of the capital and from the public sector at 10 per cent two to four years after investment. Surpluses from public enterprises are expected to go up from Rs. 355 crores in 1966 to Rs. 750 crores in 1971 and Rs. 1,630 crores in 1976.

Market borrowings are taken at Rs. 270 crores, Rs. 445 crores and Rs. 725 crores respectively.

Additional taxation will provide Rs. 600 crores in the Third Plan and Rs. 790 crores during the Fifth Plan, considering that the figure for the Third Plan, when the income growth has been disappointing, is expected to be Rs. 750 crores, this is not impracticable.

The study assumes a decline in foreign aid from Rs. 500 crores in 1966 to Rs. 300 crores in 1971 and nil in 1976. This is based on the expectation of a sizable increase in the output of indigenous capital goods and in the country's export effort.

Export earnings under the schemes are to go up from an anticipated Rs. 890 crores in 1966 to Rs. 1,220 crores in 1971 and Rs. 1,620 crores in 1976.

The export plan envisages a notable reduction in the share of agricultural produce in the total. Against 76 per cent in 1961, this figure is likely to go down to 59 per cent in 1971 and less than half in 1976.

The category includes items like jute fabrics, tea, fruit, vegetables, oil cakes, fish and fish preparations, cotton textiles, vegetable oils and sugar.

The principal category which will take up some of these percentages is mineral ores, particularly iron-ore. Their proportion in the total export earnings will go up from six per cent in 1961 to 14 per cent in 1971 and 1976, the absolute figures being Rs. 50 crores, Rs. 171 crores and Rs. 230 crores respectively.

The export of manufactured goods like electric machinery, including electronic equipment, engineering items, iron and steel castings, metals and metal manufactures, aluminium, chemicals, rubber manufactures, drugs and medicines, will also go up steeply. From Rs. 60 crores in 1961, earnings from this list are likely to increase to Rs. 276 crores in 1971 and Rs. 484 crores in 1976.

(*The Times of India*, New Delhi)

[Prev. ref. 5208: INI:G]

L. Coal Deposits In Bihar: Rich reserves of super-grade coal estimated at several million tonnes have been discovered near Bermo in Hazaribagh district of Bihar.

National Coal Development Corporation (NCDC) sources have said buildings in the coal-bearing areas will have to be demolished for working the mines. A diversion road has already been constructed on which light traffic has started moving. The main road, however, is still being used for heavy vehicles.

According to the sources, coal from the new reserves will be conveniently utilized at the new washery which is being set up with Soviet collaboration in the district.

(*The Financial Express*, Bombay)

[Prev. ref. 4287: INI:S]

M. Progress Of Banking During 1963: The Reserve Bank report on "trend and progress of banking in India" during 1963 showed that the

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banks' resources and credit and investment portfolios increased during the year as a whole and led to the banks increasing their earnings and profits.

The report, released in Bombay on May 16, noted that the Emergency and its aftermath "did not have an unfavourable impact" on the operations of banks during the year.

By and large, it stated, the economy was also able to absorb the immediate impact of increased defence outlays and the subsequent heavy step-up in taxation without serious disturbance of its internal balance.

The report noted that the pace of branch expansion by banks in the private sector was at an accelerated pace during the year with the number of new offices opened by commercial banks rising to 365 in 1963.

Since 1954, when the organized programme of branch expansion started, commercial banks have opened a total of 2,373 new offices or an average of 237 per annum. At the end of 1963 the total number of offices of scheduled and non-scheduled banks stood at 5,032 and 510, respectively.

The report stated that although the pace of branch expansion had quickened in 1962, there were as many as 1,017 towns in India out of a total of 2,690 towns, which did not have any office of a scheduled, non-scheduled or co-operative bank. There was therefore continuous and urgent need for extension of banking facilities in areas not served by any commercial bank.

The reports stated that most of the banks had responded to the Reserve Bank's request in 1963 to formulate and submit their branch expansion programmes for three years. The programmes submitted included a fair number of centres devoid of banking facilities.

During 1963, banking companies were granted permission to open new offices at 166 unbanked centres as compared with 82 in the previous year.

Turning to overall trends, the report noted that deposit mobilization (excluding PL 480 and 686 Funds) was higher in 1963 (Rs. 283 crores) than in 1962 (Rs. 233 crores). Credit expansion (Rs. 159 crores) was also larger than in 1962 (Rs. 145 crores). Unlike in 1962, scheduled banks reduced their borrowings from the Reserve Bank in 1963 by Rs. 13 crores. Cash reserves also rose (Rs. 9 crores) as against a decline in 1962 (Rs. 23 crores).

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5274:INI:N]

N. Oil Exploration Plans: The Oil and Natural Gas Commission, which met in Dehra Dun on May 16, finalized plans for accelerating the oil exploration and development programme in various areas, particularly measures for speedier execution of the drilling programme in Gujerat and Assam.

It also discussed financial and technical matters, including indigenous manufacture of equipments needed for oil exploration.

The Commission, which has to its credit many new discoveries of oilfields since its inception in 1955, is making intensive efforts to raise indigenous production of oil from one million tons at the end of the Second Plan to 6½ million tons by the end of the Third Plan.

The refining capacity target at the end of the Third Plan has been fixed at 17½ million tons, while the Fourth Plan aims at refining 28 to 30 million tons, thus bringing self-sufficiency in this respect.

A spokesman of the Commission told newsmen that drilling for oil in the Siwalik Hills at Mohand near Dehra Dun would start early in July. Most of the equipment needed for it was in transit, while rig from Raxaul which was still working on final tests there would be sent by the end of May.

In the Mehsana area of Gujarat too search for oil has been accelerated with promising possibilities.

The spokesman said negotiations were still in progress between the Ministry of Petroleum and the Governments of Iran and Kuwait for contract for drilling in these West Asian countries and it would take some time to finalize the arrangements.

The Commission's Fourth Plan involving an outlay of Rs. 225 crores has been submitted for inclusion in the Plan estimates.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5690:INI:J]

O. Oil Refinery In Madras: The oil refinery near Madras city will be located on the coastline between Tiruvottiyur and Ennore.

The Rs. 20-crore refinery will be the focal point for the development of a full-fledged petro-chemical complex with a maximum outlay of Rs. 100 to Rs. 150 crores.

The idea of laying a submarine pipeline for supplying crude direct from the ships to the refinery has been given up because of the fluctuating weather conditions along the coastline. Also, the initial expenses and maintenance costs for such a pipeline would be prohibitive.

It is now felt that a special dock for berthing ships near the refinery site, so that the crude could be pumped to a shore-side pipeline linked with the refinery tanks, would serve the purpose.

The Centre is stepping up its efforts for exploring oil in the Cauvery basin and is said to be on the look-out for high-powered drills for the purpose. Only intensive drilling in the area would prove if oil could be exploited on a commercial scale. Present indications are that oil in the Cauvery delta stretches under the sea-bed near the coast.

(*The Hindu*, Madras)

[Prev. ref. 5256:INI:L]

P. Power Station For Assam: Work has begun on Assam's most inaccessible power station, located at Nangalbibra, within 30 miles of Balpakram, the remotest of all Garo habitations.

A Forest Department dirt track from Dudhnai on National Highway No. 37 has been improved to enable the State Electricity Board to start installation of the 5-mw coal-based thermal power house.

The Board will soon take up further improvement of the road so that heavy machinery can be transported. There is a proposal for additional installations at Nangalbibra which would increase power generation.

Nangalbibra is in the Garo Hills coalfield, which contains Assam's biggest and best coal deposits. Owing to lack of transport facilities, there has so far been no extraction of the coal and raisings for the thermal plant will be the first ever. Conversion of the coal into electricity for distribution all over lower Assam is considered the most economical way of exploiting the deposits till better transport facilities are available.

The raisings for the power house are also expected to initiate processes which will lead to the development of the coalfield. The Siliguri-Jogighopa broad-gauge railway will in 1965 reach within 90 miles of the coalfield and is likely to create a demand for coal. It is also hoped that road-borne coal may be used for bunkering of river steamers at Dalgoma, about 70 miles from Nangalbibra.

Some of the coal riverborne from Dalgoma may find an export market in Pakistan, but a shorter route would be by road to Jaria Jhanjail, the Pakistani railhead less than 25 miles away.

Full development of the coalfield, towards which the power house is considered a lever, could lead to industrialization of lower Assam (sillimanite, kaolin, limestone and gypsum are found close by) but will depend on a railway line being built to it from the south bank of the Brahmaputra.

The terrain is hilly but only about 2,000 feet above sea level and access to the Someshvari valley, in which the coal lies, is available through the Dudhnai valley with only a narrow belt of intervening hills forming the watershed. There are no insuperable difficulties in the building of a railway line, except the smallness of the traffic, which factor can be radically changed by coal mining.

(*The Statesman*, Calcutta)

[Prev. ref. 3475:INI:D]

Q. Cement Corporation Set Up: Since cement shortage has been impeding economic development, the Government has decided to establish a Cement Corporation of India to expand the production of cement in the country in the public sector.

It is estimated that during the Fourth Plan period cement production capacity will have to be increased by at least four million tons—a task which is considered beyond the private sector.

The proposed Corporation will not only build and run cement plants but also plan the production in India of cement machinery for at least 40 new plants needed during the Fourth Plan period.

The Corporation may also be asked to arrange for the manufacture of cement machinery for export to Asian and African countries on long-term credit.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 4264:INI:O]

R. Southern Zonal Council Meeting: The Southern Zonal Council met for a two-day session in Trivandrum on May 11.

It discussed, among other things, the question of enforcement of special legislation to regulate the service conditions of beedi and cigar workers, upgrading of certain railway lines, prevention of smuggling of red sanders timber from Andhra, resumption of fishing rights in Periyar lake (on the Madras-Kerala border) by the Kerala Government and power shortage in Kerala.

Mr. G. L. Nanda, the Central Home Minister, presided.

Dr. K. L. Rao, Central Minister for Irrigation and Power, Mr. H. C. Dasappa, Minister for Railways, Mr. S. Nijalingappa, Chief Minister of Mysore, Mr. M. Bhaktavatsalam, Chief Minister of Madras, Mr. K. Brahmananda Reddy, Chief Minister of Andhra Pradesh, Mr. R. Sankar, Chief Minister of Kerala, and Mr. S. L. Silam, Lt.-Governor of Pondicherry, attended.

The Council also examined the implementation of decisions regarding safeguards for linguistic minorities and national integration.

It also discussed an amendment to the Central Sales-Tax Act, reservation of seats in medical colleges, extension of time for passing language tests by employees of the States of the Zone and eradication of corruption.

Addressing the Council, Mr. Nanda said that the States in the Southern Zone had

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made more progress in the fields of education, food production, transport and medical facilities than the rest of the country and complimented them for the lead they had given.

He made particular mention of the commendable advance made by these States in providing safeguards to linguistic minorities.

Decisions:

The Southern Zonal Council decided on May 12 that the State Governments in this Zone, like their counterparts in other Zones, would make rules that future entrants to medical and engineering cadres should serve for at least four years in the armed forces or works relating to defence efforts anywhere in India or abroad, if so required.

Public undertakings under the State Governments would also be asked to make similar rules for their employees.

Another decision was to make arrangements for providing man-power training on priority basis so as to meet fully the man-power requirements of the Fourth and subsequent Plans.

For meeting the power shortage in Kerala during the next Summer, the Madras Chief Minister agreed to consider making available to Kerala 25 mw of power from Neyveli thermal plant.

The Council also discussed at some length the question of eradicating corruption and improving the efficiency of public services. The Mysore Chief Minister informed the Council that a vigilance commission was being set up in his State. Other Chief Ministers also agreed to set up similar commissions in addition to the *existing anti-corruption machinery.*

Some of the Chief Ministers expressed the view that more drastic steps than those recommended by the Santhanam Committee (page 5790) were necessary to meet the evils of corruption effectively.

It was decided that the Zonal Councils should henceforth devote more attention to developmental activities in their respective Zones because the National Development Council, being a larger body, could devote its attention only to policy matters.

The Council decided to set up a committee consisting of the Chief Ministers of Madras, Mysore and Kerala under the chairmanship of the Central Minister for Irrigation and Power, Dr. K. L. Rao, to go into the question of utilizing waters of the west-flowing rivers in the Southern Zone.

In regard to the hydro-electric scheme known as Hogenekkal on the boundary of Mysore and Madras, Dr. Rao pointed out that mutual agreement had already been reached between the Governments of Mysore and Madras under which the cost of the project as well as the benefits will be shared by them equally.

As regards implementation of the decision of the National Integration Council on the removal of domicile restriction on admissions to technical institutions, it was decided that a percentage of seats in medical and engineering colleges should be reserved for candidates from outside the States. These admissions should be on merit and not by nomination. Reservation for Scheduled Castes and Scheduled Tribes candidates would continue and selection would be made on the basis of merit.

The Council reviewed the implementation of decisions regarding safeguards for linguistic minorities and noted that language was no longer a bar in recruitment to services.

At the instance of the Government of Pondicherry, the Government of Madras agreed to undertake in the very near future construction of a 110-kv transmission line from Panrutti to Villanur.

The Chief Ministers of Kerala and Madras agreed to issue special red sanders timber transit rules for preventing its smuggling from Andhra Pradesh and its unauthorised export from Cochin and Madras. The object is to restrict the quantity of this timber that can be kept by any one without a valid licence or permit. This is sought to be achieved by suitable amendments to the Forest Acts in the States.

(*The Hindu*, Madras)

[Prev. ref. 5296:INI:U]

S. P-SP National Conference: Addressing the seventh National Conference of the Praja-Socialist Party (P-SP) in Ramgarh on May 16, Mr. S. M. Joshi, Chairman of the Party, urged his party men to work for the unity of all genuine forces of socialism in the country to end "Congress misrule."

He said: "Ours is not a negative objective of pulling down the Congress from power, but a positive one of providing a better alternative.

"It is my conviction, that if we are to do our duty to the country and the people of India, our place is not within the Congress.

"We must not spare efforts to build a rival focus of political and moral authority to carry on our struggle against lethargy and stagnation and to prosecute a war on poverty and social inequalities.

"If we stick to our principles and stand firmly on our faith, the chances of success are good."

He said that during the past 10 years *his party had neglected the "ideological training of our cadres."* "Like the Congress we have also started feeling that our main job is to fight the elections and we intend to become imitators of the Congress in the matter of social values."

The rank and file of the P-SP, he said, were now convinced that the dice was so heavily loaded against them that they could not depend on elections alone to become a strong opposition, let alone a majority.

"The first and foremost task before us today is to forge mass sanctions against Congress misrule. A surging tide of an extra-parliamentary democratic socialist movement, wedded to secular nationalism, socialism and democracy, can alone release new forces for social change and provide an effective lever to dislodge the Congress from power.

"Only such a movement with its accent on mass activization can create political assets and moral resources to build a new social order in which individuals and groups would be activated to work more by a sense of social obligation than by an inherent tendency of acquisitiveness or passion for power."

Suspension Of Members:

On May 16, the P-SP National Executive suspended four members of the UP Legislature Party, all supporters of Mr. Asoke Mehta, for "anti-party activities."

The Executive confirmed the suspension of two members in Bihar, two in Madhya Pradesh and one in Maharashtra after rejecting their explanations. These five members were said to have defied the party mandate in the recent biennial elections to the Rajya Sabha and Legislative Councils.

The Executive did not take any decision on the question of the Bihar rebels, who are in a majority in the State legislature party, but left it to be handled by Mr. S. M. Joshi and Mr. Prem Bhasin.

On May 1, the Executive decided to suspend four more leaders of the Party in UP. This was announced by Mr. Prem Bhasin, General Secretary of the party, at a news conference in Patna.

The four leaders were Mr. Udit Narain Sharma, Chairman of the Parliamentary Committee, Mr. Chandrasekar Singh, M.P., Mr. Gauri Shankar Rai, Joint Secretary of the UP unit, and Mr. Om Prakash, member of the State Executive.

Mr. Bhasin said that the Executive had also decided to remove Mr. K. N. Pradhan from secretaryship of the Madhya Pradesh unit. Mr. Jamuna Prasad Singh, MLA, would take over as acting secretary.

Procedure For Merger With Socialist Party—Resolution Adopted:

On May 18, the National Conference adopted a resolution laying down the procedure for a merger with the Socialist Party "without preconditions."

Only two delegates voted against the official resolution which was adopted amidst shouts of "socialist unity zindabad." The resolution was put to the vote by the Chairman, Mr. S. M. Joshi.

Mr. H. V. Kamath's amendments were rejected by an overwhelming majority. None of his amendments was supported by more than seven delegates.

The resolution envisages the formation of a joint ad hoc committee within 15 days of the ratification of a similar resolution by the Socialist Party.

The name, the flag and the election symbol of the new party will be finally chosen by the ad hoc committee.

A committee will be set up later to draft a policy statement and draw up a constitution for the united party. The first national conference of the united party will be held by October.

The resolution authorizes the joint ad hoc committee to take the necessary steps to "secure the association of like-minded parties to further broadbase the new party and consolidate all forces of socialism and democracy in the country."

Moving the resolution, Mr. N. G. Goray, former General Secretary, said the proposed merger would symbolise the beginning of a "new era of consolidation of democratic and socialist forces which had been unfortunately divided for some years."

He hoped that other like-minded parties and individuals would strengthen socialist forces. Mr. Goray said the presence of Mr. Raj Narain, former Chairman of the Socialist Party, on the dais was indicative of socialist unity.

Election Of Office-Bearers:

On May 18, Mr. S. M. Joshi and Mr. Prem Bhasin were unanimously re-elected Chairman and General Secretary of the P-SP.

Earlier the delegates adopted a resolution amending the party's constitution reducing the number of National Executive members from 15 to 12. These 12 members, the Chairman and the General Secretary of the P-SP will be the party's representatives on the national ad hoc committee of the new party to be formed with the merger of the P-SP and Socialist Party.

Mr. H. V. Kamath was among the 12 P-SP leaders who were elected to the National Executive.

The others were Mr. S. N. Dwivedi, Mr. Hem Barua and Mr. Mukut Bihari Lal (all M.P.s), Mr. N. G. Goray (Maharashtra), Mr. Tribik Singh (UP), Mr. Basawan Singh (Bihar), Mr. Debu Bose (West Bengal), Mr. Harbhajan Singh (the Punjab), Mr. Brij Mohan Toofan (Delhi).

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Mr. K. Chandrasekharan (Kerala) and Mr. Sanat Mehta (Gujerat).

These members and the Chairman and General Secretary of the party will represent the P-SP on the 25-member National Ad Hoc Committee of the new party to be formed as a result of the merger with the Socialist Party.

(*The Statesman* and *The Times of India*, New Delhi)

[Prev. ref. 5337:INI:I]

T. Hindu Mahasabha Session: At its annual meeting in Sholapur on May 17, the Hindu Mahasabha gave an ultimatum to the Government that if it did not take "effective steps" before August 15, 1964 to bring about an exchange of population between India and Pakistan, the party would give a call to the country to bring pressure upon the Government to do so.

Meanwhile, a resolution adopted by the session said that the Mahasabha would mobilize public opinion in favour of exchange of population as it did not regard the fate of the minorities in Pakistan as a party issue but "as a national calamity."

The Mahasabha decided to form an "Exchange of Population Front" and invited all patriotic elements in the country, irrespective of party affiliation, to join it.

The resolution said that up to August 15 the Mahasabha would launch a countrywide "vigorous campaign" for collecting signatures on the demand for the exchange of population and arouse public opinion through meetings, processions and literature. A campaign for enrolling volunteers for the action to be taken after the period of ultimatum was over, would also be carried on during this period.

The Mahasabha also demanded the re-arrest of Sheikh Abdullah and said that his release without getting his written views on Kashmir was "a political blunder."

A resolution embodying the demand said his speeches and actions after his release merely indicated that he wanted to make an effort for revoking the accession of Kashmir with India.

It said the Government itself should have no further talks with Sheikh Abdullah on the Kashmir issue inasmuch as he was not even prepared to admit himself as an Indian citizen.

It demanded that the Government should not permit Sheikh Abdullah to go to Pakistan as his visit at this juncture was "fraught with greatest danger to the integrity and security of India."

(*The Hindustan Times*, New Delhi)

[Prev. ref. 4334:INI:E]

U. Rural Electrification Plan: The Central Ministry of Irrigation and Power has drawn up a Rs. 300-crore plan for extending rural electrification during the Fourth Five-Year Plan.

The programme envisages electrification of an additional 60,000 villages, bringing the number of villages electrified by 1970-71 to 1,00,000.

A recent survey made by the Ministry has estimated that for electrifying the entire rural region, an investment of the order of Rs. 2,600 crores—about Rs. 100 crores for every 20,000 villages—would be called for.

According to the survey, though rural electrification may not be justified purely on commercial considerations, it can be "the one major factor" in bringing about a revolutionary technological approach to many problems of development in rural areas.

It was estimated that by the end of the Third Plan, 31 per cent of India's population will be within electrified towns and villages.

By 1966, all towns and villages with a population exceeding 5,000 are expected to be covered.

(*The Times of India*, New Delhi)

[Prev. ref. 5473:INI:J]

IRAN

A. Allocations For Third Development Plan: The Prime Minister, Mr. Ali Mansour, has announced increases in the credit available for the Third Development Plan, which is now well into its second year.

It will be recalled that the original proposal for 190 billion rials was cut by Mr. Assadullah Alam's Government to 140 billion, and approved by the Cabinet at this figure on October 31, 1962.

According to information released on May 1, the new Government intends to increase the figure originally proposed to a new total of 200 billion rials.

The amounts approved by Mr. Alam's Cabinet in 1962 and the revised figures are as follows:

(million rials)

Ministries:	1962 figure	1964 proposal
Agriculture and Irrigation	35,300	45,000
Mines and Industries	16,600	21,900
Electricity and Fuel	26,100	27,000
Communications	30,000	50,000
Education	13,450	13,950
Labour and Man-power	6,200	8,000
Urban Development	4,500	8,000
Housing and Construction	2,070	7,450
Statistics	800	800

(*Middle East Economic Digest*, London)

[Prev. ref. 5549:IRN:B]

IRAQ

A. "Provisional" Constitution Proclaimed: A "provisional" Constitution was proclaimed on May 3.

It said that Iraq was a socialist democratic State and pledged the Government to work for the creation of an Egypt-Iraqi union as a first step towards pan-Arab unity.

A 105-article Charter announced by President Abdel Salam Arif and the Premier, Mr. Taher Yahya, over **Baghdad Radio** proclaimed Iraq a sovereign Republic, with Islam as its religion, Arabic its official language and Baghdad its capital.

It vested all its executive power in President Arif, giving him virtually all authority to define and superintend the country's political, military and economic affairs.

He will be assisted by the National Revolutionary Council Cabinet and Supreme Defence Council.

Field-Marshal Arif was also named Supreme Commander of the armed forces, which were banned from politics or joining political parties.

The "provisional" Constitution is valid for a transitional period of three years, after which legislative powers will be transferred to a National Assembly elected by secret ballot.

During the interim period, legislative powers will be assumed by the Council of Ministers.

A special article confirmed Field-Marshal Arif as Head of State. He will retain his powers until a new President is elected under the Constitution.

The Constitution affirms that "the Iraqi people forming part of the Arab nation, has for its first goal the achievement of Arab unity with the United Arab Republic of President Nasser."

(*Baghdad Radio* and *The Indian Express*, Bombay)

[Prev. ref. 5586:IRQ:A]

ISRAEL

A. EEC Tariff Concessions: Israel and the European Economic Community (EEC) initialled in Brussels on May 6 a three-year Trade Agreement facilitating exports from Israel to the "Six".

According to Israeli officials in Brussels, exports to the Common Market amount to $100,000,000.

The Agreement provides for tariff suspensions ranging from 20 to 40 per cent in favour of Israel.

Syrian View:

Syria on May 5 threatened that the Arab States might take measures *affecting the interests of European* Common Market countries "to remove the damage to which the Arab countries may be subjected as a result of Israel's association with the Market."

The threat was contained in an official statement issued by the Foreign Ministry after Mr. Rafik Asha, Secretary-General of the Ministry, had summoned the Ministers of West Germany, Italy and Holland in Damascus and the French and Belgian Charges d'Affaires and conferred with each of them for about half-an-hour.

The statement said that Mr. Asha told the five envoys the Syrian Government's point of view on the Agreement reached between the Common Market's executive commission and Israel on a trade pact to facilitate Israeli exports.

It added that Syria considered that she and the Arab States were in a state of war with Israel. "Consequently, the Syrian Foreign Ministry regards this Agreement as free aid to Israel which will enable her to consolidate her aggressive potential directed against the Arab States."

(*The Times*, London)

[Prev. ref. 5764:ISR:B]

B. Historic Finds At Massada: The greatest archaeological expedition ever undertaken in Israel has come to an end with yet another scroll discovery.

Fragments of Joshua Ben-Sirah's apocryphal Book of Ecclesiasticus, written in Hebrew in a style which dates it to the first century BC, were found in the Zealot living quarters on the eastern casement wall of Massada, the site of Herod's palace and Jewish Zealots' suicidal last stand against the Romans in 73 AD.

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Speaking to the Press on May 1, Professor Yigael Yadin, leader of the expedition, showed a photograph of a fragment containing about 400 words. The scroll that has been found at Massada is the earliest copy of Ecclesiasticus ever discovered, and proves that the work was originally written in Hebrew, and not in Greek as some scholars had thought. The newly discovered fragments are identical in style with one of the Hebrew manuscripts of Ecclesiasticus found in the last century in the Cairo Genizah (depository of ancient texts).

This discovery came after earlier finds of fragments of Psalms, Leviticus, Genesis and Qumran-type liturgical scrolls on Massada. The Qumran scroll was of particular interest, as it proved that the Dead Sea Scrolls had been written before the fall of Massada in 73 CE.

Prof. Yadin stated that the 6½-month season was the longest ever undertaken in Israel. A thousand volunteers spent at least two weeks at the site, two thirds of them from 32 countries abroad. Gadna Youth Corps boys and girls, over 1,000 soldiers and kibbutz youth were also employed. Altogether, the volunteers put in some 35,000 work-days, and after the first month paid workers, except for certain experts, were found to be unnecessary.

The expedition had cost I£600,000 to date and would cost a total of I£1,000,000 before it was finished during next season's excavations. A further I£1,000,000, he estimated, would be needed for the preservation of Massada, which would be carried out by the Society for the Preservation of Historic Sites.

Another notable recent find, he said, was a classical Roman bath-house with the usual four rooms—dressing-room and the tepid, cold and hot rooms. The hot room is particularly beautiful, with a raised floor supported on pillars, and *square clay pipes through which the hot air escaped after it had passed under the floor.*

Two coins found in the bath-house, dated about 100 CE—one of Tiberius and one inscribed **Judaea Capta** (Captured Judaea)—indicate that Massada was used for at least 30 years by the Romans after the Zealot stronghold fell.

Some light has been shed on the water situation at Massada with the discovery of the northern gate, named by the expedition "the water gate," which led out to several water reservoirs below. It is via this gate that water must have been carried up manually from the lower cisterns. Every building on the site has a water reservoir hewn out of the rock and well plastered. In addition, there are three public reservoirs, including a deep pool, with steps on one side, which might have been a swimming pool.

Summing up the season, Prof. Yadin said that the excavations had revealed the pattern of the casement wall. It was spaced with towers every 60 to 70 metres, as it was described by Josephus.

Prof. Yadin revealed that some 5,000 sacks of pottery fragments had been sent to Jerusalem for reconstruction. The diggers found 2,200 coins, including 20 rare silver shekels, the only ones ever found on an archaeological site. Nearly 200 ostrakons (ink inscriptions on pottery) have been found.

The general history of Massada from Chalcolithic to Byzantine times was now clear. In particular, considerable light had been shed on the Zealots' way of life, as revealed by their pottery fragments, baths, coins, habitations, equipment and even food remains.

Until November, 1964, the Society for the Preservation of Historic Sites, which has set up a Massada sub-committee, will work on preservation. The site should be open to the public by May, 1965.

(*The Israeli Digest*, Jerusalem)

[Prev. ref. 5020:ISR:D]

C. Biblical City Excavated In Negev: The American archaeologist, Mr. Richard Mitchell, told a news conference in Berkeley (California) on May 1 that a city built about 1,500 BC had been excavated on the northern edge of the Negev desert across hillsides where men of the time of Abraham and Isaac grazed their flocks.

He said pottery, tombs, homes, animal bones and grain had been dug. In the ruins the Arabs of the Middle Ages had left a caravan station while Jews from the Iron Age, from the 10th to the 7th centuries BC had left a village. An Indo-European people called Hyksos left a wealthy, fortified city there in the 18th and 17th centuries BC.

(*The Statesman*, Calcutta)

[Prev. ref. 5020:ISR:D]

KUWAIT

A. Mr. M. Al-Khaled Resigns —New Minister Of Justice: *Kuwait Radio* announced on May 9 that the Emir had accepted the resignation of Mr. Mammoud Al-Zeid Al-Khaled, Minister of Justice.

The Emir appointed the Minister of Education, Sheikh Abdullah Al-Jaber Al-Sabah, as Minister of Justice, *in addition to his* Education portfolio.

(*The Egyptian Gazette*, Cairo)

[Prev. ref. 5780:KWT:A]

B. Kuwait Oil Company's Report For 1963: The 1963 report of the Kuwait Oil Company (KOC), the first to be printed in Kuwait, was released early in May.

In his introduction, the Managing Director, Mr. D.E.C. Steel, reported that crude oil production at 95.7 million tons was 5.4 per cent higher than in the previous year, and that oil exports at 90.3 million tons (85.7 million tons in 1962) were also a record.

Refinery capacity has been expanded to 250,000 barrels a day. An agreement was concluded between KOC and Kuwait for the supply of surplus gas and during the year there were successful negotiations for the two KOC holding companies—BP and Gulf Oil Corporation —to become partners in the Kuwait Petrochemicals Industries Co. in a new petrochemicals project, the Kuwait Chemical Fertilizers Co. BP has also entered into partnership with a Kuwaiti company in a new enterprise, Kuwait Aviation Fuelling Co.

Mr. Steel reported that in his view, however, the most significant aspect of the work was the drilling programme with an intensified exploration effort, involving the completion of 23 exploratory or appraisal wells, and the completion of 28 development wells in the Burgan, Magwa and Ahmadi area. KOC is determined to improve the position of the company in the highly competitive condition of the world oil industry.

(*Middle East Economic Digest*, London)

[Prev. ref. 5348:KWT:B]

NEPAL

A. Sino-Nepalese Letters On Boundary Demarcation: China and Nepal have reached agreement on procedures for claiming damages on Sino-Nepalese boundary markers.

The Chinese Ambassador, Mr. Chang Shi-chi and Nepal's Foreign Secretary, Padma Bahadur Khatri on May 15 exchanged letters laying boundary demarcation procedures.

The Agreement envisages immediate repairs of markers by a joint team of Nepal and Chinese experts in case of their severe damage which may likely cause misunderstanding on the actual spot of the markers. But in case of minor damages only two sides will make a note of such damage.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5050:CHI:B]

B. "Cho Oyu" Climbed By West German Expedition: A West German ski expedition climbed the 26,867-foot-high *Cho Oyu*, the world's sixth highest peak, on April 26.

Fritz Stammberger, the youngest member of the team from Munich, and Sherpa Phu Dorji reached the summit. They descended from there on skis.

Two members of the expedition, Dr. Urmeyer and Mr. Huber, died of exhaustion.

The expedition was led by Rudi Rott.

This was the third expedition to reach the summit of Cho Oyu in the past 10 years, the first being an Australian in 1958 and the second an all-Indian expedition in 1958, led by the late Major Jayal.

The earliest known attempt on the peak was made by an unsuccessful British expedition in 1952. Two other unsuccessful attempts were made, one by the Swiss in 1954 and the other by an international all-women's team in 1959 led by a French mountaineer, Mme Cogan. She and three others were killed during the assault on the summit.

(*The Statesman*, Calcutta)

[Prev. ref. 2975:NEP:A]

PAKISTAN

A. New Port On West Coast: It was officially learnt in Karachi on May 11 that a new seaport was proposed to be set up on the west coast to cope with the increasing traffic and reduce the volume of cargo at Karachi Port.

An extensive feasibility study on the entire coast from Gwadur and Pasni down to Keti Bunder in the Thatta District would soon be conducted by the authorities. Consultants were expected to be appointed within two months.

After the Monsoon season is over, a joint consultants team of local and foreign firms will start the feasibility study. Later, an economic study will be carried out to determine the total cost, the foreign exchange component and size of the project. Foreign aid is likely to be secured for the project, which according to indications will be implemented during the Third Five-Year Plan period.

According to official sources, the Central Government has been thinking on this line for a long time. The traffic and the volume of cargo at the Karachi Port has

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increased to an extent that in spite of the tremendous development work at the port, the problem of clearing the cargo in time and avoiding demurrage charges has not been solved altogether.

Besides, with the implementation of the Third Five-Year Plan the economic activities in the country will further gain momentum and the only port at Karachi may not be able to handle all the cargo and traffic. There is apprehension in official circles in Karachi that if timely steps are not taken for the establishment of another port on the west coast, further difficulties may have to be faced on account of the limited capacity of handling cargo and traffic at Karachi Port.

(*Dawn*, Karachi)

[Prev. ref. 2894:PAK:D]

B. New Pay-Scales For Civil And Military Officials: The Central Government announced in Rawalpindi on April 21 revision of pay-scales of civil and military officials, effecting substantial increases in the salaries of the incumbents of various posts.

The new scales will have retrospective effect from December 1, 1962, but arrears will be payable with effect from July 1, 1963.

The following is the text of the announcement:

"As announced by the President in his broadcast last evening (April 21) the Government have revised the scales of pay of civilian Gazetted employees.

"The new scales will be given effect to from December 1, 1962, but arrears will be payable with effect from the beginning of the current financial year, that is July 1, 1963.

"In determining the new scales of pay Government have kept in view: (a) the objective of gradually reducing disparity between the highest and the lowest pay scales; (b) the need to attract a fair proportion of talent to Government service by offering reasonable rates of remuneration in the context of the present cost of living and availability of alternative careers in industry and commerce; and (c) the Government's limited resources and the heavy demands on those resources for economic development.

"The new scales of pay, which have been formulated after merging the cost of living allowance, where admissible, are as follows:

"Standard scale Class II (Gazetted): Rs. 360-36-525-EB-40-925.

"Central Government Section Officers (formerly designated as Under-Secretaries): Grade pay plus special pay of Rs. 220 p.m.

"Central Government Section Officers (Ex-Assistant Secretaries): Rs. 800-40-920-100-2200.

"Selection Grade of Central Government Section Officers: Rs. 1000-50-1250-EB-50-1500.

"Central Government posts in the combined junior and senior Class I scale: Rs. 450-50-1200.

"Junior scale for Class I Services (including Section Officers) other than C.S.P. and P.F.S: Rs. 450-50-1000 plus technical pay of Rs. 50 p.m. for technical services and posts.

"Junior scale for the Civil Service of Pakistan and the Pakistan Foreign Service: Rs. 500-50-1000.

"Senior scale for Class I services other than the C.S.P. and P.F.S. and excluding Section Officers: Rs. 750-75-1500 plus technical pay of Rs. 100 p.m. for technical services and posts.

"Senior scale for the Civil Service of Pakistan and the Pakistan Foreign Service: Rs. 850-75-1450-100-1650.

"Deputy Secretaries to the Central Government: Grade pay in the time-scale plus special pay of Rs. 440 subject to maximum of Rs. 1850.

"Junior Administrative Grade: Rs. 1600-50-1700.

"Special Grade: Rs. 1800-50-2000 (posts to be notified later).

"Senior Administrative Grade: Rs. 2000-100-2200.

"Heads of major departments in the prescribed scale of Rs. 2000: Rs. 2300-100-2600.

"Divisional commissioners: Rs. 2300-100-2600.

"Joint Secretaries to the Central Government: Rs. 2300-100-2600.

"Members, Provincial Boards of Revenue, and Additional Chief Secretaries to the Provincial Governments: Rs. 2750 (fixed).

"Chief Secretaries to the Provincial Governments, and Secretaries to Central Government: Rs. 3000.

"The above scales will replace the Prescribed Scales and the post-1931 scales. The officers on the pre-1931 scales will have an option to elect the new scales.

"The pay of officers will be fixed in the following manner:

"(1) In the case of junior|senior scales officers belonging to regularly constituted Class I Services, pay will be fixed in the new scales at the stage corresponding to their year of service and pay in the senior scale being admitted in the 8th year of service. This will, however, not apply in the case of promotees from Class II to senior scale of Class I.

"(ii) Pay of Gazetted officers other than those covered by (i) above, drawing pay up to Rs. 600 p.m., including cost of living allowance, will be fixed in the new scale at the stage equal to, or if there is no such stage, at the next stage above, the amount arrived at by allowing an increase of 7½ per cent over the aggregate of their pre-revision pay plus C.L.A.

"(iii) The pay of Gazetted officers, other than those covered by (i) above, drawing pay above Rs. 600 p.m. but below the junior Administrative Grade will be fixed in the manner as in (ii) above by allowing an increase of 5 per cent with a minimum of Rs. 45 over the aggregate of their pre-revision Basic pay plus C.L.A.

"(iv) In the case of officers holding posts in the junior|senior administrative grades and above, who, on 1.12.1962, had not completed the prescribed length of services, pay in the new scales will be fixed in accordance with the length of service restrictions hitherto in force.

"(v) The pay of the officers holding posts in or above the junior administrative on 1.12.1962, who, on that date had completed the requisite length of service, will be fixed in the new scale at the stage equal to, or, if there be no such stage, at the stage next above, the total of their pre-revision basic pay plus cost of living allowance thereon, if any.

"In view of the rising cost of living, representations have been made to Government, on behalf of retired Government servants, for an increase in their pension. The Pay and Services Commission had also recommended certain increase in the existing pensions. After a careful consideration, the Government have decided that, up to a certain level, existing pensioners, that is, those who retired before 1.12.1962 should be given suitable relief by increasing their pensions. Such increases will be approximately to the following extent, related to pension before communication, if any:

"(i) Pensions up to Rs. 10: An increase of 100 per cent.

"(ii) Pensions from Rs. 10—100: An increase of 100 per cent down to 23 per cent.

"(iii) Pensions from Rs. 100—250: An increase of 23 per cent down to 20 per cent.

"(iv) Pensions from Rs. 250—500: An increase of 20 per cent down to 15 per cent subject to marginal adjustment up to Rs. 575.

"Detailed orders are being issued.

"The other recommendations of the Pay and Services Commission regarding pension rules and rates, leave rules, etc., are under consideration and decisions will be announced in due course."

Commissioned Officers' Pay-Scales:

The Ministry of Defence announced on April 21 the following enhanced scales of pay to the commissioned officers of the armed forces:

Second Lt|Acting Sub-Lt|Pilot Officer: Rs. 500.

Lt|Sub-Lt|Flying Officer: Rs. 600-50-700.

Capt|Lt|Flight-Lt: Rs. 700-50-1,100.

Maj|Lt-Comdr|Sq. Leader: Rs. 1,100-50-1,200-75-1,650.

Lt-Col|Comdr|Wing Comdr: Rs. 1,525-75-1,900.

Col|Capt|Group Capt: Rs. 1,900-75-2,050.

Brig|Commodore|Air Commodore: Rs. 2,075-100-2,375.

Maj-Gen|Rear-Admiral|Air Vice-Marshal: Rs. 2,650.

Lt-Gen|Vice-Admiral|Air Marshal: Rs. 3,000.

The revised pay-scales are inclusive of dearness allowance, so far paid separately, and will replace the new pay code of 1947. Officers not governed by the new pay code of 1947 will be given the option to retain their present-day scales or to elect the new pay-scales.

These scales will not apply to the Armed Forces Nursing Service and the Medical Corps Licentiates without general service liability for whom separate new scales have been approved by the Government.

All officers in the Army, Navy and the Air Force will be fixed in the revised scales in the following manner:

(a) The pay of officers up to and including the rank of Lt-Col. and equivalent, will be fixed in the new scale at the stage appropriate to their years of service as commissioned officer. The pay of commissioned officers of the branch and ex-branch lists in the Pakistan Navy will be fixed in the new scales according to a formula, which has been devised for them.

(b) The pay of officers of the rank of Colonel, or equivalent and above, will be fixed in the new scales at the stage equal to or if there is no such stage, at the stage next above, the aggregate of their pre-revision pay, plus dearness allowance where admissible.

Mr. M. Shoaib's Statement:

The Finance Minister, Mr. Mohammed Shoaib, said in Rawalpindi on April 22 that increase in pay-scales would cost the Central Exchequer to the tune of Rs. 15 crores to Rs. 17 crores annually.

He expressed the hope that the revised pay structures would attract reasonably intelligent and hardworking young men to the Services. "Government do need some brilliant people for services and we do hope as a result of the revised scales intelligent stuff would be available in abundance."

He said that as a result of few scales ratio between the lowest and the highest paid would be reduced to one to 40. He said in pre-1963 scales the gap was to the extent of one to 286. Following implementation of the first Pay Commission

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recommendations in 1951 the gap was reduced to one to 45 between the lowest and the highest paid service men.

He pointed out that even in highly developed countries like Britain, the gap was one to 35.

He said the Government already had with her the "bulk" of the money needed to give effect to the increase in salaries. This money was provided in the current Budget and additional money would be provided for in the next Budget.

(*Dawn*, Karachi)

[Prev. ref. 5007:PAK:C]

C. Steps For Preservation Of Antiquities: A Karachi report on May 5 said that the Archaeology Department was considering taking some stringent measures for the preservation of antiquities, including those acquired recently.

The Department is working at plans to expand its present laboratories in Lahore to a full-fledged research centre, where experiments could be made on a still larger scale on inventing new methods of preserving specimens of antiquities which react sharply to weathering and denuding agents of nature.

For the purpose, more equipment and special chemical re-agents are likely to be imported by the Department soon.

Informed sources said that the Government may soon enact legislation in the country for the preservation of antiquited and old objects.

The Department acquired some rare specimens in 1963. Some of them are a large collection of old porcelain plates, bowls, vases etc. of the Moghul period, 21 specimens of calligraphy, 35 letters of different eminent personalities, a beautiful copy of the Holy Quran transcribed in 934 AH, a private report about Delhi of the late Moghul period, two volumes of the Masnavi Maulana Rum, and 254 gold coins of the Muslim period.

Two hundred and fifty gold and 16 silver coins have been acquired from the Deputy Commissioner of Montgomery. A good number of valuable specimens have also been added in the Army Museum during the last three months.

The main donors were the British Imperial War Museum, the Canadian National Defence College, Turkey's Defence Headquarters, Libya, CENTO, Indonesia and the Sultans of the Malayan states of Kelantan and Trenggano. Some other donations were also received from the Royal United Services Institutions Museum, (UK).

Efforts are also being made to complete the Rs. 17,00,000 new building of the national museum. It is expected to be ready by December.

Meanwhile, the Karachi Museum has added yet another attraction to its already rich valuables. It is a specially prepared large iron case for a diorama depicting the arrival of Mohammad Bin Qasim who conquered Sind in the early 8th century.

(*Dawn*, Karachi)

[Prev. ref. 5618:PAK:K]

PHILIPPINES

A. Israeli Assistance: The Philippines and Israel have signed a Technical Co-operation Agreement providing for Israeli assistance in community planning and development of a selected region in the Philippines.

The Agreement was signed on March 16 by the Foreign Secretary, Mr. Salvador P. Lopez and the Israeli Ambassador, Dr. Shmeul Shelef.

According to a Foreign Office announcement, the Agreement was the subject of consultations between the two Governments for almost two years.

It said: "The Agreement refers to the development of a selected region in the Philippines where experts from Israel would extend their assistance with regard to planning and settlement in which Israel has had successful experience.

"The Agreement also provides for exchange of expert teams under the principle of reciprocity, which means that the Government concerned obligates itself to shoulder the expenses of its experts, such as international travel, cost of maintenance, clothing allowance and salary.

"It is expected that the Agreement will bring the two countries closer to one another and would enable the experts of each country to get better acquainted with the people of grassroots level."

(*The Manila Times*)

SAUDI ARABIA

A. Plan To Raise Farm Output: A Jedda message on April 27 said that about 12,000 acres of virgin, uninhabited desert land would be brought under cultivation through an agricultural development project to be started in 1964 in the Wadi Sahba area.

The 10-year project is to be carried out in two five-year stages. The total cost of the first stage, including the establishment of a 100-acre research, demonstration and training centre, will be $13 million of which the Arabian American Oil Company will provide up to $1,000,000. The Saudi Arabian Government will direct the project, originally proposed by ARAMCO, through the Ministry of Agriculture offices in Hofuf.

The production of vegetables, crops and poultry products has proved highly successful in the Qatif and Hofuf areas of the eastern province in recent years.

As a result of rapidly improving health standards in the area, the infant mortality rate is decreasing and life expectancy increasing.

(*Dawn*, Karachi)

[Prev. ref. 5732:SUA:C]

B. Jet Plane Crash: A Middle East Airlines Caravelle crashed in the sea 10 miles from Dhahran airport on April 17 with 49 persons aboard.

A Royal Air Force spokesman said that there was "little hope" of finding any survivors.

An RAF rescue launch was on the scene and searching for possible survivors, who may have escaped, but the spokesman said there was no possibility of survivors in the hull, which was lying in about 18 feet of water.

The Caravelle with 42 passengers and a crew of seven was on a routine flight from Beirut to Dhahran.

In Beirut, an airline spokesman said the Caravelle's passengers comprised 23 Americans, four Lebanese, 11 Saudis, one Bahraini, one Syrian, one Jordanian and one Palestinian.

The search for the plane was hampered by a duststorm which limited visibility to 100 yards at times, and the wreckage was not located until several hours later.

(*The Statesman*, Calcutta)

SYRIA

A. "Provisional" Constitution Promulgated: A "provisional" Constitution was promulgated on April 26 making Syria a "democratic, popular and socialist Republic".

The Chairman of the National Council of Revolution, General A. el-Hafez, announced that the Constitution provides for the nationalization of property with the payment of compensation.

The Constitution, made up of six major headings and 82 Articles, provides that:

(1) The Syrian region will constitute a democratic, popular and socialist Republic which will be part of the Arab nation.

(2) The State religion will be Islam.

(3) The exercise of Republic liberties will be set by law.

(4) The State will put all the resources and energies of the country at the service of the people, to build up national revenue and to share it out fairly.

(5) Natural resources belong to all the people and the socialist society is based on collective ownership of the means of production.

(6) Private property is protected by law and can only be transferred in public interest and with compensation.

(7) The State may nationalize any company or enterprise with the payment of fair compensation.

(8) The National Council of Revolution will exercise legislative powers. Besides its current members it will be enlarged to include representatives of various sectors of the population. Their number and method of choice will be set by law.

(9) A presidential council, composed of a chairman, vice-chairman and three members, chosen from among the members of the National Council of Revolution, is hereby created and will be charged together with the Cabinet with exercising executive powers.

(10) The presidential council is responsible to the National Council.

(11) The presidential council will appoint or dismiss Ministers and accredit leaders of diplomatic missions or dismiss them.

(12) The presidential council can decree general mobilization and a state of emergency, subject to the approval of the National Council.

(13) A member of the presidential council cannot, at the same time, be a Minister.

(14) The Premier must be chosen from among members of the National Council.

(15) The Cabinet is wholly responsible to the National Council.

(16) The magistrature is independent.

A final Constitution is to be completed in a year.

(*Damascus Radio*)

[Prev. ref. 5571:SYR:A]

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INDIA

SUMMARY: Security Council Debate On Kashmir; Mr. J. Nehru On Relations With China And Pakistan; President Abboud's Visit; Foreign Debt; Economic Review.

A. Security Council Debate On Kashmir Issue: The UN Security Council met again on May 5 for a further debate on the Kashmir question.

Opening the debate, the Pakistan Foreign Minister, Mr. Z. A. Bhutto, proposed that Sheikh Mohammed Abdullah be invited to appear before the Council.

He said that the Sheikh would be able to give it information which would be of assistance in examining the question.

Mr. Bhutto was the only speaker when the Council resumed its debate on the Kashmir situation after a six-week recess.

He said: "The Sheikh's voice, silenced for more than a decade, speaks again. It echoes the demand of the people of the State (of Jammu and Kashmir) for self-determination, for plebiscite, for negotiations between India, Pakistan and the Kashmiri leaders to restore communal harmony, peace and amity between the people of the sub-continent by settling this dispute." Kashmir continued to be in a state of "ferment." The situation could not be left by United Nations to take care of itself.

He said Sheikh Abdullah was free because of the "universal and uncontrollable" will of the people and not because of any "magnanimity" shown by India. The Sheikh's release did not show any "change of heart" by India.

He said he was obliged to state that "if the Indian authorities again resort to suppression of the people of Kashmir by force, the people of Pakistan may find it extremely difficult to stand aside and may demand of their Government whatever measures are necessary for the amelioration of the situation in Indian-occupied Kashmir."

He said the "urgency of the situation" could not be appreciated unless it was remembered that there was at present not even a truce agreement between India and Pakistan over Kashmir. All that existed was the agreement embodied in the UNCIP resolutions of August 13, 1948, and January 5, 1949. The cease-fire arrangement was only a partial implementation of these resolutions.

"It has been authoritatively established by the (UN) Commission that the cease-fire order was meant to be linked (this was the exact expression used by the Commission) with a truce and with the establishment of the proper conditions for a plebiscite." If the UNCIP resolutions were regarded as obsolete by one party, then the cease-fire order also became obsolete.

Mr. M. C. Chagla's Speech:

Replying to Mr. Bhutto's speech, the leader of the Indian delegation, Mr. M. C. Chagla, told the Security Council on May 7 that it should realize that the basic question before the Council on the Kashmir issue was the Indian complaint of Pakistan's aggression and so long as it was not answered, "the Security Council will be unable to grapple with the basic elements of the Kashmir situation".

He emphasized that the Indo-Pakistani differences could only be solved by direct negotiations and without any outside intervention. "No superimposed solution will do any good."

He rejected as "totally unacceptable" Mr. Bhutto's suggestion for Sheikh Abdullah's participation in the Council proceedings and said only India and Pakistan had the right to appear before the Council. Sheikh Abdullah's statements were contemporaneous to the issues like accession, self-determination and Pakistani aggression of evidentiary value, but not his views now.

He reminded the Council that Pakistan's aggression was still the central question before them and said the Government and people of India had a grievance over the years that "most members (of the Council) have turned a blind eye to the patent fact of Pakistan's aggression."

Without mentioning Britain and USA and their allies by name, but in obvious reference to them, he said: "Members have made this suggestion and that, but the vital question brought to the Security Council has remained unanswered."

Kashmir, he said, was vital to India. "The defence of Ladakh which is north-east of Kashmir against the continuing menace of China is impossible except through Kashmir."

He indicted Pakistan for her current "greatest tight rope act in international affairs" in being a member of S-EATO and CENTO and also in the Chinese camp. He also pointed out Pakistan's role in Djakarta when she, China, and a few other countries "ganged up" to deny the Soviet Union a place in the Asian world and "refused Malaysia admittance to the (proposed) Afro-Asian conference as an Asian country" to which she had an undoubted right.

He also ridiculed Pakistan for her pretensions as an anti-colonial State and a member of the Afro-Asian family and reminded her of her "continuing warm friendship and maintenance of diplomatic, commercial and other relations with Portugal," her trade relations with the South African and Portuguese Governments and her "pro-imperialist role in the Suez crisis."

He also charged Pakistan with practising "religious apartheid" which was serious and in no way different from "racial apartheid which the Council would soon be discussing.

He said he differed from Mr. Bhutto that if the Kashmir problem was solved, the relations between India and Pakistan would become friendly. "Kashmir is not a disease, it is only the symptom of a disease and a disease much more deep-rooted. The disease has a fundamental difference in the outlook of India and Pakistan.

"India is a modern, secular, multi-communal, multi-linguistic society—Pakistan believes in a religious State in which the people would only practise one religion and in which the members of the other religions should have no place whatsoever.

"So long as Pakistan continues to remain what she is, she must keep up her religious frenzy and religious fanaticism."

He reminded Mr. Bhutto of the absence of freedom within Pakistan and the denial of the right of self-determination to the peoples of Baluchistan and Pakhtoonistan and asked him to practise at home first what he wanted to preach abroad.

He quoted from Sheikh Abdullah's contemporaneous statements on the questions of accession and self-determination in Kashmir as also some of his current utterances to rebut Mr. Bhutto's thesis.

Sheikh Abdullah's remarks or those of Mr. Jayaprakash Narayan and others had showed the extent of freedom in India, but had no other significance in democracy. "In a large country like India, the Foreign Minister will always find some people with misconceived ideas who will accept the thesis propounded by him. But has he taken the trouble to enquire what is the following these people have and whether there is the remotest possibility of their view being accepted by Parliament or by the interested section of the people?"

"A burglar who breaks into a house and takes possession of the anteroom cannot ask the owner of the house to prove his title to the remaining portion of his property while he coolly squats in that part which he has unlawfully occupied.

"Let first things come first. It will be time enough to talk of the status of Kashmir and the legality of accession after Pakistan has conformed to the elementary international ethics by withdrawing herself from a part of the country which does not belong to her."

Mr. Z. A. Bhutto's Speech:

The Security Council resumed its debate on Kashmir on May 11.

Mr. Z. A. Bhutto was the first speaker, exercising his right of reply.

He said there was a good deal of invective and vituperation in the statement of Mr. M. C. Chagla. "But my position is different. His (Chagla's) concern is to avoid a solution of the problem. My duty is to urge that a just solution be arrived at speedily."

Considering the human poignancy of the problem and the sufferings of the people of Kashmir, he could not be diverted from his path. The Indian representative enjoyed abundant freedom to vilify Pakistan and to try to confuse the Security Council, but it was "mandatory" for Pakistan to set the record straight.

"Beneath a rather transparent mask of indignation, there was a note of desperation in the speech of the Indian representative. That is understandable. It is caused by the fact that the overwhelming force of public opinion in Kashmir has removed every moral and political prop from under India's occupation of the state."

Mr. Chagla, he said, had dwelt on Pakistan's relations with China, with S-EATO and CENTO, with recent events in Djakarta, with the culture and cosmology of Pakistan. The design was obvious. It was to make a debate on Kashmir in the Security Council "so utterly confused as to choke off every constructive proposal."

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Mr. Bhutto said that in his initial statement the previous week he had deliberately refrained from referring to the communal situation. The Home Ministers of India and Pakistan had met on the expulsion of Indian Muslims and he did not wish to prejudice their efforts or to inflame communal passions. The Indian representative, however, had recklessly tried to inflame these passions.

The world was aware that there had been mass killings of Muslim men, women and children in various parts of India, especially in Eastern India. "The single-mindedness with which the Indian representative set about maligning my country led him to make a charge that Pakistan was founded on the principle of religious apartheid. This attempt at guilt by association is not only a calumny but an insult to the struggle of the South African people for equality."

He said he deplored that Mr. Chagla considered the ideology of Islam to be medieval and reactionary. The caste system had as its very basis the negation of the equality of man. "If religious apartheid was involved in the creation of Pakistan, then the Muslims of the subcontinent were its victims and not its perpetrators."

He denied that there was any persecution of Christians in Pakistan. He quoted at length from newspaper reports of atrocities committed during communal disturbances in India. These reports included allegations of the murder of pregnant women and the rape of young women.

"It is a noteworthy fact of Indian political life that organized political parties exist in India with their own para-military organizations or private armies which are allowed to develop and flourish and which are dedicated to the mass expulsion of the 50-million strong Muslim minority, or to the annihilation of the Muslim minority by force and by violence."

Further Debate:

On May 12, six members of the Security Council supported India's view and emphasized the need for bilateral negotiations to settle the Kashmir dispute.

The proposal for the Secretary-General's good offices to settle the dispute was also mentioned by them, five of them supporting it in varying degrees and one, Czechoslovakia, rejecting it.

Morocco's Mr. Benhima, Ivory Coast's Mr. Arsene Assouan Usher, Norway's Mr. Sivert Nielsen, Brazil's Mr. Bernardes, Formosa's Mr. Yu-chi Hsueh and Czechoslovakia's Mr. Milos Yejvoda, addressed the Council after Mr. M. C. Chagla, India's Education Minister had replied to Pakistan's Foreign Minister, Mr. Z. A. Bhutto.

Mr. Chagla told the Council that the Kashmir question, as indeed all other outstanding differences between the two countries, could be solved only by bilateral talks between India and Pakistan and by creation of an atmosphere conducive to such a settlement. If the Council was interested in the maintenance of peace and international relations, it should avoid any super-imposed solution upon Pakistan and India or any intervention in any talks or discussions they might have with each other.

He said: "The Kashmir question will not be solved by interminable discussions and debate in this Council. It will be solved only when Pakistan realises that Kashmir is not a political shuttle-cock in the game of anti-Indian politics which she has adopted.

"The Kashmir question will be solved when Pakistan realises that India wishes her well, has no designs on her independence and that in the prosperity of the two countries lies the prosperity of the whole sub-continent. In this prosperity the people of Kashmir must have a share as an integral part of India."

He denied that India had given up the policy of non-alignment because of China's "treacherous attack."

It was to the credit of Western Powers, he said, that they gave India military assistance because they realised India's cause was just and "we are victims of a naked aggression."

"In obtaining this assistance from them we entered into no military pact with them. And we did not receive the assistance merely from the Western Powers. The Soviet Union, making it clear that the border dispute between India and China should have been settled by peaceful means and not by war which China had unjustifiably waged on India, also gave us assistance. It was only Pakistan, our dear neighbour, who not only did not come to our assistance but did her utmost to prevent the Western countries from coming to our rescue. She did more. She carried on a violent propaganda in the chancelleries of the world against India and justified the Chinese attack on our country.

"I feel more and more that these debates on Kashmir are only exercises in futility. They lead nowhere and come to no conclusions.

"We have taken up the stand from the beginning that this meeting is both unnecessary and extremely untimely. When the two Home Ministers of India and Pakistan are busy carrying on talks for the restoration of communal harmony, I have no doubt the debate here, far from helping them, will only make their task more difficult and aggravate the situation prevailing in the two countries.

He said that Mr. Bhutto had made the charge that it was India who made it impossible to create such an atmosphere. "The facts speak differently. Our President made an appeal to the President of Pakistan and our Prime Minister from his sick bed made a similar appeal. Both the appeals were turned down with scant courtesy and even the talks now going on between the two Home Ministers were at the initiative of our Prime Minister.

"The representative of Pakistan insisted on coming to this Council on flimsy charges to re-open the Kashmir question and, even after full and complete statements had been made by both sides, insisted on resuming the debate which is now going on.

"Lest the memories be short, let me remind the members of the Council that it was our Prime Minister who appealed to President Ayub Khan to enter into a 'no war' declaration which would emphasize peaceful intentions of both countries. The offer was rejected."

He denied that he had attacked Islam in his description of Pakistan's policies. "Our objection is not that the people of Pakistan are Muslims. Our objection is that the policy of the Government of Pakistan is entirely un-Islamic.... Hatred of India, persecution of her minorities, the perpetual cry of a holy war against my country are not precepts which Islam proclaims.

"In our own country 50 millions practise Islam freely and without any hindrance. I am conscious of the great principles for which that religion stands—social equality, human dignity, tolerance and the value that every individual soul has in the eye of God.

"There are many Muslim countries in the world which have non-Muslims living in them. The non-Muslims look upon themselves as citizens with loyalty to that country just as much as the Muslims do. There is complete harmony in those countries and the non-Muslim religions are respected and receive complete toleration.

"Pakistan of late has been sending many delegations to different countries in the world. It would be worth while to send a delegation to these Muslim countries to find out the principles of Islam applied in governance of these countries.

"The Pakistan representative had made an appeal to my people to transform the climate of our two countries. I have no doubt in my own mind that the peoples of Pakistan and India have no quarrels and that they want to live in peace and amity.

"After all, only 17 years ago the people of Pakistan were also the people of India. Ethnically and culturally they are the same. Millions in my country speak a language which is the official language of Pakistan.

"The history of Pakistan does not commence from 1947. It goes back to thousands of years as does the history of India. The people of Pakistan have as much right as the people of India to take pride in the great civilization that India has developed. When Mr. Habibullah, the Home Minister of Pakistan, came to India he often talked of the old days when he had fought under Mahatma Gandhi and Khan Abdul Ghaffar Khan, another great fighter for independence in the old days. The trouble with the Foreign Minister of Pakistan is that he is too young either to have participated in the freedom struggle or even remembered it."

He rejected charges that India intended to "annihilate or expel" the 50 million Muslims in the country.

On the communal policies of the Indian and Pakistani Governments, he drew an analogy between USA and South Africa. There was racial discrimination, but it was not the official policy as in South Africa.

"We have communal troubles and disturbances, but our official policy, which we pursue with unflinching tenacity, is secularism and communal harmony.

"Pakistan's official policy, on the other hand, as witnessed by statements made by her responsible leaders and her Press to which I made references in my previous statements, is open hostility to the minorities residing within her territories."

On the proposed invitation to Sheikh Abdullah he said: "Sheikh Abdullah occupies no official position in Kashmir and it would be a most dangerous precedent for this Council to lay down that any citizen in a country who holds dissident opinion or belongs to an Opposition party should have the right of audience here.

"In Kashmir itself there are various parties. If Sheikh Abdullah is to be called then representatives of all these parties should also be called and why not the representative of 50 million Indian Muslims who have a vital stake in the future of Kashmir. The representative of Pakistan says that the whole of Kashmir is behind Sheikh Abdullah.

"Where does he get this fact? Is this his inference from the demonstrations held in favour of Sheikh Abdullah? Has he obtained the figures of the number of people who took part in these demonstrations? Is he satisfied that the only demonstrations that take place in Kashmir are in favour of Sheikh Abdullah?"

The Indian Government was "emphatically opposed to an invitation being extended to Sheikh Abdullah to appear before this Council."

Mr. Ahmed Benhima (Morocco) suggested that the Council make an appeal to the two parties to resume negotiations on a commonly agreed basis, with the good offices of the UN Secretary-General, U Thant. If the Council was willing, Morocco would be ready to examine the manner in which such a mission would be carried out and its scope.

Mr. Arsene Assouan Usher (Ivory Coast) urged India and Pakistan to resume direct negotiations on the Kashmir issue and said that the Secretary-General should help ensure their success. "Fresh facts" including the release of Sheikh Abdullah made it necessary to seek a solution along these lines.

Mr. Sivert Nielsen (Norway) also endorsed bilateral negotiations with the assistance of the Secretary-General. Both

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parties had repeated their confidence in him. He said there had been some recent developments which led him to believe the situation had "improved."

Mr. Yu-chi Hsueh (KMT) supported the proposal for U Thant to use his good offices to help settle the dispute.

Senhor Carlos Alfredo Bernardes (Brazil) expressed the belief that a final and lasting solution "can only be found by the parties concerned, taking into account the wishes of the people of the area. The present situation required friendly pressure on the two member-States" by United Nations so that they might put aside the "emotional attitudes" that had marked the dispute.

Mr. Milos Vejvoda (Czechoslovakia) said direct discussions between India and Pakistan were the only "useful and beneficial" way to approach the problem.

He supported India's stand that it would not help to have a "third element" in the bilateral talks. The two parties involved knew the problem best and should seek a solution themselves.

He declared that it would be "inappropriate" for an individual such as Sheikh Abdullah to be invited to appear before the Council, as was suggested by Pakistan.

The United States endorsed the idea of a "good offices" role for the Secretary-General, U Thant in the Kashmir dispute.

Mr. Francis Plimpton, deputy US delegate told the Security Council: "My Government fully shares the view expressed by other delegations as to the role of the Secretary-General, and we join in the belief that the Security Council should call upon him to assist the parties in ways that they may deem appropriate. It is now for the parties to the dispute to come to grips with the substance of the issue and to reach a solution reasonably satisfactory to all, with such assistance from the Secretary-General as may be useful."

Dr. Renkn Castrillo Justiniano (Bolivia) said the Security Council must not impose a decision which might lead to a rejection by either party. Experience had shown that any resolution was impractical and could not be implemented if the parties concerned were not willing to accept it.

Mr. Roger Seydoux, speaking for France, suggested, however, that the parties should keep the Secretary-General informed who, in turn, should inform the Council so that, if necessary, the Council could give advice about the negotiations. India has already made it clear that such an approach would be difficult as it would impede the negotiations and would amount to intervention.

Sir Patrick Dean (Britain) called upon the Council to encourage the parties to continue consultations now in train in order to reach an "honourable solution satisfactory to the people of India and Pakistan including, of course, the people of Kashmir themselves".

He urged the two countries to seek U Thant's assistance "if at any stage they believe a degree of outside influence would be helpful. The Kashmir dispute remains of concern to the UN as a whole, but if the parties most directly concerned, including the people of Kashmir, reach a mutually acceptable conclusion, it will have the whole-hearted endorsement of my Government and, I would expect, of the Security Council".

The Soviet delegate, Mr. Nikolai Fedorenko said the dispute should be solved by India and Pakistan themselves by means of discussions between them, particularly when a normal and tranquil situation had been created towards that end.

Pointing out that the question of Kashmir "joining one side or the other has already been solved by the people of Kashmir themselves", he said: "Of course, if we are realistic we must not close our eyes to the fact that there are differences between India and Pakistan and serious friction, particularly in connexion with the Kashmir question.

"It seems to us, therefore, particularly important that in such questions which are in dispute between two interested parties nothing should be done which might worsen relations between them and which might entail disruption of their efforts."

He said the Council should do everything in its power to create a favourable atmosphere for bilateral talks. This was not only the duty of the Council but, as events showed, the only way of solving the problem.

No Decision Reached—Council Adjourns:

The Security Council adjourned its debate on Kashmir *sine die* on May 18 without coming to any conclusions after hearing a summing-up by the President, Mr. Roger Seydoux (France).

Mr. Chagla said India was not bound by the President's summing-up and called for bilateral talks. He also objected to outside interference, saying that U Thant, the UN Secretary-General, would be welcome to his country as an honoured guest and not as a third party to evolve a solution. Kashmir, he declared, was part of India.

Mr. Z. A. Bhutto said the debate had only ended "for the time being" and indicated that Pakistan may again come up before the Council. He also criticised India's opposition to inviting Sheikh Abdullah to UN.

The Council wound up its consideration of the question with a statement by the President which avoided making any conclusion.

In summing up, Mr. Seydoux said the Council members had expressed concern that the two countries should establish good relations between them and that the dispute should be amicably settled.

"At the end of the meeting of May 14, the Council saw fit to follow the proposal of the representative of Brazil, supported by the representative of Norway, to entrust me with the duties of trying to draw conclusions. In my mind, and I believe in the minds of my colleagues, this was a question of considering the possibility of drawing common conclusions to which all members of the Council could agree. I tried to carry out this task in consultation with all members and today we were forced to realise that despite the efforts made, we were unable to arrive at a complete agreement.

"On one of the important points in the discussion, unity was not possible. The President of the Council is unable to draw an overall conclusion and, therefore, must limit himself in the first part of his report to referring to the points where no differences of opinion have been noted in the position of the members of the Council and, in the second part of the report, the different trends that were expressed on other points.

"(1) (a) The members of the Council noted that the debate held this past week followed the discussions of February and March of this year on the question of Jammu and Kashmir. They recalled that, particularly in the course of the month of February, they had expressed the views of their Governments on the basic facts pertaining to the problem, including the pertinent resolutions of the United Nations, the question of the juridical status of Jammu and Kashmir and the principles of the Charter applicable to the case. They re-affirmed that the statements they made at that time still remained valid.

"(b) Members of the Council expressed their concern regarding two great countries who, should establish good relations between themselves, and that the dispute between them at present, particularly with regard to that aspect dealing with Jammu and Kashmir, should be amicably settled in the interests of world peace.

"(c) Members of the Council expressed the feelings that recent developments might lead to a softening of the positions adopted, better mutual understanding and, therefore, to a situation wherein conversations among the parties concerned would have a better chance of leading to a settlement.

"(d) Members of the Council expressed their conviction that everything should be done to consolidate these favourable elements and also to avoid jeopardizing these advantages. This will require from the parties concerned an attitude of conciliation and moderation, and on the part of the United Nations an attitude of prudence and also of careful and vigilant attention.

"(e) Members of the Council expressed the hope that the two parties will abstain from any act which might aggravate the situation and that they will take such measures as to re-establish an atmosphere of moderation between the countries and also peace and harmony among the peoples.

"(f) Members of the Council expressed the hope that in the light of the recent debates held the two countries concerned will resume contact as soon as possible in order, by negotiation, to solve their differences and particularly that touching on Jammu and Kashmir.

"(2) (a) Several of the members of the Council expressed the view that the Secretary-General of the United Nations could, if possible, give useful assistance to the parties, to facilitate the resumption of negotiations on the problem of Jammu and Kashmir or to assist them in carrying out these negotiations if the negotiations met with any difficulties.

"(b) Other members of the Council, on the other hand, expressed the feeling that the negotiations between India and Pakistan might be complicated by the intervention of any outside elements and that the matter should be left to the parties to come to an agreement on the very principle of appealing to or turning to the Secretary-General.

"(c) The Indo-Pakistan question would remain on the agenda of the Security Council".

Mr. M. C. Chagla's News Conference:

Mr. M. C. Chagla, who returned to Bombay on May 20, told newsmen that nothing had come out of the Kashmir debate as anticipated by Mr. Z. A. Bhutto.

The Security Council meeting, he added, was "unnecessary, untimely, unrealistic, and an exercise in futility."

"Of course there has been a further shift in our favour. Last time an attempt was made at a resolution or consensus. This time it was neither a resolution nor a consensus, but only a summing-up. And summing-up meant that the President of the Security Council made a statement on the facts of the debate."

He said that Mr. Bhutto had failed to establish the ground on which he sought the Council meeting, namely, (1) Kashmir was in open revolt, and (2) India was trying to integrate Kashmir. "Kashmir is already integrated and there is no question of any further integration." There was also no trace of evidence that Kashmir was in open revolt.

Another important feature of the debate in India's favour, he said, was that hardly anybody spoke of the old resolutions or of self-determination. The emphasis was

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on the better situation prevailing in India and the fact that the Home Ministers of India and Pakistan were going to continue their talks and that Sheikh Abdullah was released and was having talks with the Prime Minister, Mr. Nehru.

He said that some members wanted the Secretary-General to be injected into the Kashmir affair, but the majority was of the view that it should be done only with the consent of the parties. India's view was that it would be wrong in principle for the Secretary-General to intervene unless his assistance was sought by the parties.

He pointed out that Mr. Bhutto's suggestion to invite Sheikh Abdullah to the Council was not even referred to by the Council President. No member attached any importance to it.

(*The Hindu*, Madras, *The Times of India* and *The Indian Express*, Bombay)

[Prev. ref. 5786:INI:A; 5820:PAK:C; 5832:INI:A]

B. Relations With China And Pakistan—Mr. J. Nehru's TV Interview: In a television interview filmed and recorded in New Delhi and shown in New York on May 18 on the national educational television programme, the Prime Minister, Mr. J. Nehru said that he frankly did not like the trade contacts of some of the Western countries with China. "I do not want the Chinese to die of hunger... But I do not want any war material to go to them from other places."

The one-hour feature was entitled "The Essential Nehru", and the interviewer was Mr. Arnold Michaelis.

About the Chinese threat, he said that having regard to the distance of China's frontiers with India—from central China and through Tibet—the Chinese had a logistic problem. India too had a difficult terrain but had not far to go. "So we can defend ourselves. We do not intend to invade China. That is entirely opposed to our thinking. But we can stop them from coming into India."

India would have to deal with the Chinese problem "by strengthening ourselves to avoid a collision and to meet it when it comes."

On Kashmir, he said the result of expression of opinion there on the basis of religion would be "disastrous, in Kashmir itself, and in the rest of India." He felt war between India and Pakistan was unthinkable, and in the long run the political tension between the two countries would go down and they would be able to reach a settlement.

He denied there was any element of personal enmity between President Ayub Khan and himself. "I have none, but he has recently said many times that I am coming in the way of India and Pakistan being together, co-operating."

If the people of Kashmir vote on the basis of religion "then the people of the other religion will be pushed out, or will be afraid of continuing there. There will be migrations, as there originally were between India and Pakistan. And that would create trouble in both countries.

"If the division were to take place—Hindu and Muslim—then the Muslims in the numerous villages in India, towns and villages, will feel rather unhappy. They won't feel full citizens of India."

Asked about India's relations with Pakistan, he re-iterated India's 'no-war declaration' offer, and said while this would not solve problems, it would produce a better atmosphere.

On "other grave difficulties" India faced, "Pakistan has allied itself more or less with China, Pakistan has close associations with China, and in the frontier Treaty that they have made with China they have agreed to a portion of Kashmir, west of Ladakh, being handed over to China which they had no business to do. If, according to them, Kashmir is still unsettled they have no business to do that."

Armed conflict between India and Pakistan would have "very grave repercussions" and he hoped it would not happen. President Ayub Khan had also said this sometimes, but Pakistan's whole mentality was based on "fear and hatred of India." "... I think President Ayub said some place he is sorry he did not take advantage of the moment of the Chinese invasion of India to attack India. Yet Pakistan being what it is, India and Pakistan have to be friends, have to co-operate as independent countries because, remember, throughout history the area that is Pakistan, much of it, was not a separate country. South India was, but north India, geographically, historically, linguistically—they have the same language as we have here. There are so many common things. And it is just foolish for this tension to continue between the two of us."

Asked about China's "superiority complex" and its increasing strength, and whether the Prime Minister thought USA and the Soviet Union, along with India, would be able to "contain" China, he said: "I can't say or look far into the future, but they are dangerous from that point of view. And I suppose the immediate problem is one of food for their people—to get food from Australia, Canada and other places, and their population is increasing at a rapid rate—more rapid than ours. That is a problem for us, but much more so for them. And possibly these difficulties will make them more peaceful."

India, he said, still favoured China's admission to UN, in spite of all this "because I think their isolation.... first of all you can't have disarmament or any agreement on disarmament or any other major issue with China out of it. And I suppose they will tone down somewhat in the future, especially if they are in UN."

In the field of nuclear technology and power India was perhaps more advanced than China, but India had decided against going in for nuclear arms. We are determined not to use nuclear weapons for war purposes. We do not make atomic bombs. I do not think we will."

It would be "anybody's guess" as to what would happen if China acquired nuclear weapons. "Anyhow, that will take a long time, even if it got one originally to begin with. It would have to have them in sufficient quantities and that would take many, many years."

(*The Times of India*, Bombay)

[Prev. ref. 5788:INI:B]

C. President Ibrahim Abboud's Visit: President Ibrahim Abboud of Sudan was accorded a warm welcome on his arrival in New Delhi on May 20 on a State visit.

Welcoming him at the airport, the President, Dr. S. Radhakrishnan praised President Abboud for his efforts at UN to achieve peace. Under his wise guidance and administration, Sudan was moving towards a stable, progressive and prosperous State.

Significantly, Dr. Radhakrishnan also referred to the visiting President's efforts to "integrate" the two major communities in his country—the Africans and Arabs. The confluence of the two rivers—the Blue Nile and the White Nile—in Sudan was indicative of the meeting of the two peoples of the land.

President Abboud said in his reply that he was happy to be back in India—which he had visited 10 years ago—to see for himself the rapid progress made in the country during this period.

Sudan and India were bound by historic ties as well as by common objectives and mutual co-operation at "all levels". He hoped that his present visit would "open a new page" in the relations between the two countries.

He was given a 21-gun salute and a combined guard of honour by units drawn from the three Services. He and his party of 21 travelled in a Sudan Airways plane from China where they had gone on a similar visit.

His party included Maj-Gen. Mohammed Talaat Farid, Minister of Education and Instruction; Maj-Gen. Hassan Bechir Nasar, Deputy C-in-C and Minister of State for Cabinet Affairs; Maj-Gen. el Magbul el Amin al Hag, Minister of Commerce, Industry and Supply; and Syed Ahmed Kheir, Minister of Foreign Affairs.

State Banquet:

Speaking at a State banquet given by him in honour of President Abboud the same night (May 20), Dr. Radhakrishnan praised Sudan's efforts to create a climate of peace and understanding in the world.

He said: "Humanity binds us all together and the differences which divide nations today must be regarded as more or less contingent and arbitrary."

He referred to Sudan's efforts in this direction at the Bandung and Belgrade Conferences and at Accra where, he said, Sudan attempted to achieve African unity, "unity of Africa, of States and of the Arab States too, the whole Africa to be welded together into a common whole."

In his reply, President Abboud expressed his Government's firm belief in the policy of non-alignment and said that it had served and "still serves" as a principle of unity in a divided world.

Civic Reception:

On May 21, President Abboud was given a warm reception by the citizens of Delhi.

He was presented with an ivory elephant bridge by the Mayor, Bawa Bachitter Singh.

In his welcome address, the Mayor said President Abboud's visit to India would strengthen and cement the friendly relations between the two countries.

He said President Abboud's contribution to the consolidation of Sudan's freedom and the promotion of Arab unity was significant.

President Abboud said in reply that he and his party were touched by the warmth of the welcome on his arrival at Palam airport and at the Red Fort.

Delhi, he said, was a source of inspiration because of its rich heritage, its remarkable architecture, towering minarets and gigantic forts.

Banquet Given By President Abboud:

At a banquet he gave in honour of Dr. S. Radhakrishnan on May 21, President Abboud said that his visit would open new avenues of mutual co-operation between Sudan and India.

He said: "The complete understanding in the exchange of views in all matters that concern our two countries has strengthened my conviction that this visit will open new avenues of mutual co-operation and thereby promote traditional and friendly relations at all levels."

He added that India deserved praise for her development plans and stated: "We are sure that India will soon take her prominent position among the highly developed countries."

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Dr. Radhakrishnan said that India noted with special gratification the support Sudan gave in her conflict with China in 1962. "You spoke in very unambiguous terms of your moral sympathy and support for us. We appreciate that very much."

Joint Communique:

A joint *communique* issued on May 24 at the end of the four-day State visit of President Abboud clearly upheld India's stand on the border dispute with China and its secular approach to the Kashmir question.

President Abboud and the Prime Minister, Mr. Nehru, re-affirmed the principle of respect for the territorial integrity and sovereignty of States and declared that "the historic and well-defined boundaries of States were firm and inviolable."

Condemning the use of force in settling territorial disputes, they stressed that if aggression was committed in pursuit of territorial aims, its fruits must be denied to the aggressor.

They also deplored the misuse of religion for political ends and noted with gratification that both India and Sudan followed a policy of secularism, guaranteeing freedom of worship and equality of status under the law to all their citizens.

This emphasis on secularism in the joint communique was all the more significant in the context of Pakistan's President Ayub Khan's failure to persuade the Sudanese leader to subscribe to a similar declaration at the end of his Pakistan visit suggesting a Kashmir settlement on the basis of the UN resolutions on the subject which meant a plebiscite.

The communique also highlighted the identity of views between India and Sudan on issues like the Moscow test ban Treaty, disarmament, non-alignment and colonialism. The discussions between President Abboud and Mr. Nehru on the current international situation had confirmed, the communique pointed out, a wide community of interests and similarity of approach between the two countries towards world problems.

President Abboud paid a glowing tribute to India's role as the torch-bearer of liberation movements in all parts of the world under Mahatma Gandhi's inspiration and her contribution to world peace and the concept of non-alignment. Mr. Nehru, in turn, expressed India's high appreciation of Sudan's special position as a bridge between the Arab countries and the countries of Africa and paid a special tribute to President Abboud's positive role in the promotion of understanding and amity between the African States.

He re-iterated India's support for the just claims of the Arab countries to the waters of the Jordan River and for the rights of the Palestinian refugees wishing to return to their former homes. He also welcomed the dynamic and progressive developments on the African continent and the enunciation of the concept of African unity at the summit conference of African Heads of State and Government held in 1963. He described the conference as a momentous and historic development signifying the emergence of Africa as a powerful new factor in promoting peace and international co-operation.

President Abboud and Mr. Nehru condemned the continuance of colonialism and racial discrimination in Africa and declared that the denial of freedom and fundamental rights to the people of Angola and Mozambique and to the African people in South Africa was wholly contrary to the UN Charter and the repeated resolutions of the General Assembly and of the Security Council. They also expressed their full support to the freedom movements in Southern Rhodesia and in Aden and South Arabia.

They noted with satisfaction the development of closer economic ties between the two countries in recent years. The joint **communique** announced that India had offered a credit of Rs. 5 crores to Sudan for the purchase of Indian machinery, chemicals, pharmaceuticals and other products. India had also undertaken to import additional quantities of Sudan cotton.

Mr. Nehru informed the Sudanese President that India would be very happy to extend scientific and technical co-operation in starting new industries in Sudan.

Farewell Message:

President Abboud left New Delhi on May 24 for Zurich.

He was seen off at the airport by the President, Dr. Radhakrishnan, and the Vice-President, Dr. Zakir Hussain.

In a message of thanks sent from his aircraft to President Radhakrishnan, President Abboud said: "Upon leaving Delhi airport after a most enjoyable visit to your country it gives me pleasure to express to Your Excellency, His Excellency the Vice-President of India, His Excellency the Prime Minister on my own behalf and that of my companions our gratitude and appreciation for the warm welcome accorded us and hospitality shown to us wherever we went inside and outside Delhi. We wish you all the best of health and the people of India prosperity and progress under your wise guidance.

"Nine years ago I visited this country, I am very pleased to notice that the Government and people of India are marching towards progress with a good plan for the benefit of the people.

"I talked about so many issues with leaders and officials of the Government of India and I am happy that there is good understanding of these issues.

"I visited various centres in India and was pleased to see various projects. I am also pleased to notice that the work on various projects is going on very well.

"I wish all progress for this country and to India-Sudan friendship and success to the people of India as a whole."

(*The Statesman* and *The Hindustan Times*, New Delhi)

[Prev. ref. 1560:INI:A]

D. **Soviet Help For Heavy Electricals Plant—Agreement Signed:** An Agreement was signed in New Delhi on May 23 providing for the delivery by the Soviet Union of equipment, materials and working drawings worth about Rs. 23.5 crores for the heavy electrical equipment plant at Ranipur at Hardwar.

Described as the biggest heavy electrical equipment unit in South-East Asia and one of the largest in the world, the Ranipur project has been designed for the manufacture of units up to 300,000 kw for thermal power stations, up to 100,000 kw units for hydro power stations and electric drives, up to 10,000 kw for use in the heavy machine building plant at Ranchi, coal mining machinery plant at Durgapur and also at the steel mills.

The total manufacturing capacity for steam and hydro turbo units will be 2.7 million kw and of electric machines 515,000 kw annually.

The annual output at full production is estimated at Rs. 40 crores.

Over 30 per cent of the equipment and practically all construction material, including 25,000 tons of structural steel, will be of indigenous production and their total value will be about Rs. 13 crores. Over 7,000 workmen, including 1,400 engineers and technicians, will be employed at the Ranipur plant. Heavy Electricals have already deputed to USSR 74 designers and technologists for undergoing production training at the Soviet plants. Another group of 63 engineers will shortly leave for USSR. In all, it is proposed to depute for training in that country about 230 Indian engineers and 65 workers for highly skilled trades to operate the equipment.

The Agreement, signed by Mr. K. B. Mathur, Chairman of Heavy Electricals (India) Ltd., and Mr. N. L. Bebenin, Vice-President of Prommash Export, also provides for technical assistance by Soviet specialists during construction, erection of equipment and commissioning of the project.

The Deputy Minister for Steel, Mines and Heavy Engineering, Mr. P. C. Sethi, and the Soviet Ambassador, Mr. I. A. Benediktov, attended the signing ceremony.

(*The Times of India*, New Delhi)

[Prev. ref. 5789:INI:E]

E. **Soviet Equipment For Power Station In UP—Agreement Signed:** An Agreement for the supply of equipment worth Rs. 13.6 crores for the Obra thermal power station was signed in New Delhi on May 20 by the UP State Electricity Board and Technopromexport of Russia.

The power station consists of five units of 50 mw each. The deliveries of thermal equipment will be financed out of the rouble credit extended to India under the Indo-Soviet Agreement of September, 1959.

According to the Agreement, the erection of the power station is to be done by Indian personnel with the technical collaboration of Soviet experts. Besides the supply of five 50-mw units, Russia would provide technical assistance in the erection and commissioning of the power station and for the training of Indian personnel.

The Agreement was signed by Mr. B. B. Lal, Chairman of the UP Electricity Board, and Mr. N. M. Silouianov, Counsellor for Economic Affairs of the Soviet Embassy.

(*The Statesman*, New Delhi)

[Prev. ref. 5789:INI:E]

F. **Diplomatic Appointments:** Mr. Yogendra Krishna Puri, Indian High Commissioner to Malaysia, has been appointed Ambassador to Morocco and Tunisia.

He is expected to assume charge of his new assignment shortly.

The appointment of Mr. Muni Lal, Director in the Ministry of External Affairs, as High Commissioner to Trinidad and Tobago was also announced in New Delhi on May 22.

Mr. Muni Lal will be concurrently accredited as High Commissioner to Jamaica and Consul-General to Surinam. He is expected to assume charge in July.

(*The Times of India*, New Delhi)

[Prev. ref. 5631:INI:F]

G. **Foreign Travel Concessions:** The Reserve Bank of India announced on May 21 concessions in respect of release of foreign exchange for travel abroad and changes in policy about approval of passage applications.

A Press Note stated that the Central Government had recently reviewed the policy in respect of foreign travel and had decided to introduce the following changes with immediate effect:

(1) In order to meet the increased cost of living in most foreign countries, the

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daily allowances granted by the Reserve Bank for certain types of foreign travel have been raised.

(2) A limited amount of foreign exchange for incidental expenses will be released where passage applications are approved against invitations with full offer of hospitality received from foreign Governments, trade union organizations, international chambers of commerce or other international organizations, well-known educational, cultural and health foundations.

(3) Passages of directors of foreign companies to attend board meetings abroad and of directors and executives of Indian branches of foreign companies or of Indian companies which are wholly-owned subsidiaries of foreign companies, if invited with full hospitality by the foreign company concerned, will also be approved.

(4) Persons proceeding abroad for taking up definitely secured employment will normally be granted passage clearance for three months only in the first instance, the period of stay being subsequently extended by the Indian Embassy or mission abroad after verification of the person being in continued employment.

(5) Passage clearance will not be granted in respect of private hospitality except for meeting parents, sons and daughters.

In special cases eminent Indian scientists, educationists and professional persons will be allowed to proceed abroad on invitations by individuals at the discretion of the Bank; special facilities of a limited character will also be given to staff of airlines who under their terms of service are entitled to free passages.

(6) Students who secure scholarships from universities or recognized international institutions for full maintenance and fees, irrespective of the courses of study, will also be granted passage clearance.

(7) Exchange facilities will not be granted to Indian nationals (including persons domiciled in India) wishing to emigrate except in special circumstances and to a limited extent.

(*The Times of India*, Bombay)

[Prev. ref. 4661:INI:E]

H. Foreign Debt: India owes nearly Rs. 1,900 crores to the world, of which more than Rs. 1,200 crores is to be paid in foreign currency and the rest in rupees.

Up to January 31, India had signed foreign loan Agreements for amounts totalling Rs. 3,745.37 crores of which Rs. 2,304.18 crores had actually been utilized. Against these loans, India had paid off Rs. 405.12 crores as principal sums and Rs. 243.27 crores as interest.

Of the total amount of Rs. 3,745.37 crores, Rs. 2,195.83 crores is repayable directly in foreign currency—Rs. 455.76 crores through export of goods and Rs. 332.41 crores in rupees—including Rs. 518.05 crore PL 480 loans. The rest of the loans amounting to Rs. 321.37 crores were drawn from the International Monetary Fund, which were partly repayable in rupees and partly in foreign currency.

Of the total amount of Rs. 648.39 crores paid off by January 31, more than Rs. 380 crores were paid in foreign currency and Rs. 42.78 crores through export of goods.

Total foreign grants authorised up to January 31 amounted to Rs. 634.99 crores, of which Rs. 546.37 crores was offered by USA, including Rs. 387.46 crores out of the PL 480 and PL 665 funds.

Grants under the Colombo Plan amounted to Rs. 131.53 crores, of which Canada contributed Rs. 111.10 crores, Australia Rs. 15.93 crores and Britain Rs. 86,00,000.

Norway, West Germany and USSR granted Rs. 3.85 crores, Rs. 2.09 crores and Rs. 1.15 crores respectively.

(*The Times of India*, New Delhi)

[Prev. ref. 5126:INI:A]

I. Economic Review: In a half-yearly review of the economic situation submitted to the Government, the Planning Commission said on May 23 that "the signs of imbalance in the economy" visible in the first quarter of 1963 "continued to persist" between July and December.

The dominant contributory factors were decline in availability of certain agricultural commodities and "the developing pressure from the demand side resulting from the stepping up of development and defence outlay."

The review said that the rise in prices, especially in vital sectors like foodgrains and industrial raw materials, gathered momentum in December, 1963. This was contrary to the usual seasonal trend. The impact was also felt on the consumer price index, which moved from 132 in June, 1963 to 140 in December, 1963.

Agricultural production declined by 3.3 per cent from the previous year. The output of rice was down from 34 million tons to 31.5 million tons. Wheat came down by 7.5 per cent and barley by 21.5 per cent.

Compared to farm production, industrial output showed recovery. The average monthly index for the first 10 months of 1963 was higher by 8.7 per cent as compared with the same period in 1962. The growth in 1962 over 1961 was 6.7 per cent. But this was substantially below the rate of 11 per cent, envisaged in the Third Plan.

The review also gave some account of the borrowings from the Reserve Bank of India. It said that despite the liberalization of the Reserve Bank's lending policy, borrowings were lower at Rs. 6 crores during the quarter October-December, 1963 than Rs. 16 crores during the corresponding quarter of the previous year.

As regards financial resources, it said certain States were experiencing difficulties in raising resources on the scale postulated in the Plan. The conference of State Finance Ministers in November, 1963 discussed problems relating to sales-tax collections, market borrowings, provision for debt redemption, property tax, returns on investments in irrigation projects and electricity rates.

Small savings collections had increased. As against Rs. 31.45 crores collected up to December, 1963, the total collections in the corresponding period in 1963 amounted to Rs. 70.04 crores. As against the Budget estimate of Rs. 105 crores the present estimate is Rs. 120 crores.

Foreign exchange resources stood at Rs. 209.13 crores as against Rs. 202.23 crores in July, 1963.

During the period July to November, 1963, 368 licences for the establishment of new industrial undertakings, substantial expansion, manufacture of new items and change of location of units were issued. Of these 107 were for the establishment of new undertakings.

The total value of applications approved by the Capital Goods Committee during the quarter October-December, 1963 for the import of capital goods amounted to about Rs. 146 crores.

(*The Times of India*, New Delhi)

[Prev. ref. 5364:INI:E]

J. Industrial Growth During 1963: Industrial growth, which had slowed down during the first two years of the Third Five-Year Plan, picked up some pace in 1963, particularly in the latter half of the year.

The index of industrial production with 1956 as the base year appreciated by 10 per cent to 164.8 in 1963 compared to 149.8 of 1962 and 139.3 of 1961. The percentage increases in the industrial growth in 1961 and 1962 worked out to 6.99 and 7.54 respectively.

However, it should be noted that the pace of industrial expansion still lags behind the growth rate of 14 per cent on an average or 11 per cent compound rate envisaged in the Third Plan. At the present rate of growth, by the end of the Plan period the index will reach the level of 200 against the targeted level of 221.

Consumer goods industries continued to display sluggish growth and there were even declines in many cases. On the other hand, capital and producer goods industries have been showing signs of a rapid growth. The automobile and sugar machinery industries are notable exceptions to this trend.

The percentage rise in the index of mining and quarrying dropped from 9.59 in 1962 to 9.05 in 1963. The index stood at 175.9 in 1963 against 161.3 in 1962 and 147.3 in 1961. The growth rate for the Third Plan works out to 9.40 per cent per annum against 6.40 per cent during the previous ten years of planning.

The manufacturing index improved from 145.8 in 1962 to 160.1 in 1963, showing an increase of 9.81 per cent. The rise was of the order of 7.13 per cent in 1962 and of 6.41 per cent in 1961. The annual average growth rate for the last three years works out to 8.30 per cent, which is still slightly less than that of 8.50 per cent in the first two Plan periods.

Against a decline in the percentage increase in 1962 compared with that in 1961, the index of electricity generated showed a rise at 14.91 in 1963. It was 12.37 per cent in 1962 and 16.26 per cent in 1961. The index moved up from 198.8 in 1961 to 223.4 in the following year and to 256.7 in 1963.

(*The Financial Express*, Bombay)

[Prev. ref. 5438:INI:I]

K. Sugar Prices Revised: The Central Government on May 22 revised ex-factory prices of sugar with immediate effect. Except in the case of factories in Lucknow Division of UP, Gujerat and Orissa, where the prices were reduced, the revision is upwards.

A Press Note explained that when ex-factory prices for the current year were fixed in November, 1963, it was decided to review them about the close of the crushing operations in the light of the actual duration of the season and the recovery of sugar.

The extent of the revision is as follows:

(a) Increase by Re. 1 per quintal in the case of factories in Maharashtra, Andhra Pradesh, Madras, Mysore, Pondicherry and Kerala.

(b) Decrease in the case of factories in Lucknow Division and in Gujerat by Rs. 2 per quintal and in Orissa by Rs. 2.50 per quintal;

(c) In other areas generally the increase varies between Rs. 2 and Rs. 14.50 per quintal.

The prices to be paid by consumers will go up or come down at least in proportion to the revision of ex-factory prices.

The maximum increase in ex-factory prices was done in the case of sugar produced in Rajasthan. The revised price is Rs. 138 per quintal as against the previous price of Rs. 116. It was, however, stated that there would not be any corresponding increase in the retail price in Rajasthan as the State relies mostly on sugar imported from other States at relatively cheaper rates. The local price would be pooled with the price of imported sugar in fixing the retail price.

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The Government also announced its decision to sub-divide west UP for purposes of computation of costs into (i) Meerut, Muzaffarnagar and Bulandshahr districts; (ii) Saharanpur and Dehra Dun districts; (iii) Rohilkhand and Agra Divisions; and (iv) Lucknow Division.

(*The Times of India*, New Delhi)

[Prev. ref. 5500:INI:P]

L. **Merger With P-SP—Socialist Party Ratifies Resolution:** A special convention of the All-India Socialist Party, meeting in Gaya on May 24, ratified the merger resolution of the Socialist Party and the Praja-Socialist Party without any precondition.

Mr. Naresh Modhak, chairman of the West Bengal Socialist Party, who was the sole dissenter, had earlier moved an amendment to the resolution demanding that the two merging parties should first get an opportunity to discuss the draft policy statement of the new party.

The merger resolution was moved by Mr. Raj Narain Singh (UP), former chairman of the All-India Socialist Party and convener of the joint negotiating committee, and seconded by Mr. Madhu Limaye (Maharashtra).

Mr. S. M. Joshi, Chairman, and Mr. Prem Bhasin, General Secretary of the Praja-Socialist Party, attended the convention.

Mr. Nallasivam, Chairman of the Socialist Party, presided.

Mr. Madhu Limaye told the convention that the Congress was no better than a common meeting ground for opportunists, "be they red like Mr. Krishna Menon or pink like Mr. Asoka Mehta."

Two identical amendments moved by Mr. Bhola Prasad Singh, MLC (Bihar), and Mr. Ramashankar Sharma (UP), which sought to provide for the holding of a national convention of the united party on the basis of new membership, were withdrawn by the movers after they had touched off heated discussions.

The convention elected 11 members to its national ad hoc committee.

The members are: Mr. Nallasivam, chairman (Tamil Nad), Mr. Golap Barbora, general secretary (Assam), Mr. Raj Narain (UP), Mr. Madhu Limaye (Maharashtra), Mr. Mama Baleshwar Dayal (Madhya Pradesh), Mr. Bhupendra Narain Mandal, MP (Bihar), Mr. Rameshwar Yadav, MP, (Bihar), Mr. Jagdish Joshi (Madhya Pradesh), Mr. G. Murahari, MP, Miss Saraswati Ammal (Kerala), and Mr. Ravi Roy (Orissa).

(*National Herald*, Lucknow)

[Prev. ref. 5680:INI:K]

M. **Andhra Pradesh Cabinet—Re-shuffle Of Portfolios:** The Chief Minister of Andhra Pradesh, Mr. K. Brahmananda Reddi re-shuffled on May 24 the Cabinet portfolios involving major changes.

Mr. Reddi surrendered the Finance portfolio to Dr. M. Chenna Reddy, while he has taken over Planning and Major Industries, in addition to the General Administration he already has.

He will also temporarily look after the Education portfolio, necessitated by the hospitalization of Mr. P. V. G. Raju, in Chandigarh.

Mr. Thota Ramaswamy, who was sworn-in on May 24 as the new Minister, has been given Co-operation. With Mr. Ramaswamy's entry, there are now nine Cabinet Ministers and six Ministers of State.

Dr. M. N. Lakshminarasayya, who surrendered Industries, has been given Panchayat Raj.

A new portfolio called Cultural Affairs has been given to Mr. M. R. Apparao, who continues to hold Excise and Prohibition but surrendered Social Welfare to Mrs. Sada Lakshmi.

Endowments portfolio has been made over to the Municipal Administration Minister, Mr. Allapati Venkatramayya.

The Revenue Minister, Mr. N. Ramachandra Reddy, has been given the additional portfolio of Commercial Taxes.

(*The Hindu*, Madras)

[Prev. ref. 5703:INI:L]

N. **Prehistoric Site Excavated In UP:** It was reported on May 20 that a prehistoric site had been excavated by a team of history students at Atranji, in Khera village of Etah district in UP.

The excavations have revealed shreds of ochre pottery dating back to 2,000 BC. Considerable evidence has also been found of the Mauryan, Shung-Kushana, Gupta and Mediaeval periods.

The excavations have revealed a large number of animal and human figurines. One of the figurines shows the head of an Iranian noble with two ram-horns on the forehead. Another depicts a human head with long drooping ears.

A number of iron implements and arms have also been excavated which shows that the Aryan settlers made extensive use of iron.

Atranji Khera finds reference in the works of the Chinese traveller, Hieun-Tsang. The **Ain-i-Akbari** describes it as Sikhandarpur-Atranji. In certain accounts it is referred to as Vranji and Vranja.

(*National Herald*, Lucknow)

[Prev. ref. 5103:INI:V]

ISRAEL

A. **Zionists' Offer To King Ibn Saud—Secret Documents Revealed:** According to hitherto secret documents published in Washington on May 17, Dr. Chaim Weizmann, the Zionist leader offered King Ibn Saud of Saudi Arabia £20,000,000 in 1940 in connexion with his hopes of establishing a Jewish State in Palestine.

King Ibn Saud had said that the intermediary was Mr. H. St. John Philby, the British orientalist, and that he had been told that President Roosevelt would guarantee the payment.

President Roosevelt, who learned about the affair when he tried to arrange a meeting between Dr. Weizmann and King Ibn Saud in 1943, angrily denied having anything to do with such a transaction. Mr. Roosevelt's emissary to the King was Lieutenant-Colonel Harold B. Hoskins, whose instructions to sound out the possibility of a meeting had been cleared with Mr. Winston Churchill and Mr. Anthony Eden, the British Prime Minister and Foreign Secretary at the time.

The documents now published, **Foreign Relations of the United States, 1943, Volume 4, The Near East and Africa,** contained Colonel Hoskin's memorandum on his conversation with King Ibn Saud. He quotes the King as saying that he was so incensed at the offer made him and at the inclusion of President Roosevelt's name in such a shameful matter that he had never mentioned it again until then.

Colonel Hoskins went on to say in his memorandum: "The conclusion, it seems quite clear from my visit to Riyadh is that His Majesty's silence in regard to Dr. Weizmann's proposal, put to him by Philby, has been completely misinterpreted by certain British officials as implying a possible willingness on the part of the King to consider the proposal."

Upon returning to Washington, Colonel Hoskins saw the President, who expressed understanding of the King's refusal to meet Dr. Weizmann under the circumstances and said there was no basis in fact for having brought his name into the proposal.

"The only suggestion that the President had ever made that even bordered on this subject was, he said, in a talk that he had had with Dr. Wise (the American Zionist) several years ago in which he had suggested that if the Jews wished to get more land in Palestine they might well think of buying arable land outside of Palestine and assisting Arabs, financially, to move from Palestine to such places."

At this time, in September, 1943, President Roosevelt had hopes of turning Palestine into a real Holy Land for all three religions, with a Jew, a Christian, and a Muslim as the three responsible trustees. He told Colonel Hoskins that he realized it might be difficult to get Jewish agreement to such a plan, but that if the other two religions were agreed he hoped the Jews might accept it.

In response to this idea the State Department prepared a plan under which Britain would continue to operate the mandate, the conception of preparation for independence would be abandoned until a more propitious time, and basic responsibility for the country would be removed from the League of Nations. A body consisting of three Christians, two Muslims, and one Jew (reflecting the numbers of each faith in the world) would take over this responsibility and Britain would report to it. Colonel Hoskins later went to London to report in full to the British Government, noting on his return that Britain inclined towards partition as a solution.

The documents also dealt with Anglo-American friction over policy towards India, Iran, and Greece, underlying which was the American suspicion that Britain intended to preserve her empire after the War. In 1943, for example, when Mahatma Gandhi was conducting a "fast unto capacity" in a British prison in Poona, President Roosevelt intervened strongly on his behalf. He said that the Indian leader must not be allowed to die in gaol. The message was relayed to Lord Linlithgow, the Viceroy, by Mr. William Phillips, the President's special representative who gloomily reported the Viceroy's reply.

"All of his Governors, members of the British Indian Civil Service, and his police were unanimous in feeling that they had the situation in hand. They faced with equanimity the possibility of Gandhi's death although, personally, he believed that Gandhi would survive the 21 days. Should he die, however, the Viceroy recognizes that there will be a certain amount of trouble to cope with, but at the end of six months he believes this would pass and the atmosphere would become cleared and progress made easier. Gandhi, he said, had always sabotaged all efforts made by the British Government."

The State Department had prepared a statement for issue in the event of Gandhi's death which would emphasize that American troops were not in India for any reason except to protect the country against Japan. Mr. Phillips believed at the time that Mr. Churchill was firmly opposed to transferring any power to an Indian Government either before or after the War and he felt that the Viceroy was a "chip off the old block" that Americans had come to know in 1772.

"He does not feel, I fear, the pathos in the appeal of these millions for freedom for their own country. He is certainly a man of determination, for he has shown no weakening in his policy to let Gandhi bear the consequences of his fast and die

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in the process if necessary, no matter what the results may be."

The President's representative was perpetually concerned lest USA should become identified with British policy in India. He tried to see Gandhi in prison but was denied permission by the Viceroy. In an attempt to break the deadlock which had arisen between the British and the Congress Party, several thousands of whom were in prison, he proposed that Mr. Roosevelt, with British approval, should invite the leaders of all Indian parties to meet to discuss the future. King George VI should then give an assurance that power would be transferred at a certain date.

The President's reaction was not recorded, but a few days later Mr. Phillips summarized his own views again. He feared that China, India, and Burma, all of whom desired freedom from foreign domination, might unite in growing distrust of the Occidental Powers. The remedy was for USA to make clear its support for India and, if possible, to encourage a generous gesture from Britain, whose difficult position he said he understood.

He took, however, a gloomy view of the situation. India was in a state of inertia, prostration, divided counsels, and helplessness. "The British are sitting pretty. They have been completely successful in their policy of 'keeping the lid on' and in suppressing any movement among the Indians which might be interpreted as a move towards independence....

"There is to be no change, no effort to open the door to negotiation among the leaders, no preparation for the future until after the War, and that date is so uncertain that I believe the Indians generally feel there will be no material changes in their favour even after the War. For it will always be no material in this vast country, plenty of justifications, if one is looking for excuses, to preserve the status quo now and in the years to come."

[Mr. H. St. John Philby was a friend and confidante of King Ibn Saud. He lived in Arabia for some 25 years and became a Muslim. His 1,800-mile camel ride through the central desert of the Arabian Peninsula 30 years ago was described by him in three long articles in The Times He twice sought unsuccessfully to become a Member of Parliament in the Labour interest. He died in Beirut in 1960. He was the father of Mr. H. A. R. Philby, the former civil servant and journalist who defected to the Soviet Union in 1963.]

(*The Times*, London)

NEPAL

A. Trade Agreement With China: Nepal and China will give each other most-favoured-nation treatment in their trade relations under a two-year Agreement signed in Khatmandu on May 19.

A communique issued later said that both countries would settle their balance of payments in mutually acceptable currency.

The traditional barter trade between Nepalese and Tibetans living within 30 kilometres of the international boundary would continue.

The communique said the volume of trade between the two countries would be decided by mutual consultations.

The Agreement covers trade between Government trading organizations as well as private parties. It does not cover goods that Nepal receives from China to meet the cost of Chinese-aided development projects.

Nepalese officials estimated that Nepal's trade with China would amount to over Rs. 2.5 crores a year.

(*The Times of India*, New Delhi)

[Prev. ref. 4986:NEP:B]

B. Mr. Harishwar Dayal Passes Away: Mr. Harishwar Dayal, India's Ambassador to Nepal, died on May 19 at Gorkha Chep village, near Thyangboche Monastery about 200 miles from Khatmandu, following a short illness.

A keen mountaineer, Mr. Dayal left Khatmandu on May 8 with his wife for a trek along the Solokhumbu Glacier. He developed a cold on May 19 and sought medical aid from Khatmandu. The nature of his ailment was not known.

Mr. Dayal, who came to Nepal in 1960, had trekked in several Himalayan ranges including Cho Oyu, Dhaulagiri and Annapurna. He had gone twice to the Jugal Himal region.

He was a Tibetologist. He visited Lhasa in 1949. He was India's Political Officer in Sikkim from 1948 to 1952.

He joined the Indian Civil Service in 1937 after spending a few years at Oxford. He had taken a Master's degree from Allahabad University.

He represented India at several international conferences and United Nations in 1947. He acted as Secretary of the Asian Conference on Indonesia in 1949.

For four years from 1952 he was Joint Secretary in the Indian External Affairs Ministry. Later he was appointed Minister at the Indian Embassy in Washington. He was posted to Khatmandu in January, 1960.

(*The Times of India*, New Delhi)

[Prev. ref. 3003 (corrected):INI:N]

PAKISTAN

SUMMARY: President Abboud's Visit; US Loan; Trade Agreement With Rumania; Foreign Exchange Earnings.

A. President Ibrahim Abboud's Visit: President Ibrahim Abboud of Sudan arrived in Karachi on May 13 on a State visit to Pakistan.

He was accompanied by four Cabinet Ministers and four members of the Central Council of Sudan.

Replying to a civic address in Karachi, President Abboud said that the question of Kashmir ever since it arose had been "a matter of concern" to the people of Sudan. He added: "We hope that the Kashmir question will be settled in a way that will ensure justice, equity and peace."

He paid tribute to the "inspired leadership" of President Ayub Khan, and the "support and dedication" of the people of Pakistan, which, put together, had enabled the country to make remarkable progress in such a short time.

Referring to Pakistan-Sudanese relations, he said that they were ever-lasting, based as they were on spiritual bonds which had been fostered in the hearts of the peoples of the two countries through 14 centuries.

State Banquet:

A State banquet was given on May 13 in honour of President Abboud by President Ayub Khan.

Replying to a toast proposed by President Ayub Khan, President Abboud said that the people of Sudan had always stood by the people of Pakistan in their support for the freedom struggle of the peoples of Africa and Asia.

He offered high praise for Pakistan, which, he said, had "achieved independence under the banner of spiritual ideology, and continues to struggle in today's world exploring ways and means for finding solutions to its problems, with a clear conscience, and exemplary straightforwardness".

Offering a "very warm welcome" to the Sudanese President at the banquet, President Ayub Khan pointed out that "the peoples of Sudan and Pakistan derive inspiration from one and the same source —Islam." They were linked by the future as by their past, he said and added that the road leading to their goal was strewn with hazards and demanded sacrifices.

Exchange Of National Honours:

President Abboud on May 13 presented President Ayub Khan with the Insignia of Honour, the highest civil award of Sudan.

He made the presentation at a ceremony at which President Ayub Khan had conferred on him the Nishan-i-Pakistan at the President's House.

Later, the two Presidents exchanged presents as a token of goodwill between their respective countries.

President Ayub Khan presented to the Sudanese President a number of Pakistani carpets, and a signed photograph of himself.

President Abboud presented to him a signed photograph and a beautifully inscribed verse of the Quran.

Civic Reception In Lahore:

At a civic reception in Lahore on May 15 President Abboud expressed the hope that the understanding between Pakistan and Sudan would be strengthened and the area of co-operation between the two countries in different fields enlarged.

He declared that his talks with President Ayub Khan and other Pakistan leaders had confirmed his belief regarding development of better relations between the two States.

He said that he was looking forward to the day when he would see Pakistani students studying in the Sudanese University and other educational institutions as he saw today Sudanese students studying at Lahore.

Chaudhri Mohammad Hussain, Vice-Chairman of the Lahore Municipal Corporation, in an address of welcome referred to the ties of friendship which bound the two countries.

He said: "We both belong to the East Africa and Asia which constitute what we call the Eastern world. Pakistan had great faith in unity and co-operation among the Afro-Asian countries and considers it of great importance for the progress and prestige of all Eastern nations."

A Pakistan Foreign Office spokesman said in Karachi on May 15 that President Abboud and President Ayub Khan had informal and extremely cordial talks on May 13. They considered a number of matters of mutual interest.

The spokesman said that they decided that there was no need for a formal *communique*.

President Abboud left for China on May 16.

(*Dawn*, Karachi)

B. US Loan For East Wing: The US AID Director, Mr. Donald G. MacDonald, announced in Karachi on

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May 18 that the Agency for International Development (AID) was making a loan totalling $8,500,000 to finance the foreign exchange costs of goods and services required for the construction of a 44-megawatt gas-fired steam generator at the Siddhiganj thermal plant in East Pakistan.

The new generator will increase the base load power in the eastern grid of East Pakistan. The plant is located about 10 miles south-east of Dacca.

The total cost of the new plant is $11.5 million equivalent, $3 million of which is in local currency and will be provided from the resources of the East Pakistan Water and Power Development Authority.

The $8.5 million loan is repayable in US dollars in 40 years, including a 10-year grace period during which no repayment is required. Interest on the loan is at a rate of three-quarters per cent per year during the first ten years and two per cent per annum thereafter.

The new generator is being financed at the request of the Government of Pakistan as a part of the US commitment for assistance for the Second Five-Year Plan.

The location of the new unit places it near the load centre of the Dacca-Karnafuli power grid system. The plant site is the terminal of the transmission tie line to Karnafuli and will also be the terminal of the proposed transmission line extending on to the Sylhet area.

(*Dawn*, Karachi)

[Prev. ref. 5730:PAK:D]

C. **First "Untied" Loan From Netherlands:** It was announced at The Hague on May 15 that the Dutch Government's 40,000,000 guilder (£4,000,000) loan was the first "untied" foreign aid for economic development in Pakistan.

The negotiations for the loan, which began two years ago in The Hague, were completed recently by the Dutch officials and the Pakistan Ambassador, Mr. Qudratullah Shahab.

Letters confirming the loan for the remaining period of Pakistan's Second Five-Year Plan were exchanged earlier in the week between Mr. Osman Ali, Finance Secretary, and Baron Tiexeira D. Mattos, the Dutch Ambassador.

Unlike credits from USA, Britain, West Germany and other countries, the non-Dutch suppliers would be allowed to tender for orders under this loan.

The terms of the loan, spread over 20 years and with no repayment in the first seven years, are also more generous than those governing most foreign loans received by Pakistan so far.

Pakistan is to receive under this loan two sugar mills, ships, a medium-range Fokker Friendship aircraft, components for the manufacture of transistor radios, raw materials for plastic industry and other commodities.

Though the non-Dutch suppliers would be entitled to tender for the sugar mills and ships, the manufacturers in Holland would be hard to beat, as their terms and prices are said to be extremely competitive.

Pakistan was chosen by the Netherlands Government as the first country to receive economic aid from that country on a bilateral basis. Hitherto all Dutch foreign aid has been channelled through United Nations, the European Economic Community and other international bodies. Brazil, India, Iran, Nigeria and Tunisia are also getting Dutch credits for economic development.

India is to receive a loan of 100 million guilders for economic development.

The Netherlands is thus maintaining a ratio of about two to one in her credit policy towards India and Pakistan, comparable to that of USA and more satisfactory than that of the British ratio of about five to one concerning sterling loans to the two countries.

(*Dawn*, Karachi)

[Prev. ref. 5820:PAK:A]

D. **Colonel G. L. Bhattacharya's Appeal Fails:** A Rawalpindi message on May 21 said that the Supreme Court had rejected an appeal filed on behalf of Colonel G. L. Bhattacharya, an Indian Army officer undergoing imprisonment for "spying", for immediate release.

He had appealed on the ground that the President's order reducing his sentence of eight years by four years and the later order by the East Pakistan Government under Section 401 Criminal Procedure Code sanctioning similar reduction were independent of each other, giving him total remission of eight years.

The East Pakistan High Court had rejected his petition, holding that the Provincial Government's notification was only implementation of the President's decision and they were not independent of each other.

The Supreme Court rejected the appeal on May 19.

(*The Hindu*, Madras)

[Prev. ref. 5757:PAK:A]

E. **Trade Agreement With Rumania:** Pakistan and Rumania signed on May 20 a Trade Agreement covering a wide range of commodities to be exchanged between the two countries through normal commercial channels.

The Agreement will be for one year, automatically extendable for additional periods of one year, subject to the notice of 90 days by either country in case it was decided to be terminated.

The Agreement, which was signed by Dr. Sebastian Simionescu, leader of the Rumanian trade delegation, and by Mr. Ejaz Ahmad Naik, Joint Secretary, Ministry of Commerce, provides for the grant of most-favoured-nation treatment by one country to another in matters of trade, commerce and shipping, excluding coastal shipping.

All payments under the Agreement will be made in convertible pound sterling.

Provision has been made in the Agreement for the organization of permanent or temporary fairs or exhibitions by one country in the other and for consultations on measures for expanding mutual trade.

This is the first Trade Agreement with Rumania and the first international Agreement to be signed in Islamabad.

Explaining the broad outlines of the Agreement later to newsmen, the leaders of the two delegations said that while Rumania would import from Pakistan jute, jute goods, textile, sports goods, woollen goods, musical instruments, canned and tinned fish, Rumania will export to Pakistan complete plants for chemical industry, oil refinery, cement, oil field equipment, refrigeration machinery, tractors and agricultural implements, electrical goods and rolling stock.

Pakistan is interested in importing cement from Rumania in exchange for jute and other primary commodities. Rumania had asked permission to open a trade agency at Karachi to which Pakistan had agreed.

(*Dawn*, Karachi)

[Prev. ref. 5693:PAK:C]

F. **Foreign Exchange Earnings:** According to official statistics available in Karachi on May 20, foreign exchange earnings during the Second Plan (1960-65) are expected to be increased by Rs. 187 crores.

As against the Plan target of Rs. 1,125 crores, Pakistan will earn Rs. 1,312 crores in foreign exchange at the end of the Second Plan period (June, 1965).

The mid-Plan review, made public by the Planning Commission, indicates that export performance for the first three years of the Plan had been so good that overshooting of the target was a foregone conclusion.

The rates of increase in foreign exchange earnings over the three-year period, according to the review, had been very impressive. The total foreign exchange earnings which had increased from Rs. 229 crores in 1960-61 to Rs. 238 crores in 1961-62, jumped to Rs. 275 crores in 1962-63.

The main foreign exchange earners, according to the review, have been raw cotton, raw jute, jute manufactures, hides and skins, wool and rice. The most phenomenal increase was registered through the export of raw cotton and rice. The former earned Rs. 19.5 crores in 1960-61, but the figure jumped to Rs. 40 crores in 1962-63. Foreign exchange earned by rice in 1962-63 was Rs. 7.1 crores more than what it had earned in 1960-61.

The composition of imports has been undergoing a significant shift in favour of capital goods and raw material for capital goods. Consumer goods imports (including PL 480) declined from Rs. 100 crores in 1960-61 to Rs. 93 crores in the third year of the Plan. But development imports increased from Rs. 172 crores in the first year of the Plan to Rs. 233 crores in 1962-63 and may exceed Rs. 300 crores in the fourth year of the Plan.

(*Dawn*, Karachi)

[Prev. ref. 5820:PAK:A]

G. **Progress Of Indus Projects:** The Chief Engineer of the Indus projects, Mr. S. S. Kirmani, said in Lahore on May 19 that all projects involved in the first phase of the Rs. 900-crore Indus Basin programme would be completed several months ahead of schedule.

He said in an interview that the railway and road bridges on River Ravi near Sidhnai might perhaps be delayed. But the system of Trimmu-Sidhnai, Sidhnai-Mailsi and Mailsi-Bahawal link canals, Sidhnai barrage and Mailsi-Syphon would in operation by March, 1965.

He said the system of link canals in the Sutlej River Valley would enable the valley to have its kharif irrigational supplies from early April which it was getting under the present arrangements through India from June to September. This, he hoped, would go a long way in improving crop intensity and would result in increased yield.

The construction rate for the first phase, he claimed, was unparalleled in the whole of Asia. Only some of the advanced nations in the West could claim an equal rate of construction. The actual construction work, he added, had only started in October, 1962 and the major work would end by October, 1964.

He said another project included in the first phase, namely, the Mangla Dam, was also ahead of schedule and the contractors hoped to complete it by October 16 making the Mangla water supplies available for use in October-November, 1967.

About the second phase he said the commencement of work was delayed by a year because of financial difficulties due to overall estimated increase in the cost

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of projects. But the WAPDA hoped to make up this time as already a number of preliminary works had been taken in hand and were being made available soon after the contract. This had caused considerable saving of time and money from Pakistan's point of view. The preliminary works included construction of base camps and roads and railway lines.

He expressed the hope that all the projects in the second phase would be completed by July, 1968 or earlier.

Replying to a question, he said so far Rs. 170 crores had been spent on the Indus Basin projects of which the foreign exchange component was Rs. 94 crores.

(*Dawn*, Karachi)

[Prev. ref. 5649:PAK:A, 5820:PAK:A]

SYRIA

A. **Charge Against UAR And Iraq:** The Government charged on April 26 that most of the agitators behind the recent disturbances in Hama and other Syrian towns (see below) were Iraqi and UAR agents.

Gen. Amin El-Hafez, Chairman of the National Council of the Revolution told a news conference that the agents behind the recent disturbances had received arms and money from Iraq and Egypt.

He accused the UAR Embassy in a neighbouring Arab country of being behind recent political troubles in Hama.

He also accused President Abdel Salam Arif of Iraq of being behind these troubles.

He disclosed that a Ministerial Committee had been formed to find answers to Syria's economic problems.

The Government would shortly be reshuffled and unionist elements backing the March 8 revolution would be admitted to the Government.

He said about 20 members of the security forces and about 50 civilians were killed or wounded during the Hama events earlier in April.

He said Syria had lived up to her undertakings towards the Arab "summit" meeting in Cairo in January, "although she was aware of things being plotted against her secretly."

(*Dawn*, Karachi)

[Prev. ref. 5732:SYR:C]

B. **Nationalization Of Factories:** Three weaving and spinning factories in the northern industrial town of Aleppo were nationalized on April 17 by Decree and put under self-management.

The Decree interprets this as meaning collective ownership by the workers.

Two factories were merged in one and a board of seven directors was formed for running it. On the board were four workers' representatives and a representative of the Government, the ruling Baath Party, and the trade union concerned. Another board on the same lines was appointed for a third factory. The original owners, who were accused of smuggling their funds and receiving Government loans larger than their capital, are to be indemnified with 10-year Government transferable bonds drawing 4 per cent interest.

(*The Times*, London)

[Prev. ref. 5312:SYR:C]

C. **Hama Disturbances—Sentences Commuted:** The National Revolutionary Council on May 3 commuted the death sentences passed on 21 men convicted of complicity in the recent troubles at Hama in Central Syria, where it was officially admitted that about 70 military and civilians were killed or injured.

Nineteen other defendants had been given terms ranging between hard labour for life and six years, while five were acquitted. The Council promised to consider "with sympathy" these sentences.

This decision followed a request from 40 representatives of popular organizations and religious leaders.

Nine men, including five soldiers, had been given death sentences a few days earlier for alleged complicity in attempts to occupy police posts in Aleppo in North Syria. All these sentences were subject to confirmation by the National Revolutionary Council.

(*The Times*, London)

[Prev. ref. 5732:SYR:C]

D. **Military Union With Iraq—Agreement Denounced:** The Government announced on April 28 that it had decided to denounce the Agreement concluded in October, 1963 for a military union with Iraq.

An official source said that the decision had been taken at a meeting of the National Revolutionary Council.

The Council decided to cancel the Agreement because a Syrian request to appoint the Commander-in-Chief had not been satisfied. Another reason was the creation of a unified Arab command in accordance with the resolutions of the Arab "Summit" Conference.

(*Damascus Radio*)

[Prev. ref. 5554:SYR:A]

E. **Anti-Government Plot Foiled:** The Information Minister, Mr. Dham Sami El Jundi, disclosed in Damascus on March 3 that the Government had smashed a plot aimed at the security of the State.

He said some 50 persons had been arrested. Many of them had given full written confessions.

He would not disclose the names or the political affiliations of the detainees, but said the defendants would stand trial shortly.

(*The Times of India*, Bombay)

[Prev. ref. 5822:SYR:B]

TURKEY

A. **Industrial Development Bank's Annual Review:** Details of the Industrial Development Bank's annual report for 1963 were available on May 15.

The review showed an increase in the Bank's capital from £T125,000,000 to £T150,000,000; £17,500,000 of this sum was subscribed by the International Finance Corporation, an affiliate of the World Bank.

During 1963, a further sum of £T125,000,000 was put at the disposal of the Bank from the local currency account derived from the sale of US surplus commodities supplied to Turkey. This increase in capital resulted in an increase in the Bank's operating resources from £T284,409,000 in 1962 to £T353,991,000 in 1963.

The Bank's main activity is the granting of long-term loans and participation in the capital of private industrial enterprises. During 1963, 335 credit applications were received for a total amount of £T396,173,000 compared with 231 applications for loans worth £T228,900,000 the year before. Out of a total of £T58,820,000 requested by industrial enterprises exporting their products, £T47,600,000 was granted from the special export credit fund, resulting in exports of manufactured goods worth £23,600,000.

(*Middle East Economic Digest*, London)

[Prev. ref. 2120:TUR:A]

YEMEN

A. **New Constitution:** Sanaa *Radio* announced on April 28 a new Constitution under which Yemen was declared an Arab State, independent and sovereign.

According to the Constitution, broadcast in full by the Radio, the Yemen people are part of the Arab nation, Islam is the State religion and Arabic the official language.

Islamic laws would be the basis of all legislation.

The Constitution gives the President executive power for a five-year period, and lays down that he shall be a Yemeni aged more than 35 years.

Legislative power is invested in a Consultative Council which will serve for three years.

The Constitution provides for the creation of a National Defence Council, to be headed by the President.

It fixed Sanaa as the capital.

The broadcast did not state when the new Constitution would come into effect.

A Shoura (Council) will be set up to undertake legislative functions.

The term of the Council will be for three years; the State Budget must be placed before the Council for approval before the fiscal year begins. A Council member cannot be dismissed except by a decision taken by two-thirds of the members.

The President of the Republic will be nominated and elected by the Council. The President's term in office will be five years. He must take oath before the Council prior to being inducted into office. He can appoint a Vice-President and also relieve him of his duties. He will appoint the Premier and members of his Government and could also relieve them of their duties. The President will formulate with the Government the general policy of the State in all its political, economic, social and administrative aspects and will supervise its execution.

The President will also be the Commander-in-Chief of the armed forces.

He will ratify treaties and will notify the Council of them and these become law after their ratification and confirmation. However, peace treaties, alliances, trade and all treaties affecting Yemeni territorial sovereignty will not be valid unless approved by the Shoura.

The Cabinet will be the higher executive and administrative organization of the State and will be composed of the Prime Minister, his deputies and the Ministers. The Government will execute the State policy in accordance with the laws and Presidential decrees in effect.

In the field of national defence a Council to be called "the National Defence Council", shall be created under the chairmanship of the President of the Republic. The Defence Council will deal

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with defence matters and with means of ensuring the country's security in accordance with the law. The State alone can establish armed forces. No other organization or group shall create military or quasi-military formation. Military service is obligatory.

Formation of trade unions is guaranteed under the law. Education is the right of all Yemenis guaranteed by the State.

Yemen will be divided into "administrative units". The indication is that Yemen, too, will have a system of decentralization of administration on the pattern of the UAR.

In the field of justice, the judiciary will be independent and no authority will have the right to interfere in judicial affairs.

(*Dawn*, Karachi)

[Prev. ref. 5288:YEM:B]

B. Minister For "Occupied South Yemen Affairs" Appointed: *Sanaa Radio* announced on May 4 that President A. Sallal had named a Minister for "Occupied South Yemen Affairs" (the British-supported South Arabian Federation).

The new Minister, Sheikh Ahmed al Kubab, will have two deputies.

The appointments were included in a Cabinet list following the previous week's announcement of a new Constitution for the Republic disclosed at the end of President G. A. Nasser's surprise six-day visit.

(*Sanaa Radio*)

[Prev. ref. 5010:YEM:A]

C. UN Presence Prolonged: The UN Secretary-General, U Thant, announced on May 5 that he had prolonged the UN Observers' action in Yemen by another two months until July 4.

He made the announcement in a report submitted to the Security Council.

In his report he said he had had consultations with Security Council members in this regard.

During the past two months, he said, no progress had been made towards implementation of the disengagement agreement concluded between Saudi Arabia, UAR and Yemen in June, 1963.

As for the number of UAR troops stationed in Yemen, 4,000 UAR men including anti-aircraft units had arrived by sea in March. These soldiers "appeared" to have returned from home leave. About 2,000 UAR soldiers had meanwhile left Yemen.

He opined that the numerical strength of UAR troops in Yemen had slightly increased rather than decreased.

At the same time, he stated that Saudi Arabia had stopped granting assistance to the Yemeni Royalists.

(*The Indian Express*, Bombay)

[Prev. ref. 5481:YEM:A]

D. New Commerce Law: A decree issued in Sanaa on May 3 established a Supreme Committee for imports and exports.

Under the decree, no person may export goods unless his name is registered on the Merchants Register and he is a Yemeni or a subject of an Arab country.

Goods of agricultural products may be exported only under personal permits issued in the name of the exporter and he may not transfer them to others. Goods for which permits are issued should be exported within the time set in the permit.

The Committee will fix the various duties to be paid by exporters and importers.

Under the new Yemeni Customs Law, five per cent of the value of exported goods is collected in addition to a defence tax. The law came into force on May 1.

A law covering Yemeni imports has also been drawn up.

(*The Egyptian Gazette*, Cairo)

E. Education Plans: The Minister of Education, Mr. Ahmed Hussein El Marawany, stated in Sanaa on April 25 that compulsory education in Yemen would be enforced within the next 10 years in accordance with the Government's new education policy.

He said that the budget of the Ministry of Education after the Revolution amounted to 3,000,000 Yemeni rials as compared to 300,000 Yemeni rials before the Revolution.

As from 1965, Yemeni women would help girls in the field of education.

He said the Ministry had prepared a comprehensive programme for spreading education all over Yemen.

There would be 67 new primary schools in 1965 distributed in Sanaa, Hoppa, Saada, Taez, Hodaida, Ab and Radda districts. Pupils in these schools would total 7,500. UAR experts were now training 300 Yemenis to serve as teachers in primary schools and that 1,000 other Yemenis would be trained within the next three years.

Nine preparatory schools were being built in Sanaa, Taez, Hodaida, Hojja and Ab. Two secondary schools were being constructed, one at Sanaa and the other at Taez, and a programme had been prepared for the establishment of industrial, commercial and agricultural schools in different parts of the Republic.

He said that four primary schools for girls would be founded in 1965 in addition to those established after the Revolution and that the total number of girl pupils next year would reach 1,200.

(*The Egyptian Gazette*, Cairo)

[Prev. ref. 5482:YEM:I]

ASIA OUTSIDE ASIA

A. World Rice Production—FAO Forecast: The UN Food and Agriculture Organization (FAO) announced on May 11 that world rice production would reach a record level this year.

It said that trade in rice was likely to remain well above average.

FAO's consultative sub-committee on the economic aspects of price said it was too early to judge if the stronger international market in rice was a temporary phase or pointed to a more lasting improvement in the export picture. "It is clear that after some years of material progress several of the major Asian importers are having serious difficulties in reaching the cereal-production targets set in their development."

It added that the long-term rising trend in production resumed in 1963-64 despite bad weather in several regions. Reserve stocks were still inadequate, Government-to-Government contract prices for cheaper grain had risen moderately, prices in private trade were expected to average the previous year's levels, and those for round-grain rice had risen.

The committee estimated that paddy production in 1964 in the world (excluding China) would reach a record level of 158 million tons—nine million more than in the 1962-63 season. This was despite lower output in parts of the Far East, in Latin America and in southern Europe. Among the importing countries, there had been good crops in India and Pakistan, but declines in Indonesia and Cuba. As for exporters, crops were heavier in USA, the United Arab Republic, Thailand, Viet-Nam, Madagascar and Korea, while production fell in Burma, Formosa, Brazil, Italy and Spain.

The report said that since the carry-over supplies in some countries had been offset by reduced production "world supplies available for export this year are probably more or less the same" as in 1963.

(*UN Newsletter*)

[Prev. ref. 5175:JAP:B]

B. William Shakespeare's 400th Birthday Celebrations: The Duke of Edinburgh flew to Stratford-on-Avon on April 23 to head the international celebration of William Shakespeare's 400th birthday.

The little town was bedecked with flags and packed with world visitors.

Before the Duke arrived the first of the formal ceremonies began with the unfurling of the flags of 115 nations by their representatives. Among them was also the flag of St. George, patron Saint of England, whose festival for once had been overshadowed.

The small army of Ambassadors and diplomatic representatives—from every country accredited to, the British Court—were formally received at the Royal Shakespeare Theatre, on the banks of the River Avon, by the Mayor of Stratford.

Following the flag ceremony, the guests set out on the traditional birthday procession through beflagged streets to the poet's birthplace, and then to his tomb to lay wreaths and flowers. The procession was headed by a British army band and the town beadle in his striking official uniform.

Outside the post office, queues three or four deep stretched down the road to buy some of the new commemorative issue of five Shakespeare stamps and rail souvenir cards with the birthday date from Stratford itself.

Mr. Eugene Black, chairman of the American 1964 Shakespeare Committee and former President of the World Bank, opened the new Shakespeare Centre in the garden of the poet's birthplace.

Diplomatic representatives of many countries, including Dr. Jivraj Mehta, the Indian High Commissioner, were among the distinguished audience who watched Mr. Black open the Centre.

The birth anniversary was widely celebrated throughout Russia, according to Tass.

A large Shakespeare exhibition which had opened at Orel, birthplace of the Russian writer, Ivan Turgenev, included rare editions of Shakespeare's plays from private libraries of 19th century Russian writers.

The Soviet Communications Ministry issued a stamp to commemorate the occasion.

The Leningrad mint cast a Shakespeare jubilee medal designed by Igor Daragan, a young Moscow sculptor.

(*The Statesman*, Calcutta and *The Times*, London)

C. New York World Fair: President Lyndon B. Johnson of USA

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opened in New York on April 22 the World Fair.

In a speech on the occasion, he said that peace was not only possible and predicted that "it is coming nearer". Unless the theme of the Fair—"peace through understanding"—could be achieved and unless men used their skill and wisdom to conquer conflict as they had conquered sciences then the hopes of today would "go under in the devastation of tomorrow."

"If I am right, then at the next World's Fair, people will see an America as different from today, as we are different from 1939."

He said they would see an America in which no man must be poor, in which no man was handicapped by the colour of his skin, his beliefs, his religion or his ancestry.

Speaking on behalf of the foreign participants in the Fair, Mrs. Indira Gandhi of India said that inter-dependence of nations was a pre-requisite of peace—"peace not in the passive sense, not the mere absence of war, though that in itself is an important first step, but dynamic, meaningful and living peace that brings liberty, and prosperity to all".

Interdependence, she emphasised, was the fabric of modern economy. "No country is entirely self-sufficient. No single economy can survive in isolation or keep its balance without taking and giving. It is only through interdependence that we can tread the path of peace."

She said that the Fair was a salute to the world's emergence into the space age and projection of man's prodigious advance in the field of science and technology.

The opening of the Fair was marred by racial demonstrations leading to the arrest of 300 Negro and white members of the Congress of Racial Equality.

At one point during the official ceremonies, President Johnson's speech was drown out by shouts of "freedom now". He made no reference to the demonstrators but alluded to America's racial problems indirectly.

Details:

The Fair will remain open for a total of 12 months, split into two periods.

It will be open from April to October, 1964, and for the same months in 1965.

The Fair covers 2.6 kilometres, and took four years to plan. Several foreign nations are represented, though Britain and most Commonwealth countries, France and several other countries are not taking part. They are affiliated to the International Exhibitions Organization which refused to approve the World Fair because USA is not a member of the Organization.

The Fair organizers were hoping that it will be visited by from 80 to 100 million visitors while New York traders hope to benefit from the $6,000 to $10,000 million the visitors are expected to spend.

The Fair is divided into an international section, a Federal and American States section, an industrial section, a transport section, and an attraction section.

The international section groups 43 and stands in a semi-circle round the "unisphere"—an immense steel globe which is the Fair's symbol.

India, South Korea, Denmark, Hong Kong, Indonesia, Japan, Malaysia, Pakistan, the Philippines, Sweden, Thailand, Formosa and the Vatican are among the exhibitors in this section.

Mrs. Indira Gandhi, who personally conducted a Press tour of India's pavilion at the World Fair stated that this was India's biggest attempt to project the image of modern India abroad.

Costing about $2.5 million in New York and about Rs. 3 million in India, the pavilion is expected to pay many times its cost in the form of increased trade with USA and other countries.

It is also an attempt to show what India, a democratic country, has done and intends to do.

The pavilion is a fine piece of architecture, blending the traditional and the modern. This is true not only of the exterior but also of the story which the exhibits unfold.

The Indian motif, employed in the architecture, is much more in evidence today than a few days ago.

Makrana marble jalis judiciously surround the pavilion and the Indian restaurant which nestles beside it. This is the white marble of which the Taj is made. The jalis, made in India, were flown to New York like the rest of the pavilion. Each jalis, took three months to carve and gives the pavilion the touch of an Indian palace.

Three colours predominate—the sandy white, gold, and the deep blue of the lake surrounding the pavilion.

The facade of the pavilion is textured —a concept borrowed from the old ornate temples. The geometrical forms of the texture help to break the monotony of the light. Below the facade, there is a gold projection over which water flows down like a curtain which is invitingly charming.

The restaurant is also an interesting building. Its decor is purely Indian. A golden carpet, made in Delhi, shimmers in the light. The chairs are made of rosewood. The tables are of marble. Gold is the colour of the plumed turbans which Indian bearers wear. Gold is also the colour of their coats. The service is like a dream come true. The roof of the restaurant is made of a huge photograph of the Dilwara Jain temple on Mt. Abu. At night it glows, giving the illusion of a dome.

For the first time for sale are the authentic antiquities of India. The US museums are vying with one another to buy them. This is also true of the old miniature paintings.

(*The Times of India*, Bombay and *The Hindu*, Madras)

D. New Theory On Earth's Crust: A Washington message on May 18 said that in defiance of prevalent geological doctrine, an American scientist had said he was convinced that there was still hope of finding fragments of the Earth's original crust.

Dr. Robert Dietz, of the US Coast and Geodetic Survey, said he believed that Montana, Northern Rhodesia, and the area of the Russo-Finnish border would be among the most fruitful areas in which to search.

Accepting a current theory that the Earth evolved originally as a cold body about 4,500 million years ago, he suggested that portions of the original crust might be found floating like watermelon seeds in the ultrabafic masses in the oldest rock terrain, (Ultrabafic is the collective name given to masses of dark, heavy rocks found in the oldest mountains.) These rocks are mostly sedimentary and could themselves represent the original crust, as they must be derived from other rocks, but Dr. Dietz believes that rocks trapped within the mass may be considerably older than the 3,500 million years which has been assigned to the oldest of them.

He thus rejects the theory that the Earth was initially molten and believes that it may be possible to improve upon the assessment of James Hutton, the Scottish father of modern geology, who wrote in 1788 that the rocks revealed "no vestige of a beginning, no prospect of an end".

He said: "Most likely, the Earth originally evolved as a cold body from a dust cloud around the Sun, probably about 4,500 million years ago. Then, for 1,000 million years the Earth remained quiet while internal heat was slowly generated by the decay of the radio-active substances. Only then, 3,500 million years ago, did the Earth become an active body and begin building mountains and continents.

"In this original creation of the continents, fragments of the original crust almost certainly were caught up during the creation of the mountains. They must exist today as some of the ultrabafic masses in the oldest rock terrains."

A fragment of it would resemble a stony meteorite from the primeval solar dust clouds, and, though it might be somewhat altered, its primitive nature should remain chemically identifiable.

(*The Times*, London)

[Prev. ref. 5096:AOA:K]

E. Tobacco Without Nicotine—Bulgarian Discovery: It was reported from Vienna on May 21 that Bulgaria claims to have developed tobacco without nicotine.

The Bulgarian news agency said that the Academy of Agricultural Sciences had grafted tobacco shoots to young plants of tomatoes, thorn apples and egg plant.

It said sufferers from bronchial asthma were helped by nicotineless tobacco from thorn apple plants.

(*The Times of India*, Bombay)

SPORT

A. Davis Cup (Eastern Zone) Championship: The Philippines won the Davis Cup (Eastern Zone) Championship in Manila on April 26, beating India by three matches to two.

India and the Philippines split their opening singles matches on April 24, Jaideep Mukherjea beat Johnny Jose 7-5, 3-6, 6-3, 6-2, but Premjit Lall (India) lost to Felicismo Ampon at 6-0, 6-3, 7-5.

India won the doubles match on April 25 against the Philippines 6-3, 1-6, 4-6, 6-2, 9-7.

But on April 26, Felicismo Ampon (44) first crushed young Jaideep Mukherjea 6-4, 6-1, 6-1. Then Johnny Jose applied the clincher in a suspense-packed, three-hour match with Premjit Lall, winning 6-3, 8-6, 3-6, 4-4.

The Philippines had defeated India three times against two losses in Davis Cup play.

(*The Manila Times*)

[Prev. ref. 5024:SPO:A]

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AFGHANISTAN

A. Draft Constitution: The draft Constitution will be presented to the Grand Afghan Council (Loi Jirga) during the first half of the Afghan New Year for endorsement.

This was announced by Dr. Abdul Zahir, President of the National Assembly, according to a Kabul Radio broadcast on May 26.

Meanwhile, King Zahir Shah has extended the term of the Afghan National Assembly for a few months till the Loi Jirga is called.

Dr. Abdul Zahir, while inaugurating the Assembly, informed the members that the King had also designated all National Assembly Members as members of the Loi Jirga, besides others. He said that the new Afghan Constitution would be the beginning of a new era in Afghanistan and would bestow on the people a democratic set-up.

The National Assembly, which was a partly elected and partly nominated institution and had completed its 11th term, would be terminated after the inauguration of the Loi Jirga. The Loi Jirga in Afghanistan is regarded as the supreme authority in all matters relating to national and international issues and for giving its verdict in times of emergency.

The Afghan Government has also constituted a number of commissions to deal with various aspects of national life.

According to a Kabul Radio broadcast, Dr. Abdul Zahir placed the names of the members of these commissions before the Assembly session which recently started at Kabul.

The various commissions as announced in the Assembly are for law, finance, agriculture and public works, communications, education and Press, justice and foreign affairs.

(*Dawn*, Karachi)

[Prev. ref. 5340:AFG:A]

CAMBODIA

A. Imports By Private Sector To Continue: The Government has permitted the private sector to continue imports up to June, 1964 against licences issued up to February, 1964.

This decision has been taken because of the inability of the National Society of Exports and Imports (SONEXIM) to cope with the entire load of exports and imports of Cambodia, including distribution of the imported commodities, which it took over after the declaration of nationalization of Cambodia's international trade with effect from January 1, 1964.

It was originally expected that, as a result of nationalization, the private sector in the export and import trade would be relegated to the background and that all imports would be effected, and the imported commodities distributed to the retailers, through various professional commodity associations to be set up by SONEXIM. But it has been pointed out that SONEXIM has not the experience or the confidence or the capacity to undertake this job.

Owing to the existence of a huge number and variety of retailers, it has not been possible to form the commodity associations in the circumstances, it has been decided that the private sector will continue to import as before but only through SONEXIM. SONEXIM will now charge a commission of 14 to 23 per cent on the value of the transaction on all imports.

Although the Government's decision amounts to relaxation of the control in favour of the private sector, it is not certain as to how long this nebulous state is to persist.

A report received by the World Trade Department of Indian Chambers of Commerce from Pnom Penh says that SONEXIM has been contemplating formal releases from the national foreign exchange, but this has not been made possible on account of the sudden termination of US aid, political instability, and the inability of the Government to evolve a firm policy and procedure for imports.

To finance Cambodia's entire imports, SONEXIM has now offered to private importers the release of national foreign exchange with pound sterling priced at 230 riels to a pound, as against the official exchange rate of 98.14 riels to a pound and the open market rate of 270 riels for a pound.

The report says that alongside this mode of importation, SONEXIM is also inviting global tenders from time to time for certain essential purchases as, for instance, jute bags.

A consignment of more than a million jute bags has been bought from India recently. Imports are also being made under Cambodia's commercial treaties with other countries. A total of 5,000 tons of cement have been recently imported from North Viet-Nam.

SONEXIM has also decided that agricultural and industrial organizations with administrative and financial autonomy, State enterprise societies, and the societies composed of mixed economy, will be able to import their supplies of equipment and raw materials on a priority basis on their application to SONEXIM.

Foreign exchange for the purpose will be released by a high-powered body which is to meet from time to time, and SONEXIM will import the requirements on behalf of the applicants.

Cambodia's national Budget for 1964 envisages a tentative import target of 2,475 million riels, as against 3,070 million riels in 1963. The figure has been scaled down by drastically cutting imports of pharmaceuticals, tobacco leaves, vegetable fibres, paper, rubber goods, etc.

Unlike its imports, Cambodia's exports after nationalization were open to the private sector only for two months up to February, 1964, subject to corresponding imports being completed before June 30.

Accordingly, SONEXIM has seriously launched its collection-of-harvest campaign with the assistance of the co-operatives in the field of exports.

SONEXIM has decided to charge approximately two per cent commission of the export value for its services. Its handling of the rubber exports so far has involved the foreign plantation interests in a loss of 70 million riels, which has chilled the planters' interest in the expansion of coffee plantations.

(*The Statesman*, Calcutta)

[Prev. ref. 3911:CAM:A]

INDIA

SUMMARY: Mr. J. Nehru Passes Away; "Caretaker" Cabinet Appointed; US Military Aid; "Aid-India" Consortium Meeting; Development Bank.

A. Mr. J. Nehru Passes Away: The Prime Minister, Mr. J. Nehru, died in New Delhi on May 27 after a sudden heart attack.

He was stricken by the heart attack at 6-20 a.m. The doctors fought desperately to save his life. He was kept under an oxygen tent and every possible treatment was tried. His condition became grave at 11-45 a.m. and he started sinking rapidly. The doctors gave up all hope at 1-30 p.m. The end came a few minutes before 2 p.m. He died of internal haemorrhage and shock. He was unconscious throughout.

The whole country was stunned by the suddenness of Mr. Nehru's death, although he had been ailing for the last few months. The first reaction of the people everywhere was one of complete disbelief, but soon they were overwhelmed by the benumbing reality.

Only a few days earlier, the nation had felt somewhat reassured when Mr. Nehru himself remarked at his news conference that "my lifetime is not ending so very soon."

Mr. Nehru had returned from a short holiday in Dehra Dun the previous evening looking quite normal and cheerful. After a quiet dinner, he went to bed at 11 p.m. It was not known whether he had become unconscious by the time the doctors reached him after the heart attack or he was conscious enough to tell them what had happened.

An official announcement issued on May 27 said:

"The Government of India announces with the most profound regret the death of Mr. Jawaharlal Nehru, Prime Minister of India, in New Delhi today (May 27).

"As a mark of respect to the memory of the departed Prime Minister, all offices under the control of the Government of India throughout the country will remain closed on May 27 and 28, 1964. This period will be treated as a paid holiday for all employees of the Central Government, including industrial employees on regular work-charged and industrial establishments paid on monthly basis and the labour hired on daily wages for the entire month. These days have also been declared as holidays under the Negotiable Instruments Act, 1881.

"State mourning will be observed for 12 days up to and including June 8, 1964. Flags will be flown at half-mast on all

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Government buildings throughout India and there will be no public entertainment during this period."

On May 28, more than a million people witnessed the cremation of Mr. Nehru's body on the banks of the Yamuna, about 300 yards from Mahatma Gandhi's *samadhi* at Rajghat.

The vast congregation stood in silence for a moment when the "last post" was sounded and three volleys were fired before Mr. Nehru's 16-year-old grandson, Sanjay, lit the sandalwood pyre at 4.30 p.m. amidst the chanting of Vedic hymns by priests.

The President, Dr. S. Radhakrishnan, the Vice-President, Dr. Zakir Hussain, the new Prime Minister, Mr. Gulzari Lal Nanda, and his Cabinet colleagues, the visiting foreign dignitaries, Members of Parliament, Governors and Chief Ministers of several States, and heads of diplomatic missions paid their last respects to the departed leader before the cremation ceremonies began.

The visiting dignitaries present at the funeral included Sir Alec Douglas-Home, British Prime Minister, and Lord Mountbatten, representing the Queen; Mr. Dean Rusk, US Secretary of State; Mrs. Sirimavo Bandaranaike, Ceylon Prime Minister; Mr. Alexei Kosygin, Vice-Premier of the Soviet Union; Mr. Z. A. Bhutto, Pakistani Foreign Minister; Dr. Tulsi Giri, Chairman of the Nepalese Council of Ministers; and the Maharaja of Sikkim.

The funeral procession took nearly three hours to cover the six-mile route from Prime Minister's House to the cremation site. At least half of Delhi's three million population lined the route to honour the departed leader on his last journey. Tens of thousands of people had come to Delhi from distant places to pay their homage to the maker of modern India.

On June 9, Mr. Nehru's ashes were immersed at the confluence of the Ganges and Yamuna at Allahabad and at a number of holy rivers throughout India. Part of the ashes were also scattered from the air, according to his wishes.

Parliament's Homage:

On May 29, Parliament paid its homage to Mr. Nehru with tearful speeches and touching appeals to the people to prove themselves worthy of the noble heritage bequeathed by him to the nation.

Both Houses expressed their profound anguish and grief over his death and "firmly resolved to strive for the ideals of world peace and progress and national unity, solidarity and prosperity to which the departed leader had dedicated himself."

Members stood in silence for two minutes before the two Houses adjourned till June 1. Afterwards, the members assembled in the Central Hall to pay their joint homage to Mr. Nehru.

Glowing tributes were paid in both Houses by the leaders of all parties to the many-splendoured achievements of Mr. Nehru. Many found it impossible to give full expression to their feelings of tremendous sorrow and sense of bereavement. Speeches were made in voices choked with great emotion and members heard them in hushed silence.

The newly-appointed Prime Minister, Mr. Gulzari Lal Nanda, tried hard for several minutes to brace himself to speak. With a final effort, he checked his surging emotion, wiped his tears and managed to get through his speech in the Lok Sabha.

As he entered the House, there was a hushed silence. He slowly moved to the Prime Minister's seat where Mr. Nehru had sat during the last 18 years and kept standing until the Speaker arrived a few minutes later. He read out the prepared speech slowly pausing often to place great stress on the touching tributes he was paying to the man who "belonged as much to India as to all mankind."

He declared that the great principles for which Mr. Nehru stood and the policies based on them in the national and international sphere "will continue to be our sheet-anchor."

In the Rajya Sabha, Mr. M. C. Chagla, Leader of the House, moved the resolution and made an equally moving speech. He said: "The ship of State has lost its captain, but the ship must sail, however turbulent the seas. Whoever is the new captain can steer the ship by the light that Nehru's name and memory will always shed."

World Tributes:

Tributes from world leaders to the late Mr. Nehru poured in on May 29 and 30.

In a message to Dr. Radhakrishnan, the US President, Mr. L. B. Johnson, said:

"Once again we come together in grief over the death of a great and beloved man—this time your own leader, Prime Minister Nehru.

"Words are inadequate to convey the deep sense of loss which we, in particular, feel at his passing. For so long we had counted on his influence for good, it now seems impossible to believe that he is no longer with us. Yet his spirit lives on. The rich heritage he has left us, his faith in his people and in humanity, will, I know, serve to sustain you and us as we strive together to translate his ideals into reality."

The Soviet President, Mr. L. Brezhnev, and Mr. N. Khruschev sent the following message to Dr. Radhakrishnan: "It is with a feeling of profound sorrow that we learned of the death of the outstanding statesman of our time, the great and sincere friend of the Soviet Union, the Prime Minister of India, Jawaharlal Nehru. He had done much for the strengthening and development of friendship and co-operation between the Soviet and Indian peoples.

"The name of Jawaharlal Nehru enjoyed tremendous respect and love of Soviet people who knew him as a tested and wise leader of the Indian people's struggle for national independence and the rebirth of their country, as an active fighter against colonialism. Jawaharlal Nehru is known as an outstanding statesman of modern times, who devoted his entire life to the struggle for the consolidation of friendship and co-operation between the peoples, for the progress of mankind. He was a passionate fighter for peace in the whole world and an ardent champion of the implementation of the principles of peaceful co-existence among States."

Queen Elizabeth sent the following message of condolence to Dr. Radhakrishnan:

"I am deeply grieved to hear of the death of Mr. Nehru, who will be mourned throughout the Commonwealth and among the peaceloving peoples of the world.

"My husband and my family join me in sending our deep and sincere sympathy to you and to the people of India in the irreparable loss which you have suffered."

President Charles de Gaulle of France sent the following cable to Dr. Radhakrishnan: "It was with great emotion that I learned of the death of Pandit Jawaharlal Nehru, a statesman whose eminent qualities placed at the service of democratic, social progress and peace profoundly marked the destiny of India and consequently that of the world...."

King Mahendra of Nepal, who was then on a State visit to West Germany, in his condolence message said: "We have heard with great shock and profound regret the news of the sad passing away of the Prime Minister, Mr. Nehru, the great and illustrious leader of India. The people of Nepal join us in conveying to Your Excellency and through you to the people of India our most heartfelt condolences and sympathies at this critical juncture. In the demise of Mr. Nehru, Nepal has lost a true and a great friend. May his soul rest in peace."

President Ayub Khan of Pakistan in his message to Dr. Radhakrishnan said that "untimely demise of Mr. Nehru is the loss of a great Indian leader who commanded not only admiration but also the devotion of his people. It is an irreparable loss to India and I wish to convey to you and through you to the Government and people of India our sincere sympathy in their bereavement."

The UN Secretary-General, U Thant, in a cable to Dr. Radhakrishnan said he was deeply shocked to hear of the sudden death of Mr. Nehru. "Few men of this age have left their mark on the history of their country as he has. Responsible as he was for the policies of one of the largest countries in the world, he had affected the course of world events. India should know that in her hour of grief, her sorrow is shared by all of us in United Nations."

Mr. Aldo Moro, Italy's Prime Minister, sent a cable to Dr. Radhakrishnan expressing his and his Government's condolences on "the loss of the great statesman."

General Ne Win, Chairman of Burma's ruling Revolutionary Council, expressed his "profound shock and untold sorrow" at the death of Mr. Nehru.

In a message to Mr. Nehru's daughter, Mrs. Indira Gandhi, he said: "The death of your illustrious father has caused profound shock and untold sorrow to my wife and me. He was a warm and generous man who by his many humane qualities endeared himself to all those who like us were privileged to know him personally. We can, therefore, well imagine how much he must have meant to you and how deep your grief must be at his passing away. In this hour of sorrow my wife and I would like to offer you our heart-felt sympathies and to tell you from the bottom of our hearts that we condole with you in your bereavement."

King Baudouin of Belgium sent a telegram of condolences to the President.

The Swedish Premier, Mr. Tage Erlander, sent a telegram to Dr. Radhakrishnan saying: "I am deeply touched by the death of Jawaharlal Nehru. His life and work were of the greatest importance not only for India but also for the entire world. His death is a great loss to us all."

Pope Paul VI also sent a message of condolence to Dr. Radhakrishnan.

The South Korean President, Gen. Park Chung Hee, expressed his "shock and sorrow" over the death of Mr. Nehru. He called Mr. Nehru's death "the loss of a great star of Asia."

Mr. Hayato Ikeda, the Japanese Prime Minister said: "It is the world's and humanity's tragic misfortune to lose the great world peace-maker of Asia, Jawaharlal Nehru, at this moment."

Tengku Abdul Rehman, the Malaysian Prime Minister said that Mr. Nehru's death "came as a tremendous shock to me." He had sent his best wishes "and a box of mangoes only two days ago." "His death is a great loss not only to India and Asia but to all mankind. Mr. Nehru was a good friend to me. His words and deeds have often helped me in my work as Prime Minister. I considered him as a source of inspiration to whom I could always turn for helpful advice, and he never failed to respond. Throughout the history of free Malaya and until Malaysia was born, India

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through Mr. Nehru, always gave us its moral support, and he was a pillar of strength in times of difficulty.

"India has lost one of her greatest sons, and the world one of the most illustrious statesmen of our day and age. His name was a synonym throughout Asia and the world of the cause of freedom and the struggle against colonialism."

President Diosdado Macapagal of the Philippines said: "The people of the Philippines grieve with all India the extinguishing of her guiding light—Jawaharlal Nehru. But Mr. Nehru's name will never fade as long as there are men who dream of peace and believe in the inevitable triumph of reason over force. With Mr. Nehru's passing, Asia has lost to history its foremost stateman and its most effective advocate of reason, moderation and peace."

Mr. Abdel Khalek Hassouna, the Arab League Secretary-General, said: "The Arabs have lost one of their greatest friends in the world."

Mr. Salah Bitar, the Syrian Premier said: "It is sad news.... Nehru had devoted his life to the service of just causes, his own nation above all, to oppressed peoples and to world peace."

The President of Switzerland, Mr. Ludwig Von Moos, said in a condolence message to Dr. Radhakrishnan: "It was with deep emotion that the Swiss Government learned of the death of His Excellency, Jawaharlal Nehru, Prime Minister of India. Please accept the deep sympathy of the Swiss Government and people. They will always remember Mr. Nehru for his friendship towards Switzerland."

President Sukarno of Indonesia in a message of condolence to the Indian Government said: "The Indonesian Government and people and myself offer sincere condolences on the death of my dear friend Pandit Jawaharlal Nehru.

"As the leader of the Indian people his part is well known throughout Indonesia because of the part he played in the struggle for Indonesia's independence.

"People the world over mourn his death because they will miss his further contribution to the struggle for the establishment of a better world."

Prince Norodom Sihanouk of Cambodia, in an article published by the Khmer Press Agency, wrote: "Shri Nehru is no more. Death has just struck the founder of modern India and one of the great leaders of this century. Nehru was incontestably one of the very rare philosophers—perhaps even the only one—who after having accepted the heavy Government duties remained a thinker and a man of action."

The Ethiopian Emperor in a telegram to Mrs. Indira Gandhi expressed "deep grief at the passing away of an illustrious father and our close friend." "His leadership and statesmanship would long be remembered."

The Prime Minister of Canada, Mr. Lester Pearson, said the death of Mr. Nehru would be felt by all those who hope for peaceful progress in the world and for good relations between men of all races and colours and creeds. "He will be sorely missed by his countrymen."

President Ben Bella of Algeria, in a cable to Dr. Radhakrishnan, said: "The loss of this great man (Nehru) is felt with an immense sorrow by me, my Government and by the entire Algerian people."

President Nkrumah of Ghana, in a condolence message to Dr. Radhakrishnan, said that in Mr. Nehru's death "the people of India have lost an outstanding leader and the world a great statesman". "I have received with profound distress the unexpected news of the death of Mr. Nehru. It is difficult to find words adequate enough to express my present feeling of loss over his death."

The Premier of Kenya, Mr. Jomo Kenyatta, described the demise of Mr. Nehru as an "irreparable loss." "My people and I send our deepest sympathy to the Indian nation in this hour of irreparable loss and grief. Not only India but the whole world has been deprived of an outstanding leader in the path of peace and freedom for all men. The passing of this great patriot has cast a shadow of grief over the whole world. His monument will stand for ever in the eyes of the world as a free and independent India set by his efforts on the road to prosperity and pride of place among the great nations of the world."

President Nyerere of the United Republic of Tanganyika and Zanzibar, in a message to Dr. Radhakrishnan said: "It is with a deep sense of shock that I myself and the Government and the people of the United Republic have heard of the death of your Prime Minister. Mr. Nehru was a nationalist of your country for the whole of his life. But in truth his contribution was to the whole world which feels his loss. To Your Excellency and to the people of India we send our sincere sympathy."

King Hussein of Jordan in his message to Dr. Radhakrishnan described Mr. Nehru as "a leader of thinking, morals and humanitarianism."

The Danish Prime Minister, Mr. Jens Otto Krag, said that in Mr. Nehru's death "not only India but the whole world has lost an outstanding statesman." "Our sympathy is today with the Indian people, who have lost a statesman, a political and popular leader of high quality."

King Olav of Norway, in a message to Dr. Radhakrishnan, said: "I am deeply grieved at the news of the passing away of Mr. Nehru and tender to you the expression of my deepest sympathy."

The Greek Premier, Mr. G. Papandreou, expressed grief and sorrow at the death of Mr. Nehru: "The death of the Indian Prime Minister is a great loss to the free world. The Greek people participate wholeheartedly in the mourning of the people of India for their late leader and pioneer of their national independence."

Dr. Adolf Schaerf, the Austrian President, sent a cable of sympathy to Dr. Radhakrishnan and Mrs. Indira Gandhi.

The Shah of Iran in a message to Dr. Radhakrishnan said that the death of Mr. Nehru had deprived the world of an "upright and liberal" man.

President Tito of Yugoslavia in a message said that in Mr. Nehru's death the world had lost a "very big fighter for peace." "Mr. Nehru was deeply human not only towards his people but towards the peoples of the world in general." The Yugoslav people shared the Indian people's deep sorrow over the death of "our great friend and statesman."

Messages of condolence were sent by the President of Israel, Mr. Zalman Shazar and the Prime Minister, Mr. Levi Eshkol.

The President of Ireland, Mr. Eamon de Valera, in his message said: "On behalf of the people of Ireland I send to the Government and people of India our heart-felt sympathy on the death of their great leader. He lived to see his India free and was permitted to remain with its people during the formative years of self-government. I believe that his spirit and that of Mahatma Gandhi will continue to inspire the people of India until all that both had wished for their India and its people is realised."

The Nigerian Prime Minister, Sir Abubakar Tafawa Balewa, in a telegram to Dr. Radhakrishnan said Nigerians would always remember his "shining qualities of wisdom, simplicity and humility as well as his deep understanding of human problems. We shall miss his wise counsel, in the committee of the nations and especially in the Commonwealth".

President Francois Tombalbaye of Chad said the death of Mr. Nehru was "cruelly felt by the Chad people who share the feeling of affliction of the Indian Government and people."

President Philibert Tsiranana of the Malagasy Republic said that the death of Mr. Nehru "plunges peace-lovers and the whole of mankind into mourning."

President M. Yameogo of Upper Volta expressed his country's "deep sense of stupor" at the death of Mr. Nehru. Mr. Nehru personified "the hero of national liberation and had created the myth of an Indian symbol of peace."

President Leon Mba of Gabon expressed the Gaponese poeple's "profound sadness" at the loss.

President Adolfo Lopez Mateos of Mexico said Mr. Nehru's death was "an irreparable loss not only to India but to the entire world."

President Leopold Senghor of Senegal said that Mr. Nehru's death "had been strongly felt in Senegal where the deceased had been regarded as one of the great champions of our common struggle for peace and liberty."

The Nepalese Government announced a three-day State mourning as a mark of respect to the late Mr. Nehru. There was no official entertainment during these days and flags on all Government and public buildings flew at half-mast.

Three more countries declared a three-day national mourning on the death of Mr. Nehru. They were Kuwait, Cambodia and Iraq. UAR announced a seven-day mourning.

Yugoslavia observed a two-day national mourning. During this period flags flew at half-mast. All parties and entertainments were cancelled.

Uganda and Malaysia observed a national day of mourning on May 28.

On May 28, Ceylon mourned the death of "a great Indian, a great Asian and a great human being." It was a public, bank and mercantile holiday throughout the Island and flags flew at half-mast over all Government buildings.

Life Sketch:

The sterling traits of Mr. Nehru as a devotee of world peace and progress, national unity and solidarity, his undying faith in democracy and equality of all men, and his humanism were recorded in an obituary notification in a special black-bordered *Gazette* of India published on May 30.

"The country," the notification said, "has suffered its greatest loss since the death of the Father of the Nation."

It recalled what Rabindranath Tagore had said about him: "He had never fought shy of truth when it was dangerous, nor made alliance with falsehood when it would be convenient."

The following is the text of the notification:

"The passing away of India's beloved leader and Prime Minister, Jawaharlal Nehru, on May 27, 1964 has plunged the whole nation into the profoundest grief. The country has suffered its greatest loss since the death of the Father of the Nation.

"Jawaharlal Nehru belonged to the whole of mankind, as he belonged to the people of India and the world today mourns the departure of this great figure. A valiant fighter for the people of India all his life, Jawaharlal Nehru was the chief architect of modern India. His entire life was dedicated not only to the ideals of national freedom, unity and solidarity but equally to those of world peace and progress.

"Born at Allahabad on November 14, 1889, Jawaharlal Nehru was the son of Pandit Motilal Nehru, an eminent lawyer and one of India's greatest patriots. At the age of 15 he went to England and after two years at Harrow, studied at Trinity College, Cambridge. He was later

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called to the Bar from the Inner Temple and he returned to India in 1912.

"Destiny had not intended him to confine himself to the legal profession and he was drawn irresistibly towards the movement for India's freedom. His meeting with Mahatma Gandhi in 1916 was the coming together of two great souls and was to prove to be a landmark in Jawaharlal Nehru's life.

"In the same year he was married to Kamala Kaul who stood by him throughout all the joys and tribulations of his life until her early death in 1936, leaving behind her only child and daughter Indira.

"After the epochal meeting with Mahatma Gandhi, Jawaharlal Nehru and his whole family were plunged in the mainstream of the freedom struggle. In 1918 he was elected Secretary of the Home Rule League, Allahabad, and became a member of the All-India Congress Committee of which he remained a member for the rest of his life.

"He was soon assisting Deshbandhu Chittaranjan Das in the inquiries into the repression that followed the Jallianwala Bagh tragedy in the Punjab and by 1920 he was in close contact with the problems and aspirations of the Indian peasantry, beginning with the Kisan agitation in eastern UP. In 1921 came the first of the many occasions on which he courted arrest by refusing to obey orders he considered unjust.

"In 1923 he was arrested for disobeying orders to leave the then State of Nabha. Thus began his special association with the freedom struggle in the Indian States.

"In 1927 began his long association with international democratic movements with his participation in the Congress of Oppressed Nationalities in Brussels as an official delegate of the Indian National Congress, which he followed up with an extensive tour of Europe and his first visit to USSR.

"In 1929 he was elected President of the Lahore session of the Indian National Congress. The national struggle entered a new and significant phase when on the sacred banks of the Ravi the Congress took the pledge on the historic day of December 31, 1929 of complete independence as its goal.

"The 'thirties saw Jawaharlal Nehru become the acknowledged heir to Mahatma Gandhi. In between recurrent spells of incarceration and despite his pre-occupations with national problems he found time also to participate in the struggle against the onslaughts of fascism in different parts of the world. He lent courageous support to the Republican forces in Spain and visited that country during turbulent days. His was one of the resounding voices in the years preceding the holocaust of the Second World War, warning the democratic forces all over the world against its coming menace.

"The failure of the then Government of India to give the Indian people a meaningful opportunity to participate in the world struggle against fascism inexorably led to a conflict. The historic 'Quit India' Resolution was passed by the All-India Congress Committee at Bombay on August 9, 1942, and immediately thereafter Mahatma Gandhi, Jawaharlal Nehru and other leaders were imprisoned.

"On their release three years later, negotiations with the British Government began and Jawaharlal Nehru took office as Vice-President of the Executive Council when the Interim Government of India was formed on September 2, 1946.

"The Constituent Assembly met on December 9 of the same year. Events followed in rapid succession leading to the partition of India. On August 15, 1947, India and Pakistan came into being as two separate countries.

"On that solemn midnight when India became free Jawaharlal Nehru declared: 'Long years ago, we made a tryst with destiny, and now the time comes when we shall redeem our pledge, not wholly or in full measure but very substantially. To the people of India, whose representatives we are, we make an appeal to join us with faith and confidence in this great adventure. We have to build the noble mansion of a free India where all her children may dwell.'

"In these 17 years he had to bear many a grievous shock and none greater than the assassination of the Father of the Nation on January 30, 1948. Jawaharlal Nehru rallied the nation. 'A great disaster is a symbol to us to remember all the big things of life and forget the small things of which we have thought too much.' As the years passed Jawaharlal Nehru lost many a trusted lieutenant and comrade in arms; undeterred, he strove to build the India of his dreams.

"His world vision remained undimmed. He convened the Asian Relations Conference in March, 1947 and was its moving spirit. In 1954 he enunciated Panch Shila, the five principles of peaceful co-existence. There were other international conferences leading to the Bandung Conference in 1955. He gave the world the doctrine of non-alignment which was affirmed at the summit meeting of the non-aligned nations in Belgrade in 1961.

"Jawaharlal Nehru was dedicated to the ideals of the UN and the principles of the Charter. He addressed the third General Assembly session in Paris in 1948. His last appearance at the UN was in 1960. There he moved a significant resolution stressing the need for world peace and urging the leaders of the Great Powers to renew their contacts. He was the first Head of Government to support the partial test-ban pact signed by the three nuclear Powers in August, 1963.

"He strove tirelessly against war and for total disarmament. He initiated and supported action for the liberation of dependent countries. He fought against the exploitation of man by man and worked ceaselessly to bring freedom from fear and hunger not only to his own people but to the world at large. He set his face against all political and military blocs as the greatest impediments to world peace.

"Not the least abiding of Jawaharlal Nehru's contributions was his concept of a revolution in our national economy through planning within a democratic frame-work. Even before India had attained freedom, he foresaw the need for economic planning and was instrumental in setting up the National Planning Committee under the aegis of the Indian National Congress as early as in 1936.

"When freedom came, the earlier efforts bore fruit. The Planning Commission was set up and in 1951 India embarked upon her historic series of Five-Year Plans. The acceptance of economic planning as a way of life by many new free nations is an eloquent tribute to his basic social and economic thinking.

"Jawaharlal Nehru was unremitting in his endeavour for the unity and solidarity of the Indian nation. He struggled ceaselessly to blend the different elements of our national life into an integrated social structure. He fought against all the barriers of caste, religion and language and for the uplift of the less privileged. He constantly affirmed the secular concept of our State as necessary for all sections of the people to live together in peace and harmony.

"Jawaharlal Nehru was a distinguished man of letters. He utilised his spells in prison to write **Autobiography, Letters from a Father to His Daughter, Glimpses of World History** and **Discovery of India** which have found a permanent place in literature.

"Such was the man who led his country for so many decades and administered it so wisely for 18 years—an upholder of the noble values of human life and the dignity of man.

"There could be no finer epitaph for Jawaharlal Nehru than that which he himself suggested in a pensive mood with characteristic humility. 'If any people choose to think of me then, I should like them to say: This was a man who with all his mind and heart loved India and the Indian people. And they, in turn, were indulgent to him and gave of their love most abundantly and extravagantly.'

"That loving memory the Indian people, and indeed the peoples of the world, will always cherish for Jawaharlal. For, as Rabindranath Tagore said, 'he had never fought shy of truth when it was dangerous, nor made alliance with falsehood when it would be convenient.'"

Last Testament (The Will):

In his will and testament made 10 years ago, Mr. Nehru had acknowledged with deep gratitude the overwhelming love and affection of the Indian people for him.

Extracts from the will, dated June 21, 1954, released on June 3, 1964, revealed his burning love for his people and a passionate desire to serve them to the best of his ability until the last.

"Many have been admired, some have been revered," he recorded in the will, "but the affection of all classes of the Indian people has come to me in such abundant measure that I have been overwhelmed by it."

Inaugurating a special radio programme containing excerpts from Mr. Nehru's will, the President, Dr. Radhakrishnan, said: "Destiny cast on him the role of not merely one of the prime liberators of the country, but one of its main builders as well."

The extracts were read by Mrs. Vijayalakshmi Pandit and broadcast from all stations of All-India Radio.

The following are the extracts from Mr. Nehru's will:

"I have received so much love and affection from the Indian people that nothing that I can do can repay even a small fraction of it, and indeed there can be no repayment of so precious a thing as affection. Many have been admired, some have been revered, but the affection of all classes of the Indian people has come to me in such abundant measure that I have been overwhelmed by it. I can only express the hope that in the remaining years I may live, I shall not be unworthy of my people and their affection.

"To my innumerable comrades and colleagues, I owe an even deeper debt of gratitude. We have been joint partners in great undertakings and have shared the triumphs and sorrows which inevitably accompany them.

"I wish to declare with all earnestness that I do not want any religious ceremonies performed for me after my death. I do not believe in any such ceremonies and to submit to them, even as a matter of form, would be hypocrisy and an attempt to delude ourselves and others.

"When I die, I should like my body to be cremated. If I die in a foreign country, my body should be cremated there and my ashes sent to Allahabad. A small handful of these ashes should be thrown into the Ganga and the major portion of them disposed of in the manner indicated below. No part of these ashes should be retained or preserved.

"My desire to have a handful of my ashes thrown into the Ganga at Allahabad has no religious significance, so far as I am concerned. I have no religious sentiment in the matter. I have been attached to the Ganga and the Jumna rivers in Allahabad ever since my childhood and as I have grown older, this attachment has also grown. I have watched their varying moods as the seasons changed, and have often thought of the history and

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myth and tradition and song and story that have become attached to them through the long ages.

"The Ganga, especially, is the river of India, beloved of her people, round which are interwined her racial memories, her hopes and fears, her songs of triumph, her victories and her defeats. She has been a symbol of India's age-long culture and civilization, ever-changing, ever-flowing, and yet ever the same Ganga. She reminds me of the snow-covered peaks and the deep valleys of the Himalayas, which I have loved so much, and of the rich and vast plains below, where my life and work have been cast. Smiling and dancing in the morning sunlight, and dark and gloomy and full of mystery as the evening shadows fall, a narrow, slow and graceful stream in winter, and a vast roaring thing during the monsoon, broad-bosomed almost as the sea, and with something of the sea's power to destroy, the Ganga has been to me a symbol and a memory of the past of India, running into the present, and flowing on to the great ocean of the future.

"And though I have discarded much of past tradition and custom, and am anxious that India should rid herself of all shackles that bind and constrain her and divide her people, and suppress vast numbers of them, and prevent the free development of the body and the spirit; though I seek all this, yet I do not wish to cut myself off from the past completely. I am proud of that great inheritance that has been and is, ours, and I am conscious that I too, like all of us, am a link in that unbroken chain which goes back to the dawn of history in the immemorial past of India. That chain I would not break, for I treasure it and seek inspiration from it. And as witness of this desire of mine and as my last homage to India's cultural inheritance, I am making this request that a handful of my ashes be thrown into the Ganga at Allahabad to be carried to the great ocean that washes India's shore.

"The major portion of my ashes should, however, be disposed of otherwise. I want these to be carried high up into the air in an aeroplane and scattered from that height over the fields where the peasants of India toil, so that they might mingle with the dust and soil of India and become an indistinguishable part of India."

Nehru Peace Award Instituted:

The Indian Council of Cultural Relations on June 3 paid a fitting tribute to the late Mr. Nehru when it decided to institute an international award for outstanding contribution "to the ideal of world peace and the brotherhood of man."

The amount of the award will be Rs. 1,00,000 and it will be given every year, out of a special fund to be created by the Council, to "a person of pre-eminence" who has contributed most, particularly in the preceding year, to international understanding and friendship between peoples of different countries.

A committee will be set up for the selection of award winners. The committee will invite suggestions from all over the world to make sure that the award goes to the right person.

Except this year, the winner's name will be announced every year in February and he will be invited to India in November to receive the award and also to deliver a lecture after its formal presentation to him.

The governing body of the Council, which took this decision at an extraordinary meeting, also decided to invite every year 25 children of the age group 11 to 14 from five countries to tour India for two weeks and to live for a few days in a camp with an equal number of Indian children. They will be awarded a Nehru Medal at the end of their tour.

(*The Times of India, The Hindustan Times* and *The Statesman*, New Delhi)

[Prev. ref. 5644: INI:A]

B. "Caretaker" Cabinet Appointed: Within 2½ hours of Mr. Nehru's death on May 27, Mr. Gulzari Lal Nanda was sworn-in as Prime Minister by the President, Dr. S. Radhakrishnan.

The Minister of State for Home Affairs, Mr. Jaisukh Lal Hathi, and the Cabinet Secretary, Mr. S. S. Khera, were the only others present on the occasion.

On Mr. Nanda's advice, all the members of the outgoing Council of Ministers continued in the new Cabinet. Barring Mr. Y. B. Chavan and Mr. Humayun Kabir, who were abroad, all the other Ministers were sworn-in by the President the same evening.

All Ministers of State and Deputy Ministers except five who were away from Delhi were also sworn-in. The Ministers continued to handle their previous portfolios.

Addressing the new Cabinet, Dr. Radhakrishnan said: "We are passing through a period of crisis. The only way to show our respect to Mr. Nehru is to adopt an attitude free from every kind of prejudice."

The Emergency Committee of the Nehru Cabinet had met in the morning at the Prime Minister's residence when Mr. Nehru's condition became grave and they decided as a matter of national duty to complete the arrangements for a "caretaker" Government as early as possible. The Committee decided that the Home Minister, Mr. Nanda, who ranked second in the Nehru Cabinet, should be the new Prime Minister.

This formality became necessary since there is no provision in the Constitution for the appointment of an acting or officiating Prime Minister. With Mr. Nehru's death his Cabinet ceased to exist and it became necessary to have a new Prime Minister to keep the continuity of the Government until a permanent arrangement was made.

Consequent on the demise of Mr. Nehru, the Council of Ministers stood dissolved with effect from the afternoon of May 27.

The following members of the new Council of Ministers assumed office with effect from the afternoon of May 27:

Cabinet Ministers:

Mr. Gulzari Lal Nanda—Prime Minister, Minister for External Affairs, Home Affairs and Atomic Energy;

Mr. T. T. Krishnamachari—Minister for Finance;

Mr. Lal Bahadur Shastri—Minister without Portfolio;

Sardar Swaran Singh—Minister for Food and Agriculture;

Mr. Asoke Kumar Sen—Minister for Law and Communications;

Mr. C. Subramaniam—Minister for Steel, Mines and Heavy Engineering;

Mr. Satya Narayan Sinha—Minister for Parliamentary Affairs and Minister for Information and Broadcasting;

Mr. H. C. Dasappa—Minister for Railways;

Mr. M. C. Chagla—Minister for Education;

Mr. D. Sanjivayya—Minister for Labbour and Employment; and

Mr. Mahavir Tyagi—Minister for Rehabilitation.

Ministers Of State:

Mr. Mehr Chand Khanna—Minister for Works and Housing;

Mr. Manubhai Shah—Minister for International Trade;

Mr. Nityanand Kanungo—Minister for Industry;

Mr. Raj Bahadur—Minister for Transport;

Mr. S. K. Dey—Minister for Community Development and Co-operation;

Dr. Sushila Nayar—Minister for Health;

Mr. Jai Sukh Lal Hathi—Minister for State in the Ministry of Home Affairs;

Mrs. Lakshmi N. Menon—Minister for State in the Ministry of External Affairs;

Mr. K. Raghuramaiah—Minister for Defence Production in the Ministry of Defence;

Mr. O. V. Alagesan—Minister of State in the Ministry of Petroleum and Chemicals;

Mr. Ram Subhag Singh—Minister of State in the Ministry of Food and Agriculture;

Mr. R. M. Hajarnavis—Minister of Supply;

Dr. K. L. Rao—Minister for Irrigation and Power;

Mr. Bali Ram Bhagat—Minister for Planning; and

Mr. A. M. Thomas—Minister of State in the Ministry of Food and Agriculture.

Deputy Ministers:

Mr. Shah Nawaz Khan—Deputy Minister in the Ministry of Railways;

Mr. S. V. Ramaswamy—Deputy Minister in the Ministry of Railways;

Mr. Ahmed Mohiuddin—Deputy Minister in the Ministry of Transport;

Mrs. Tarkeshwari Sinha—Deputy Minister in the Ministry of Finance;

Mr. B. S. Murthy—Deputy Minister in the Ministry of Community Development and Co-operation;

Mr. Lalit Narayan Mishra—Deputy Minister in the Ministry of Home Affairs;

Mrs. Soundaram Ramachandran—Deputy Minister in the Ministry of Education;

Mr. D. R. Chavan—Deputy Minister in the Ministry of Defence;

Mr. C. R. Pattabhi Raman—Deputy Minister in the Ministry of Labour and Employment and for Planning;

Mr. Jagannath Rao—Deputy Minister in the Department of Supply;

Mr. Sham Nath—Deputy Minister in the Ministry of Information and Broadcasting;

Dr. D. S Raju—Deputy Minister in the Ministry of Health;

Mr. Dinesh Singh—Deputy Minister in the Ministry of External Affairs;

Mr. Bibudhendra Misra—Deputy Minister in the Ministry of Law;

Mr. Shyam Dhar Misra—Deputy Minister in the Ministry of Community Development and Co-operation;

Mr. Prakash Chandra Sethi—Deputy Minister in the Ministry of Steel, Mines and Heavy Engineering; and

Mr. Bhakt Darshan—Deputy Minister in the Ministry of Education.

The following Ministers and Deputy Ministers were appointed with effect from the afternoon of May 27:

Ministers: Mr. Y. B. Chavan, Minister for Defence; and Mr. Humayun Kabir, Minister for Petroleum and Chemicals.

Deputy Ministers: Dr. Mono Mohan Das, Deputy Minister in the Ministry of Education; and Mr. Maragatham Chandrasekhar,

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Deputy Minister in the Ministry of Home Affairs; Mr. B. C. Bhagawati, Deputy Minister in the Department of Communications; and Mr. Ratanlal Kishorilal Malviya, Deputy Minister in the Ministry of Labour and Employment.

A Presidential Order on the functions assigned to Mr. Lal Bahadur Shastri, Minister without Portfolio, said that he would perform such functions in relation to the business of the Ministry of External Affairs and of the Department of Atomic Energy as might be assigned to him by the Prime Minister from time to time.

Mr. Nanda would be overall in charge of the Ministry of External Affairs, in addition to being Prime Minister.

(*The Statesman* and *The Times of India*, New Delhi)

[Prev. ref. 4624:INI:B]

C. Long-term Military Assistance By USA: It was officially announced in New Delhi on June 6 that the United States had agreed to provide long-term military assistance for India's defence effort to meet the Chinese threat.

The Defence Ministry issued a Press communique stating that "general agreement" had been reached during Mr. Y. B. Chavan's visit to Washington "as to the military grant assistance which the United States plans to provide with respect to the fiscal year 1965," subject to Congressional approval.

The communique also announced that the two Governments "will continue to consult upon US assistance related to India's long-range defence effort."

There was, however, no agreement yet on the question of supersonic aircraft for India's air defence. The communique simply stated that further talks on this subject would take place soon between the two Governments.

The assistance which USA has promised during the fiscal year 1965—that is, from July 1, 1964, to June 30, 1965,—would be at about the same level as in the fiscal year 1964. The assistance given during the 1963-64 period was more or less equal to the $60 million Nassau aid given after the Chinese attack in October-November, 1962.

The communique said that US aid during the fiscal year 1965 would include "such items as continued support for Indian mountain divisions, air defence communications equipment, transport aircraft support and road building equipment for India's border roads."

In addition, the US Government has agreed to make available in credit before the end of June the unutilized portion of the fiscal 1964 grants to enable India to purchase vehicles and communications equipment and machinery for the modernization of the Indian ordnance factories.

The project report of the new Ambajhari ordnance plant near Nagpur will be financed from the 1963-64 credits, but an additional allocation has been promised during the 1964-65 period for the purchase of equipment for this factory.

For political and constitutional reasons, the present US Government is not inclined to enter into any firm advance commitments in regard to the remaining three years of India's five-year defence plan. But it has assured the Government of India that the necessary assistance would be provided on an year-to-year basis. Neither USA nor India was really interested in making a public declaration of this implicit agreement.

The US Government has no doubt endorsed the broad objectives of India's five-year defence plan which aims at building up an army of 8,25,000 and an air force of 45 squadrons equipped partly with supersonic aircraft. At the same time, it has cautioned India against the heavy strain which such an ambitious defence plan would impose on her economy.

During the discussions in Washington, Mr. Chavan had explained that India herself was anxious to ensure that the defence effort would not impair the rate of her economic development. The communique said that it had been agreed that "to secure this objective careful control of defence expenditures as well as continued external aid would be necessary."

India had sought US assistance to the extent of nearly $800 million during the five-year period. The US Government was reported to have scaled down the figure by a third and offered assistance, in the form of direct grants and long-term credits, totalling about $550 million. The communique did not give any figures, but it referred to the promised US aid as "military grant aid and credit assistance."

It was hoped earlier that the talks on the supply of supersonic aircraft would be completed in time before the official announcement was made of the US decision to provide long-term military assistance to India. But Mr. Chavan had to return suddenly to India on account of Mr. Nehru's death without completing these negotiations. The US Government felt that what had been agreed upon should be announced without any more delay, pending further talks on the air defence question.

The United States is prepared to give India at a nominal price a few squadrons of F-64 Skyray all-weather jet fighters armed with Sidewinder missiles as part of a package offer to meet the immediate requirements of the Indian Air Force. The Skyrays were originally built in 1952 for use by the US Navy and the Marine Corps and are capable of Mach 1 or Mach 1 plus performance which, it is argued, should be good enough for India's air defence for the next few years until she is able to build or acquire faster aircraft. The United States has also offered assistance in the development of HF-24 to help India build her own supersonic aircraft.

The Indian Air Force is, however, not very impressed by the Skyrays which are, no doubt, capable of very fast climbing but are not adequately equipped to search, spot and intercept equally fast enemy aircraft. The production of these planes was stopped in 1958 since these were no longer considered good enough as front-line aircraft by the US Navy and Marine Corps. But India has not turned down the offer, and it is quite possible that the Air Force would eventually agree to have them as part of a stop-gap arrangement.

The final draft of the communique was approved at a meeting between Mr. Chavan and the US Ambassador, Mr. Chester Bowles. On the Indian side, the Cabinet Secretary, Mr. S. S. Khera, and the Defence Secretary, Mr. P. V. R. Rao, were also present. Mr. Bowles was assisted by the Minister-Counsellor of the US Embassy, Mr. Joseph Greene, and the Head of the US Military Supply Mission in India, Major-General John Kelly.

The protracted negotiations between India and USA for military assistance had dragged on for nearly 15 months and had been interrupted twice by two great tragedies. On the first occasion, President J. F. Kennedy was assassinated a day before he was due to sign the necessary papers authorizing long-term aid to India. On the second occasion, Mr. Chavan was scheduled to meet President L. B. Johnson on May 28 or 29 to finalise the latest agreement, but once again a great tragedy came in the way. This time Mr. Nehru died and Mr. Chavan had to return to India suddenly without completing the negotiations.

On both occasions, Mr. Chester Bowles was in Washington to participate in the final discussions. But this time he was determined to see that the agreement would not be bogged down any longer. So he persuaded his own Government as well as the Government of India to go ahead and announce the agreement that had already been reached, without waiting for the conclusion of the talks on air defence.

(*The Times of India*, New Delhi)

[Prev. ref. 5679:INI:D]

D. Direct Talks With China Ruled Out—Mr. Lal Bahadur Shastri's Statement In Lok Sabha: The Central Minister without Portfolio, Mr. Lal Bahadur Shastri on June 1 ruled out direct India-China talks on the border question at present because of Peking's continuing intransigence in refusing to accept the Colombo proposals as the basis for such talks.

In a statement in the Lok Sabha, he pointed out that Peking had turned down even the suggestion that talks could start on the basis that neither India nor China would set up civilian checkposts in the demilitarized zone in Ladakh.

The suggestion was originally made by two representatives of Lord Russell, who came to New Delhi in 1963 and met the late Prime Minister, Mr. Nehru. It was repeated by the Ceylonese Premier, Mrs. Sirimavo Bandaranaike, in a letter to Mr. Nehru in April this year.

Mr. Shastri recalled that the late Mr. Nehru had written to Mrs. Bandaranaike that India would be prepared to consider the proposal if China made a direct approach.

The issue was raised in the House by a calling attention notice on the reported rejection of Mrs. Bandaranaike's suggestion by the Chinese Government.

Mr. Shastri affirmed that the Chinese official news agency had characterized the suggestion as a "pre-condition." "If the New China News Agency's comment represents the considered stand of the Government of China, it would be clear that, despite all their professions to the contrary, China is not interested in accepting the Colombo proposals or direct negotiations with India at present."

While answering supplementaries, he admitted that India's willingness to consider the proposal for talks with China on the basis of neither country having posts in the demilitarized zone in Ladakh meant some modification of India's original stand, but even the "new offer" would have put India on par with China with regard to the demilitarized zone.

He maintained that the change was not substantial. But he assured the House that "nothing material has happened" because it was clear from the Chinese news agency report that the Chinese Government was not prepared to have talks on this basis.

The following is the text of Mr. Shastri's statement:

"On April 13, during the course of the reply to the demand for grants, our late Prime Minister made a reference to the question of civil posts in the demilitarized zone in Ladakh. This question of posts had come up because of the Chinese refusal to accept the Colombo proposals in full. The House will recall that one of the two Chinese reservations to the Colombo proposals was that while the Chinese would maintain their so-called civil posts in this demilitarized zone, there should be no Indian civil posts in this area. As the deadlock over the Colombo proposals centred mainly round this Chinese objection, attempts were made by parties friendly to both India and China to find a way out, without departing from the substance of the Colombo proposals.

"On April 13, the House was informed that Mrs. Bandaranaike, in one of her recent letters, had asked us whether the withdrawal of all the Chinese posts in

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the demilitarized area could be considered by us to be a fulfilment of the Colombo proposals. The same idea had been advocated by the two representatives of Lord Russell who had come and seen the late Prime Minister, last Summer. The representatives of Lord Russell as well as Mrs. Bandaranaike were informed that such a proposal could be considered by us if a proper approach was made by China. Our position on this question remains unchanged. We have declared our willingness to solve the border question through peaceful negotiations. We have demonstrated this willingness by accepting, without reservations, the recommendations of the Colombo Conference.

"The statements emanating from Peking are not encouraging in this matter. The Hon'ble Members must have seen reports of the comment made by the New China News Agency on the question of the withdrawal of posts. The suggestion has been characterized as a 'pre-condition for holding negotiations between the two countries' and as an 'attempt to cover up India's stubborn stand against holding direct negotiations on the basis of the Colombo proposals.' If the New China News Agency's comment represents the considered stand of the Government of China, it would be clear that, despite all their professions to the contrary, China is not interested in accepting the Colombo proposals or in direct negotiations with India at present."

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5788:INI:B]

E. **"Aid-India" Consortium Meeting:** The International "Aid-India" Consortium pledged on May 27 an additional $1,028,000,000 in assistance for the fourth year of India's current Third Five-Year Plan.

The Consortium had earlier pledged a total of $3,417,000,000 for the first three years. The fourth year of the Third Plan began in April, 1964.

The new pledges announced on May 27 were (in millions of dollars): Austria, one; Canada 41; France, 20; West Germany, 95; Italy, 3; Japan, 60; Netherlands, 11; United Kingdom, 84; United States, 435; World Bank and its affiliate the International Development Association, 245.

The Indian Government estimated that its current development plan would require $5,460 million in external assistance from all sources, including non-Consortium members and private foreign investment. Of this amount, the Consortium has now pledged a total of $4,445 million.

The World Bank announced that about one-half of the aid pledged was expected to be in the form of non-project assistance, which could be used to finance imports required for the maintenance of India's economy.

(*The Times of India*, Bombay)

[Prev. ref. 5775:INI:C]

F. **Diplomatic Appointments:** Mr. Lal Ram Sharan Singh, Indian Ambassador to Poland, has been appointed Ambassador to Italy.

He is expected to assume charge of his new assignment in July. He had been Ambassador to Poland since April, 1961.

Mr. M. K. Kidwai, Joint Secretary in the Ministry of Irrigation and Power, has been appointed Ambassador to Saudi Arabia.

He is expected to assume charge of his new assignment in November.

Mr. S. N. Haksar, Ambassador-designate of India to the United Arab Republic, has been appointed concurrently India's Ambassador to Libya and Yemen with residence at Cairo.

(*The Times of India*, New Delhi)

[Prev. ref. 5859:INI:F]

G. **Constitution (19th Amendment) Bill Passed:** The Constitution (19th Amendment) Bill—now amended as 17th Amendment Bill—was passed by the Lok Sabha on June 2 by 381 votes to 27.

Congress and Communist members greeted the result of the voting with prolonged cheers, while the Swatantra, Jan Sangh and some Independent members cried "shame, shame."

The Central Law Minister, Mr. A. K. Sen, who piloted the Bill, said its passage would enable the State Legislatures to pass land reform laws consistent with the all-India programme for the benefit of the peasantry and the tillers of the soil.

He re-iterated that the programme of land reforms did not violate the spirit of the Constitution. On the contrary, it enabled the various States to carry out the Directive Principles of the Constitution.

He refuted the argument of Dr. L. M. Singhvi that the Government had thrown to the winds Articles 14 and 19 of the Constitution and the Supreme Court decisions on the strength of its brute majority.

The Ninth Schedule to the Constitution, as it stood today, included the Bihar Act which was struck down by the High Court. It was the very first Act to be put in the Ninth Schedule by Parliament by passing the First Constitution Amendment. "Can any one suggest that the spirit of Article 9 of the Constitution was violated by putting the Bihar Act in the Ninth Schedule?" he asked.

He said the definition of what constituted a family in the Bill might not be according to orthodox conceptions, but a definition had to be laid down in the Bill keeping in view the interests of the people and the needs of progressive legislation. The criticism that an "artificial family" had been created was not special to this Bill alone.

In income-tax laws and several other taxation laws, he said, definition of what constituted a family was given. This was necessary in the interests of the people themselves.

He denied the charge that land reform policy was being implemented in a half-hearted manner. He quoted from the Third Plan mid-term appraisal to show that the policy was being fully implemented in all the States.

He explained that the Bill did not seek to confer any benefits on peasants. It was meant to assist the State Governments to pass laws to benefit the peasant. The Government had already reclaimed 7.8 million acres of waste land and distributed it among the landless. A provision of Rs. 7 crores had been made in the Third Plan to reclaim more land. It would be distributed as and when the work was completed.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5832:INI:C]

H. **Mr. T. T. Krishnamachari On Price Situation:** The Central Finance Minister, Mr. T. T. Krishnamachari, on June 4 described the price situation as "critical" and declared that there was no escape from recourse to a "rigorous system of State trading and rigorous control over retail distribution."

He told the Lok Sabha in reply to questions that this, however, could not be done without the co-operation of the States. He was, therefore, advising the Prime Minister-designate, Mr. Lal Bahadur Shastri, to invite the Chief Ministers for a meeting at a very early date and take steps which would yield quick results.

He was very categorical in underlining the need for State trading. "My mind is very clear. There is no alternative to it," he said, answering several supplementaries.

He said the position with regard to prices was "extremely serious" and that the Government was concerned about it. "My honourable colleague, Mr. Lal Bahadur Shastri, the other day did make a mention of this matter. We are not at all happy with things as they are today."

"The fact is, while shortages in certain commodities may be marginal in character, the distribution system that exists in the country magnifies the defects. It seems to the Government now that even if there is a marginal surplus, the present position will continue because the distribution system at various stages will not respond adequately to the law of demand and supply. Unless we have a substantial surplus, the normal operative economic law will not function.

"Therefore, we have come to a critical situation where we have to take steps of a far more serious character."

He said the mere existence of a price stabilization board or committee would not do. There was already the Prices Committee, but it did not seem to be adequate.

This was a matter which had to be considered in conjunction with the Chief Ministers. "To my mind, it is inescapable. There will have to be a rigorous system of State trading and rigorous control over retail distribution. I shall advise the Prime Minister-to-be to invite the Chief Ministers at a very early date and take steps which will yield quick results."

He added: "That is all the assurance I can give now. I cannot say it is an assurance which is satisfactory. To me, it is not."

Mr. H. C. Mathur referred to the statement of Mr. Lal Bahadur Shastri that he would discuss the question of prices with the Finance and Food Ministers and the Deputy Chairman of the Planning Commission. He wanted to know if they had made any "collective thinking" and its outcome.

Mr. Krishnamachari said that the Central Government could subsidise, to a small extent, perhaps, to meet the cost of control, but other things had to be done by the States.

He said he had had discussions with the Food and Agriculture Minister, but the matter "does not end there." Many more things had to be done even to get a picture of the problem in all its aspects so that adequate measures could be taken to deal with it.

(*The Financial Express*, Bombay)

[Prev. ref. 5319:INI:N]

I. **FICCI Review Of Economic Situation:** In an analysis of the current economic situation, the Federation of the Indian Chambers of Commerce and Industry (FICCI) on June 5 described the price situation in the country as "disturbing" and said that "for a variety of reasons which stem mainly from governmental policy, it is next to impossible to increase production."

"Except prices and population which seem to be keeping up a dangerous and unwanted buoyancy, there is hardly any

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sector of the economy which reveals the requisite forward push.

"It is worse than folly to imagine that the distributive trade is the villain of the piece and that the levels of production and taxation have no influence on the price level".

Recalling the earlier assessment of the economic scene made during FICCI's annual session in March, the analysis regretted that the situation had not perceptibly improved". In other spheres also the conditions were not "propitious."

"A matter of anxiety in this situation is that responsible spokesmen of the Government and political parties are indulging in statements which are not calculated to improve and strengthen the forces of production and, therefore, of progress."

According to the analysis, delays in the issue of licences, utilization of foreign exchange and in the "ideology governing distribution of fields between private and public sectors" were not a little responsible for decreasing the tempo of production.

Investment trends, as reflected in the stock exchanges and in the capital market were "far from healthy." "There were great expectations that the Finance Minister would create the much-needed atmosphere for the speedy development of industries." While the Finance Minister had held that economic development was the country's paramount need, some of his Budget proposals, however, had been at variance with, at any rate not conducive to, the fulfilment of this foremost objective.

FICCI said the stock exchange had become "sensitive and sophisticated with shareholdings becoming spread over thousands and thousands of people." The majority of shareholders belonged to middle income groups.

The analysis recognized that the Budget had endeavoured to assist to some extent the corporate sector to increase its resources. The major factor was a human factor—the individual.

(*The Statesman*, New Delhi)

[Prev. ref. 5701:INI:I]

J. **Development Bank:** The Development Bank commenced operations from July 1.

The Bank will have an initial paid-up capital of Rs. 10 crores to be entirely contributed by the Reserve Bank. This will be supplemented by an interest-free loan of Rs. 10 crores from the Central Government repayable in 15 equal instalments after a period of 15 years from the date of the loan.

The Bank will also be entitled to borrow from the Reserve Bank for periods up to five years against trustee securities, against bona fide commercial bills or promissory notes bearing two good signatures.

For long terms, the Bank can borrow from the National Industrial Credit (long-term operations) Fund which is being established by the Reserve Bank with an initial contribution of Rs. 10 crores and an annual contribution of Rs. 5 crores commencing with the year ending on June 30, 1965. The resources of the Fund are to be utilized by the Reserve Bank for granting loans to the Development Bank for the purpose of acquiring shares, bonds or debentures of other financial institutions or for financing the Development Bank's own operations.

The Reserve Bank may also purchase out of this Fund bonds and debentures issued by the Development Bank for augmenting its resources.

Apart from these resources, the Development Bank will have at its disposal a fund to be called the Development Assistance Fund to be built up from contributions to be made by the Central Government, from time to time to enable the Bank to provide assistance for projects which, for various reasons such as heavy investment involved or low anticipated rate of return on capital, may not be able to raise finance from banks or other lending institutions but which may nevertheless be considered as of importance justifying special assistance.

The Development Bank can further borrow, with the Central Government's approval, foreign currency from any foreign bank or financial institution and can also raise deposits or borrow money on bonds in India. The Bank will have thus ample resources from the very commencement of its operations.

(*The Financial Express*, Bombay)

[Prev. ref. 5847:INI:N]

K. **Ban On Forward Trading In 14 Commodities:** The Government banned on June 1 forward trading in 14 commodities including groundnut, groundnut oil and groundnut oilcake.

All outstanding forward contracts in these commodities were consequently closed at the rates prevailing at the close of business on June 1.

A Press Note explained that the decision had been taken because various measures adopted so far to prevent speculative excesses had failed to produce the desired result.

The commodities affected by the new decision were groundnut, groundnut oil, mustardseed including taramira seed, rapeseed or toria, groundnut oilcake, mustard oilcake including taramira oilcake, methi, coriander seed, cottonseed oilcake, sesamum oilcake, rapeseed oilcake, aniseed, arhar, chuni and mung chuni.

(*The Times of India*, New Delhi)

[Prev. ref. 5338:INI:J]

L. **Gold Control Bill Referred To Select Committee:** The Rajya Sabha adjourned *sine die* on June 6 after adopting an official motion to refer the Gold (Control) Bill to a joint committee of Parliament. The Bill had earlier been passed by the Lok Sabha.

During the brief discussion on the motion, the Gold Control Order came in for strong criticism from the members, who said that it had failed to achieve the twin objectives of stopping gold smuggling and reducing gold prices. It had only helped in ruining thousands of goldsmiths.

Mr. B. R. Bhagat, Deputy Finance Minister, replying to the debate, said that even though smuggling had not been fully stopped and the prices had not come down much since the introduction of the Order the measure was "necessary in the interest of the economy". Though it might take some time to stabilize the price of gold, the demand for gold would be less and, therefore, the incentive for smuggling removed.

The Gold Control Order had helped to stabilize the price of gold. This was a "partial achievement". The total quantity of gold declared since the introduction of the Order was valued at Rs. 43 crores. Of this, Rs. 15 crores worth of gold was declared by individuals and princes. The information about the actual quantity of gold declared by princes alone was, however, not available.

Referring to Mr. Bhupesh Gupta's demand to seize gold from the princes, Mr. Bhagat said: "It is not our policy to seize gold from private persons. We have not come to the stage when we can seize private property and private gold holdings".

On the rehabilitation of goldsmiths, he said that out of the 300,000 goldsmiths 200,000 had already applied for licences. About 40,000 goldsmiths had been rehabilitated and 9,000 members of their families given jobs. The Government had so far set apart Rs. 3.5 crores to give loans to goldsmiths.

(*The Statesman*, New Delhi)

[Prev. ref. 5040:INI:D]

M. **Upper Krishna Project—Foundation Stones Laid:** The Central Minister without Portfolio, Mr. Lal Bahadur Shastri laid on May 22 the foundation stones for two dams across the Krishna River at Alamatti and Narayanpur, 40 miles apart, which together is known as the Upper Krishna project.

This Rs. 120-crore project will be the largest and most important major irrigation project of Mysore State, designed to bring large tracts of arable land under assured irrigation in Bijapur, Gulbarga and Raichur districts—areas often subjected to drought and scarcity conditions.

The Upper Krishna project consists of two storage dams, one near Alamatti in Bijapur district and the other near Narayanpur in Gulbarga district, with a gross command of 19,00,000 acres and an irrigable command of 12,00,000 acres. The water utilized will be 225 TMC feet with a provision to increase it in future to 340 TMC feet under the same set-up.

The Alamatti reservoir will be constructed about three miles below the confluence of the Ghataprabha with the Krishna. The dam will be of masonry construction, 4,650 feet long and 100 feet high above the lowest river-bed level.

It will have a gross capacity of 58.8 TMC feet and a live storage of 43.6 TMC feet. It is also contemplated to generate 7,200 kw of power at the dam site. Fifty-six villages and 40,479 acres of cultivable land will be submerged.

The dam is estimated to cost Rs. 15.23 crores. The left bank canal costing Rs. 46.17 crores will be 282 miles long with three branches—Indi, Malaghatti and Jevargi.

A provision for a right bank canal has been made for future development which will irrigate 1,00,000 acres mostly in Raichur district. The Alamatti storage will irrigate 2,72,000 acres in Bijapur district and 2,78,000 acres in Gulbarga district.

Forty miles below the Alamatti reservoir will be the Narayanpur storage dam. It will be a composite dam, masonry in river gorge, 2,204 feet long and earthen at the flanks, 32,284 feet long, with a height of 128 feet above the river-bed level. The gross storage will be 49.3 TMC and live storage 46.2 TMC feet. The reservoir will submerge 22 villages and about 23,150 acres of cultivable area.

Power is also contemplated to be generated to an extent of 18,500 kw.

The left bank canal with a branch canal known as Shahapur will have 49.3 TMC and live storage of 46.2, irrigating 2,80,000 acres in Gulbarga district. The right bank canal with two branches—Raichur and Maski—will be 119 miles long, irrigating an area of 3,70,000 acres in Raichur district. The dam will cost Rs. 27.1 crores while the left and right bank canals Rs. 13.6 and Rs. 18.6 crores respectively.

(*The Hindu*, Madras)

[Prev. ref. 5195:INI:C]

N. **P-SP And Socialist Parties Merge:** Mr. S. M. Joshi and Mr. Raj Narain were elected in New Delhi on June 7 Chairman and General Secretary respectively of the Samyukta Socialist Party formed by the merger of the Praja-Socialist Party (P-SP) and the Socialist Party.

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Mr. Prem Bhasin, Mr. Surendra Mohan and Mr. Vasudeo Singh were elected joint secretaries.

The Party has adopted a hut as its election symbol. Its flag will be slightly different from the P-SP and Socialist Party flags. The exact pattern will be decided later.

The ad hoc National Committee of the party at its meeting unanimously decided the "aims and means" of the new organization. They are as follows:

(1) To achieve, by democratic and peaceful means, a socialist society, free from social, political and economic exploitation of man by man and of nation by nation.

(2) The party will organize, guide, and lead peaceful revolutionary class struggles, mass movements and civil disobedience; promote constructive efforts and also use parliamentary methods to secure political power in order to eliminate all forms of injustice and feudal-capitalist exploitation.

The meeting was also attended by two representatives of the Peasants' and Workers' Party. They have decided to advise their Central Committee to unite with the new Party and get this decision ratified by their party conference.

Meanwhile, it was decided that the Peasants and Workers Party will associate itself with the proceedings of the ad hoc National Committee and its various subcommittees.

Three P-SP members, Mr. M. S. Gurupadaswamy, Mr. Jaswant Mehta and Mr. Rajendra Barua, said in a statement on June 7 that they could not accept the decision of the National Executive of the P-SP to join the ad hoc committee of the Samyukta Socialist Party. Their group could not associate itself with the formation of the new party for three reasons: first, it was not based on proper and realistic appreciation of the national situation; secondly, it visualised an anti-democratic alliance in the future and thirdly, it was essentially motivated by destructive animosity against the Congress. "We find more fury than substance in this consolidation."

(*The Times of India*, New Delhi)

[Prev. ref. 5862:INI:S]

O. **Urban Population:** Although over the decade 1951-61, India's urban population has risen from 6.24 crores to 7.89 crores, the number of towns has fallen from 3,060 to 2,700. The reason lies in the more precise definition of "town" adopted by the 1961 Census.

For the purposes of the 1961 Census, a town was broadly defined as an area with a population of at least 5,000 persons, having predominantly urban characteristics, and where three-fourths of the working population is in the non-agricultural sector. On the application of this definition, 803 towns lost their urban status. On the other hand, the number of new towns added in the 1961 Census was 497.

The highest rate of urbanization was observed in Assam where the number of towns rose from 27 to 60. Assam was followed by West Bengal, where the number rose from 120 to 184.

On applying the 1961 test, the urban population of India in 1951 works out to 5.60 crores against 6.23 crores estimated by the 1951 Census.

But since the size of the population was not the only deciding factor in determining the status of an area in 1961, there are 253 areas with populations below 5,000 which became towns because they had marked urban characteristics and a non-agricultural complexion.

Similarly, there are 4,197 villages having populations above 5,000, of which 1,097 are in Kerala, 545 in Madras, 436 in Andhra and 485 in Bihar. There are 776 villages with populations above 10,000, of which 510 are in Kerala, 96 in Madras, 44 in Bihar, 29 in Maharashtra and 28 in Andhra.

The total rural population of 36.03 crores lives in 567,351 villages.

Of the 2,700 towns, 107 have populations over 1,00,000 and are known as cities. Seven cities have populations of over one million—Bombay, Calcutta, Delhi, Madras, Ahmedabad, Bangalore and Hyderabad.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 4816:INI:H]

P. **"Naya Paisa" Becomes "Paisa":** With effect from June 1, 1964, the prefix "naya" and "naye" in the designation "naya paisa" or "naye paise," which appeared on the reverse of the decimal coins, was deleted.

The coin in the denominations of 50, 25, 10, 5, 2 and 1 to be minted as from June 1 will be termed "paisa" or "paise" coins as the case may be.

The paisa or paise coins will be issued from July 1, 1964 by the offices of the Reserve Bank of India at Bombay and Calcutta in the first instance. They will be supplemented gradually after sufficient stocks have been produced by issue from other offices of the Reserve Bank.

The design, shape, weight and metal composition of the paisa or paise coins will be the same as those of the existing naya paisa coins.

The paisa/paise coins and the existing naye paise coins will both be legal tender and have the same value.

The issue of the paise coins does not involve the withdrawal of the coins with the words naya or naye. The naya paise coins, as well as the nickel and quarternary alloy half-rupee and quarter rupee coins, will continue to be issued and reissued and be in circulation and be legal tender along with the new coins.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 1379:INI:G]

IRAQ

A. **President Arif On Interim Constitution:** The Iraqi Embassy in New Delhi released the following summary of President A. S. Arif's statement on the country's *Interim* Constitution:

"We hereby proclaim the **Interim** Constitution of the Republic of Iraq; this Constitution shall be our guide for patriotic, nationalist and human endeavours and the fundamental authority in respect to the foundations of rule and in respect of regulating the relationship of the State with the individuals as well as with the society in the political, economic, social and cultural fields for the period of transition which, with God's leave, will be very brief.

"It is worth mentioning that this Constitution has been prepared after consideration of our people's historical, geographical, and cultural status, and after keen examination of its conditions and the factors governing its national existence in the past, present and future. Hence it provides for democracy and socialism which are derived from the Arab and Islamic legacy. Also it strengthens the ties binding Iraq with the Arab nation and the Islamic message which is considered as a principal foundation of the Constitution.

"Among the first goals of this **Interim** Constitution are the essentials of society, for it ensures social solidarity, equal opportunities, family security, motherhood protection and social insurance in cases of old age, sickness, disability and death. Also it ensures economic development, social justice, co-operation of the public sector and the private sector, increase of production, raising living standards, the immunity of natural wealth which is a state property, the inviolability of public property, the protection of private property, and the encouragement of co-operation and co-operative establishments.

"Among the most important points of this Constitution are also the definition of public rights and obligations, and the provision for the essential national and nationalistic rights, such as the right to work and right to employment, the right to practice legal self-defence against accusation, inviolability of homes, the right to hold meetings, the right to free education, medical care and franchise. The Constitution also provides for the freedom of religion and religious practice, freedom of opinion and scientific research, freedom of Press and publication and the freedom of forming societies and unions, all in accordance with the legal rules. It states that Iraqis are equal and that no discrimination whatsoever between them is allowed on grounds of race, origin, language, or religion, whether they live in the North, South, East or West of Iraq for there is no difference between Baghdad, Sulaimaniya, Basrah, Karbala, Mosul and Kirkuk etc. All are equal in rights and public obligations and all must co-operate in the protection of the country's entity and the unity of ranks, and share the responsibility of defence of its security and peace and march side by side in this sound and rapid progress towards the great change which is going to take place in pursuit of a better society.

"Furthermore, the **Interim** Constitution lays the rules for the Republic's structure in the terms of pertaining to the election of the Republic's President, and the definition of his authorities, the definition of the powers of the legislature represented by the National Assembly, the Council of Ministers and the National Council of Revolutionary Command during the transition period, the definition of the powers of the Executive and the Government, and the duties of the armed forces which consist of the army, police, security police, and gendarme whose duties are to protect the country, not to serve any party. The Constitution provided that the period of transition should not exceed three years with effect from the date it comes into force.

"It is hoped that the period of transition will be greatly shortened by political stability that this country now enjoys. The socialism we need is the solidarity which Islam ordains, based on the Arab traditions, in the feeling of brotherhood, integrity and reciprocal responsibility, whether on the level of individual, tribes or collectives. We mean thereby social justice, non-exploitation, removal of monopolization and providing opportunities for all.

"Iraq State is an Arab Islamic State and the basis of its Constitution is the tolerant Islamic Law. The Constitution was drawn up after seeking the advice of men of experience and opinion and reviewing modern Constitutions. This is the **Interim** Constitution. It is clear in its foundation on the Islamic Law and your glorious legacy. It is a prelude to the permanent Constitution in which the decisive word will be yours, you at the National Assembly. I hope that this Constitution will mark the opening of a new and prosperous era.

"The Constitution which has been outlined is very similar in its contents to that of the United Arab Republic. This similarity will be the means for a Pan-Arab unity, the initiation of which will be with the United Arab Republic."

(*Iraqi Embassy*, New Delhi)

[Prev. ref. 5863:IRQ:A]

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B. Economic Agreement With Finland: An Economic Agreement with Finland was signed in Baghdad on May 11 by Mr. O. J. Mattila, the Finnish Minister of Trade and Dr. Abdul Karim Kannouna, the Iraqi Minister of Industry, on behalf of their respective Governments.

Besides providing financial aid to Iraq and guaranteeing Finnish capital investment in the country, the Agreement provides for the training in Finland of Iraqi technicians.

(*Middle East Economic Digest*, London)

[Prev. ref. 5455:IRQ:A]

ISRAEL

A. Curbs On West German Scientists In UAR—Knesset's Appeal: The Knesset unanimously adopted on May 4 a resolution calling upon the West German Government to put an immediate end to the activities of West German scientists and experts in UAR.

It characterized such activities as constituting a grave danger to Israel's security and to the peace of the region.

Earlier, the Foreign Minister, Mrs. Golda Meir said in a statement to the Knesset: "We expect the German Government to undertake without delay the measures necessary to stop the work of the German scientists in Egypt. No other course will be understood or accepted."

The Government decided on May 1 that it would make a statement in the Knesset, rather than reply to the three Opposition motions for the agenda. While there was no debate, each Knesset faction made a "statement." This was in accordance with a decision of the House Committee earlier in the day.

Mrs. Meir told the House that the Government had repeatedly expressed its disappointment over the Bonn Government's failure to take requisite steps. The German Government could not remain indifferent to the fact that, 19 years after the fall of the Hitler regime, members of the same people were again involved in actions aimed at helping President Nasser to attack the State of Israel, in which the survivors of the Holocaust gathered.

President Nasser, she declared, was threatening Israel with "the very rockets which he was producing with the aid of German scientists."

"We have not said that these scientists were sent by the Bonn Government. But it is clear that only that Government can and should do all in its power to effect their return—whether by special legislation or in any other way so as to prevent its citizens from supplying know-how to the enemies of Israel which can be used to carry out their evil purpose."

Israel, she said, could not accept the view that the choice facing the Bonn Government was one between assuring the freedom of the individual and refraining from action to prevent its citizens in UAR from aiding in the preparations for the liquidation of Israel. Even in a democratic regime, freedom of the individual did not mean freedom to commit crimes or to engage in their preparation.

The following is the text of the resolution:

"The Knesset re-iterates its resolution of March 20, 1963, in which it denounced the activity of German scientists and experts engaged in Egypt in the production of weapons of destruction against Israel, which constitutes a grave danger to the security of Israel and its population.

"Since the adoption of that resolution, 14 months have passed, and the activity of the German scientists has not been discontinued.

"The Knesset expresses its displeasure that the authorities of the German Federal Republic have not yet taken any effective action in order to prevent the said activities, which are pregnant with the most dangerous consequences and undermine the security of Israel and the peace of the region.

"The Knesset again expresses its urgent and emphatic demand that urgent measures be adopted by the competent authorities in West Germany in order to put an immediate end to this criminal activity. The authorities of the German Federal Republic and the German people should feel the heavy responsibility for the deeds of their nationals in Egypt.

"The Knesset calls on enlightened public opinion in the world to exert its influence in order to bring to an end this activity of the German experts."

(*Jerusalem Post Weekly*)

[Prev. ref. 5200:ISR:A]

B. Amendment To Income-tax Ordinance—Cabinet Approves Draft: The Cabinet approved on May 3 a draft amendment to the Income-tax Ordinance imposing a maximum tax of 25 per cent on capital gains from various sources.

The Income-tax Commissioner, Mr. Uziel Steinberg, who reported on the contents of the Bill at a news conference in Jerusalem on May 7, explained that capital gains accruing from Government bonds, key money on flats (but not on business premises), land sales which are subject to the Land Betterment Tax, household goods, and profits deriving from the linking of currency will be exempted from the tax. Similarly, the tax will not be implemented immediately on capital gains made from the resale of securities, but the Minister of Finance will be empowered to enact regulations governing their taxation.

The Minister's decision had been held up pending the report of a joint Treasury-banking committee which is studying the problem of deducting the tax on capital gains from securities at source.

Under the draft Bill, losses will be offset against gains for tax purposes during an eight-year period. This will work by recording losses during any year against any capital gains accruing during the following seven years.

New immigrants will be entitled to a four-year period of grace. Thus, the purchase date of a security or other property will be considered as beginning with the fourth year after their arrival in the country.

The tax will be 25 per cent on gains made on a resale less than a year after the purchase date, declining by five per cent (of the total tax) every year. If the security or property is held for 20 years before being sold, the profit will be tax free.

(*Jerusalem Post Weekly*)

[Prev. ref. 5646:ISR:A]

JORDAN

A. Tomb Found At Dothan Site: The Director-General of the Antiquities Department announced in Amman on May 27 that archaeologists excavating the site of ancient Dothan, 60 miles north of Jerusalem, had recovered nearly 2,400 objects from a tomb constructed about 3,000 years ago.

The discovery, by workers of the Near East School of Archaeology under Dr. Joseph Free, was the largest tomb find ever excavated at the site of the ancient city.

Dothan flourished as early as the middle bronze age, about 2000 BC, the time of the biblical patriarchs Abraham, Isaac, Jacob and Joseph.

The newly-discovered tomb is believed to date between 1100 BC and 1400 BC. The excavators also found medieval Arab ruins on the site and below them Byzantine and Roman remains.

(*The Egyptian Gazette*, Cairo)

[Prev. ref. 5718:JOR:A]

MALAYSIA

A. Pallava Temple Relic Found: It was reported from Kuala Lumpur on May 17 that a five-foot laterite statue believed to be over 1,000 years old had been found in a village in North Malaya. It was identified as a relic of a Pallava temple dedicated to Lord Siva.

The village where the statue had been found was believed to have been a former Hindu settlement dating back to between the fourth and ninth centuries.

(*The Malay Times*, Singapore)

NEPAL

A. "Urkingman Himal" Climbed By Japanese Expedition: Three Japanese climbers, accompanied by a sherpa guide, on May 20 climbed the 6,397-metre *Urkingman Himal*, one of the peaks in the Langtang range.

The seven-man Osaka city team had originally planned to scale the 7,425-metre **Langtang Himal.** They abandoned their plan to scale it owing to bad weather. The team was led by Takeo Suzuki.

(*The Statesman*, Calcutta)

[Prev. ref. 5820:NEP:D]

PAKISTAN

A. Governors' Conference: The Governors' Conference, meeting in Rawalpindi on May 22, directed the Provincial Governments to check vigorously social evils like display of heavy dowry and funeral feasts.

The Conference, over which President Ayub Khan presided, also considered the rehabilitation of Muslim refugees coming into East Pakistan and took a number of decisions for their settlement.

It also discussed family planning and the results so far achieved through campaigns launched in this connexion.

Besides the Governors of East and West Pakistan, the Conference was also

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tended by Central Ministers, Finance Ministers of the two Provinces, and the Chief Secretaries, and the Central Secretaries.

According to a Government handout, the Conference considered the Report on Eradication of Social Evils and took a number of decisions on administrative and other matters. The report was referred back to the Provinces for further study, with a directive that it should be brought back to the Conference at the next meeting.

It considered the ostentatious display of dowry, which should be discouraged. Similarly, the Conference felt that funeral feasts should be discouraged, as they were a heavy burden on the bereaved family. It thought that instead of feasting themselves at the cost of the bereaved family, the friends and mourners could perhaps go to a local mosque, where the head of the bereaved family would receive them during certain specified hours for a few days.

The Conference further decided that Provincial Governments should take steps to ban obscene literature and films extolling crime and sex.

(*Dawn*, Karachi)

[Prev. ref. 5386:PAK:P]

B. Mid-term Review Of Second Plan: The National Economic Council, the country's supreme economic body, approved on May 20 the annual development programme for 1964-65 envisaging an expenditure of Rs. 655 crores—Rs. 395 crores in the public sector and Rs. 260 crores in the private sector.

The Council, which met under the chairmanship of President Ayub Khan also considered the mid-Plan review—an evaluation of progress in the first three years of the Second Five-Year Plan.

The Deputy Chairman of the Planning Commission, Mr. Said Hasan, presenting the estimates for the Annual Development Programme for 1964-65, pointed out that after estimating the actual expenditure in the first four years of the Plan, it appeared that the balance felt would be Rs. 395 crores in the Government-financed sector and Rs. 115 crores in the private sector. A provision of a net programme of Rs. 395 crores in the annual development programme for 1964-65 was, therefore, needed to ensure that the financial targets of the Plan were fully implemented in the public sector.

As regards private investment, he said, it was expected to reach a level of Rs. 250 crores in 1965, thereby exceeding the financial targets of the Plan by 17 per cent. In overall terms, therefore, the actual expenditure during the Plan period would be about Rs. 2,445 crores compared with the Plan target of Rs. 2,300 crores—a commendable achievement by any standard.

In the public sector, the net programme of Rs. 395 crores would require a gross budget allocation of Rs. 473 crores, after allowing for a shortfall of about 17 per cent which is in line with recent experience. Of this, an allocation of Rs. 205 crores is for East Pakistan, Rs. 195 crores for West Pakistan and Rs. 73 crores for the Centre.

The provision for East Pakistan is higher than the balance of Rs. 171 crores which if it is left with for the last year of the Second Plan and the proposed provision of Rs. 205 crores, will mean that East Pakistan will be reaching parity with West Pakistan, even though it started with a share of less than 40 per cent in the total public sector expenditure in the first year of the Second Plan.

The development expenditure in East Pakistan has been accelerated sharply in the last four years. Taking the total expenditure in East Pakistan in the public sector, both Central and Provincial, the increase has been from Rs. 78 crores in 1963-64 to Rs. 227 crores in 1964-65 i.e. an increase of nearly three times.

During the same time, the level of expenditure in West Pakistan has doubled. The suggested distribution of the total development programme between East and West Pakistan in 1964-65 is, therefore, in line with the strategy of accelerating the pace of development in East Pakistan and narrowing down the disparities between the two regions.

The absorption capacity of East Pakistan has risen dramatically during the last four years. Whereas huge budgetary shortfalls were a familiar feature in East Pakistan in the pre-Second Plan era, recently the utilization of budgetary allocations has been faster in East Pakistan compared with West Pakistan.

In addition to the gross budgeted programme of Rs. 473 crores for 1964-65, it is proposed to make a provision of Rs. 40 crores for the Works Programme. The Works Programme for which Rs. 10 crores were provided in 1962-63 and Rs. 30 crores in 1963-64 is supplementary to the normal annual development programme.

In this programme also East Pakistan obtains Rs. 10 crores more than West Pakistan, i.e., a total of Rs. 30 crores more than West Pakistan in the annual development programme and the Works Programme taken together.

Though the overall performance under the Plan is fairly satisfactory, it is not very even from one sector to another; while some sectors have not been able to make full use of their allocations, other sectors have exceeded them; thus water and power and transport and communications will be over-fulfilling their financial targets. While there is likely to be a shortfall in agriculture and in some of the social sectors, an effort has been made in formulating the programme for 1964-65 to remove some of the imbalances in sectoral implementation, but it is neither possible nor desirable that all the excesses and shortfalls of the previous four years should be smoothed out in the last year of the Plan.

The evaluation report highlights the progress made by Pakistan's economy during the Second Plan period.

During the first three years of the Second Plan, the gross national product is estimated to have increased at an average annual rate of 4.2 per cent. The provisional estimates for the current year indicate that the growth rate in 1963-64 may be between 6.5 and 7 per cent. There is no doubt that the Second Plan target of 24 per cent increase in the GNP will be fully achieved.

The agricultural sector, in spite of year to year fluctuations due to weather, has been growing steadily over the last five years. The current prospects are that the economy can look forward to an overall growth rate at least 5 per cent in a year of normal crops and much higher growth rates in case the weather is really favourable.

Another important index of the country's progress is the accelerated expansion of experts. As against the Plan estimate of Rs. 1,125 crores of exports over the entire Plan period, actual exports in the first three years are up to about Rs. 740 crores. If the export performance is maintained at about the current level of Rs. 290 to Rs. 300 crores in the next two years, the Plan estimates will be exceeded by about Rs. 200 crores. This means that export earnings over the Plan period will increase at an annual rate of about 6 per cent as against only 2 per cent forecast in the Plan.

This encouraging export performance has also enabled the country to finance a significant proportion of its imports of capital goods and raw materials for their manufacture. It is estimated that around Rs. 100 crores are being spent annually out of Pakistan's own foreign exchange earnings on development imports.

Another feature of the performance of the Second Plan is the increase in the domestic effort of the country. It is expected that the Plan will be exceeded in financial terms with much less use of foreign assistance than originally contemplated. Whereas the Plan envisaged that the total development outlay of Rs. 2,300 crores would be financed to the extent of about 50 per cent (Rs. 1,155 crores) through foreign aid and loans and PL 480 Counterpart Funds, the actual financial expenditure is expected to be about Rs. 2,445 crores of which foreign assistance will supply Rs. 950 crores or less than 40 per cent.

(*Dawn*, Karachi)

[Prev. ref. 5820:PAK:A]

C. US Submarine Handed To Pakistan: *PNS Ghazi*, a 1,570-ton American submarine, went into service in the Pakistan Navy on June 1 at a ceremony at the New London (New England) naval port.

Formerly called USS Diablo, PNS Ghazi is a later version of the World War II submarine which had undergone extensive modernization to suit the requirements of the Pakistan Navy.

A large number of distinguished guests attended the transfer ceremony of the American submarine to Pakistan including the US Ambassador to Pakistan, Mr. McConaughy and the Pakistan Ambassador to Washington, Mr. G. Ahmed.

Accepting the submarine from the US Navy, Vice-Admiral A. R. Khan, Commander-in-Chief of the Pakistan Navy, said that PNS Ghazi fulfilled "a long-standing requirement of the Pakistan Navy" and its transfer "underlined the spirit of alliance between us and the United States."

Mr. McConaughy, speaking on the occasion, paid warm tributes to the Pakistan Navy and said that the submarine could not have been better placed. It would make the Pakistan Navy more versatile and better equipped. He expressed the desire of the US Government to continue its military assistance programme to Pakistan and spoke of Pakistan's determination to preserve her "freedom and democracy."

(*Dawn*, Karachi)

[Prev. ref. 5731:PAK:G]

D. Military Communication System With Iran And Turkey: The closing of electrical contacts on May 20 was reported to have bridged a 3,000-mile military communications gap between Turkey, Iran and Pakistan.

Simultaneous ceremonies were held at Ankara, Tehran and Rawalpindi to mark the formal inauguration of a $2 million CENTO permanent military communication system, linking the three cities through ultra-modern two-way radio teletype circuits. The elaborate system was built in the record time of less than 18 months.

Inaugural ceremonies were held in Rawalpindi, Tehran and Ankara. Also distributed at the ceremonies in all the three capitals were the incoming congratulatory messages sent over the system by Gen. Abdul Hossein Hedjazi, Chief of the Supreme Command Staff, Iran; Gen. Mohammad Musa, Commander-in-Chief, Pakistan Army; Gen. Cevdet Sonay, Chief of the Turkish General Staff; Chief of the Defence Staff, UK and Gen. Maxwell Taylor, Chairman of the US Joint Chiefs of

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Staff; who are the military members for their respective countries.

(*Dawn*, Karachi)

[Prev. ref. 5820:PAK:D]

SAUDI ARABIA

A. Aramco Report For 1963: The Arabian American Oil Company's (Aramco) annual review of operations for 1963 was published in London on May 22.

The review placed the estimate of proved total liquid hydro-carbon reserves at 57,811,000,000 barrels—an increase of 1,522,000,000 barrels over 1962.

This was a smaller increase in proven reserves than in previous years, when the figures were (in million barrels): 1962, 9,744; 1961, 2,005; 1960, 7,445; and 1959, 2,358. Saudi Arabia still holds the second largest proved oil reserves—17.9 per cent of the estimated world total of reserves of 335,370 million barrels at the end of 1963, according to the Oil and Gas Journal. (Kuwait heads the list with 18.9 per cent of total proved world oil reserves). The search for new sources of oil continued despite the high level of reserves, and five exploration parties were at work in areas extending from the Gravel Plains in the north to the remote Rub' al-Khali in the south, in addition to seismic refraction parties, stratigraphic parties and groups undertaking geological studies.

During 1963 crude oil production, refining and exports all reached record levels. Average daily crude production rose to 1,629,018 barrels—an increase of 7.1 per cent over 1962 and reached an annual total of 596 million barrels compared with 555 million in 1962. Total cumulative production at the end of 1963, the Company's 25th year of commercial production, had reached a total of 5,914 million barrels.

The Ras Tanura refinery processed a record 97,441,801 barrels of crude, and total exports rose to a new high at 583 million barrels.

Aramco relinquished 227,306 square miles of its concession to the Saudi Arabian Government on March 24, 1963, and progressive relinquishments by 1963 reduced the Company's exclusive area to 20,000 square miles—less than 3 per cent of its original exclusive and preferential areas.

Regular employees numbered 12,988 at the end of 1963, of whom 10,391 (or 80 per cent) were Saudi Arabians. Aramco spent $22.8 million through Saudi Arabian businessmen during the year—an increase of 51 per cent over 1962—and in all about $86 million was spent within the country by Aramco and its employees, compared with $76 million in 1962.

The new crude oil stabilizer at Ras Yanura was nearly completed by the end of the year, and will eventually more than double the refinery's crude stabilization capacity. At the Ras Tanura Marine Terminal work on new installations to increase crude oil and products handling capacity has been started, and design and engineering studies for a $10 million sea island to increase crude oil shipping capacity of the port by 500,000 barrels daily were also completed. The new two-berth island will be completed in 1965.

Other improvements during the year increased the capacity to produce refrigerated liquified petroleum gas from 3,500 to 12,000 barrels daily. Exports of refrigerated butane and propane gas totalled 1,674,322 barrels during 1963.

(*Middle East Economic Digest*, London)

[Prev. ref. 5284:SUA:A]

YEMEN

A. Spy Ring Smashed: *Sanaa Radio* announced on May 26 that a spy and sabotage ring working for British authorities in Aden and for the deposed Imam of Yemen had been smashed by the Yemen Republic.

The Radio, quoting a statement by Mr. Ahmad al Marwani, Minister of Information, said: "All but the ring leader, Mohammed Ali Sari, has been summarily executed in accordance with Mohammedan law".

His statement alleged that the ring which had been "employing simpletons in spy and sabotage activities within the Republic", had been "uncovered and completely smashed" by Yemen Republican forces. The statement named six members of the ring, but observers in Sanaa said that none of them seemed to be well-known.

Mr. Marwani, in his statement, accused British authorities in Aden of using the ring "for subversive activity" against the Republic.

In a commentary broadcast by Sanaa Radio, Lieutenant-Colonel Ali Abdullah al-Sallal, son of the President, said that Mohammad Ali Sari confessed during interrogation that he was working "for the British and Sharif of Beihan"—meaning Sharif Husain bin Ahmad al Halabi, father of the ruler of Beihan State and Interior Minister of the South Arabian Federation.

Sanaa Radio said that tape-recorded confessions of the plotters would be broadcast after the investigation was completed. "Various types of British manufactured weapons" were found in their hide-out along with "bags of silver riyal coins and gold sovereigns".

(*The Times*, London and *Sanaa Radio*)

[Prev. ref. 5824:YEM:A]

B. UN Mission Extended: The UN Secretary-General, U Thant, on May 4 informed the Security Council that Saudi Arabia and the UAR had concurred with his suggestion that the UN Observation Mission in Yemen be extended for two months as from May 4.

He added that in the absence of any objection from members of the Council he had consulted informally, he proposed to extend the Mission until July 4.

He reported that UN Observers on the northern frontier had found no movements of military supplies. The control exercised by the Observers on a long frontier was necessarily far from complete.

The territory on the Yemeni side of the border was occupied by royalist forces. Yemeni and UAR authorities no longer alleged that arms were coming in quantity over the northern frontier, but now claimed that they were being introduced from the Beihan area of South Arabia.

He observed that in the period covered by the report there was no progress in troop reduction towards the implementation of the disengagement agreement. Moreover, if the military situation appeared to have become somewhat more favourable for the Government forces and the UAR, no actual end of the fighting appeared in sight.

(*United Nations*)

[Prev. ref. 5599:YEM:A]

ASIA OUTSIDE ASIA

A. Gold Deposits Found In Siberia: The Soviet Government newspaper *Izvestia* said on March 29 that gold production had been stepped up to pay for imported wheat and machines. It added that Russia's reserves of gold were rich enough to last another 100 years.

Izvestia was answering speculations in financial circles abroad that Soviet gold reserves were running dry—with the implication that Moscow may not be able to pay all its current debts.

Referring to the region around the Siberian river Lena, the traditional Soviet gold mining territory. Izvestia said: "Nature has provided so much ore here that it is sufficient for 100 years, and will be sufficient for another 100 years."

The Soviet claims coincided with the resumption of heavy Soviet gold sales on Paris and London markets, apparently to pay for US and Canadian wheat shipments and other goods.

A gold shipment of 8½ tons was reported to have arrived in Paris on March 30.

Izvestia gave no figure, however, of the estimated value of Soviet reserves. Neither did it state precisely the value of the amount now being mined annually. This figure has been a closely-guarded secret, at which Western experts can only guess.

A recent estimate by the US Central Intelligence Agency put Soviet annual production at about five million ounces worth between $150 to $170 million.

Other Western authorities considered this figure a gross underestimation.

It compares to a US 1933 production of 5,240,000 ounces.

On January 28, 1964, the organ of the Russian Republic Sovietskaya Rossiya printed an appeal to gold miners to fill the nation's coffers to the brim.

Izvestia, claiming that Siberia was still rich with gold, said Soviet geologists had discovered other bountiful deposits.

(*The Egyptian Gazette*, Cairo)

[Prev. ref. 5830:AOA:L]

B. USA Launches Two-Seater Space-craft: The United States on April 8 put into orbit an un-manned two-seater space-craft in an important test of its man-on-the-Moon programme.

The satellite, which weighed 7,000 lbs. was packed with instruments and was fired atop a two-stage Titan-2 rocket from Cape Kennedy. This was part of America's Gemini programme which should see a two-man Earth orbit later in 1964.

The experiment was a test of both the modified Titan-2 and the capsule's aerodynamics qualities.

(*The New York Times*)

[Prev. ref. 5697:AOA:I]

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ASIAN RECORDER

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AFGHANISTAN

A. Cultural Agreement With India: The National Assembly unanimously approved on June 4 the Cultural Agreement with India, which was signed at Kabul in October, 1963 by the Education Ministers of the two countries.

The five-year Agreement envisages strengthening of cultural ties by exchanging cultural delegations, scientists, teachers, fellowships and scholarships.

It also aims at promoting cultural and intellectual exchange by arranging concerts and exhibitions and holding of sports events.

(*Kabul Radio*)

[Prev. ref. 5496:INI:B]

CEYLON

A. Coalition Government Sworn-in: A new coalition Government, consisting of 15 Ministers, including three new Ministers of the Lanka Sama Samaj Party (Ceylon Socialist Party), was sworn-in Colombo on June 11 under the Premiership of Mrs. Sirimavo Bandaranaike.

The leader of the Lanka Sama Samaj Party, Dr. N. M. Perera, was sworn-in as Finance Minister. Two other members of his party in the coalition Cabinet were Mr. Cholmondeley Gunawardena, Minister of Public Works and Housing, and Mr. Anil Moonesinghe, Minister of Communications.

This was the second time since 1956 that Marxists had been brought into the Government, run by the ruling Sri Lanka Freedom Party. During the late Mr. S. W. R. D. Bandaranaike's time the Mahajana Eksath Peramuna (People's United Front), led by Mr. Philip Gunawardena, was brought into the Cabinet, but within two years, he had to quit owing to pressure from the Right-wing elements.

Dr. Perera commands a membership of 14 in the House of Representatives, while the ruling party has 75 members.

All the former Ministers of Mrs. Bandaranaike's Cabinet are retained in the coalition Cabinet, but their portfolios have been re-shuffled.

The new Cabinet consists of the following members:

Mrs. Sirimavo Bandaranaike—Prime Minister and Minister for Defence and External Affairs;

Mr. G. C. T. A. de Silva—Justice;

Dr. N. M. Perera—Finance;

Mr. C. P. K. de Silva—Lands and Irrigation and Power;

Mr. T. B. Ilangaratne—Trade;

Mr. Felix R. Dias Bandaranaike—Food and Agriculture;

Mr. Maitripala Senanayake—Industries;

Mr. Badruddin Mahmud—Health;

Mr. P. B. G. Kalugalla—Education;

Mr. A. P. Jayasuriya—Home;

Mr. Anil Moonesinghe—Communications;

Mr. Cholmondeley Goonewardena—Public Works;

Mr. Michael Siriwardena—Labour;

Mr. D. S. Goonesekera—Cultural Affairs and Social Services; and

Mr. Mahanama Samaraweera—Posts and Tele-communications.

Mr. Mahanama Samaraweera Resigns:

On June 14, the Minister for Posts and Tele-communications, Mr. Mahanama Samaraweera, resigned from the Government.

It had been reported that Mr. Samaraweera had told the Prime Minister, Mrs. Bandaranaike, at the time of the negotiations with the Lanka Sama Samaj Party for a coalition that he would resign if the SLFP entered into a coalition with the Marxists.

Mr. Samaraweera, who represents the Matar electorate in Ceylon's House of Representatives, will not resign his seat from Parliament. He will also continue to be in the SLFP.

(*The Hindu*, Madras)

[Prev. ref. 5520:CEY:D, 5783:CEY:A]

CHINA

A. Mr. Chou En-lai's Foreign Tour: The Prime Minister, Mr. Chou En-lai, undertook a foreign tour between December 14, 1963 and March 1, 1964. Among the countries he visited were Albania, Burma, Ceylon and several African States.

He arrived in Cairo by special plane on December 14, 1963 with a party of high-ranking Chinese officials at the invitation of the UAR President, Col. G. A. Nasser.

He was welcomed at the airport by the Chairman of the UAR Council of Ministers, Mr. Aly Sabri, on behalf of President Nasser.

Marshal Chen Yi, the Chinese Vice-Premier and Foreign Minister, who had arrived in Cairo earlier in the day, was also at the aiport to receive Mr. Chou En-lai.

In a written statement at the airport, Mr. Chou En-lai said that this was his first visit to UAR and that friendly contacts between China and Egypt began from very early days in history. "In the anti-imperialist struggles of modern time, our two peoples have always sympathized with and supported each other. The friendship between our two peoples will last throughout the ages like the ever flowing Nile and Yellow Rivers.

"This is also my first visit to the African continent. I would like to avail myself of this opportunity to pay my tribute to all the new emerging, independent African States and their peoples and to all the fighting peoples in Africa. All the oppressed nations and peoples in Africa, Asia and throughout the world are bound to win liberation."

Reception:

A reception was given by President Nasser to Mr. Chou En-lai on December 14, 1963.

In his speech, Mr. Chou En-lai expressed the hope that his visit to UAR would help further enhance the mutual understanding between the two countries.

He said that in the great struggle of the Arab people and the African people to win and safeguard national independence, the struggle and the victory of the people of UAR occupied an important place. The victory and achievements of the people of UAR encouraged the people of Arab countries in their struggle against imperialism and had given a powerful impetus to the national liberation movement in Africa.

In his speech, President Nasser said: "Here, you will find many who have long awaited your visit to UAR. You will find them all filled with boundless admiration for the great revolution of China and its decisive victory. You will find them follow with the greatest interest the achievements of the gigantic Chinese revolution, wishing it all success from the bottom of their hearts."

He re-affirmed the stand of the UAR Government and people for the restoration of China's legitimate seat in United Nations.

He pointed out that it could not possibly be imagined that United Nations could assume its role effectively except through the restoration of China's legitimate seat.

On December 15, 1963 Mr. Chou En-lai visited the UAR Military Academy in Cairo. Later, he visited the Egyptian Museum.

The following day, he and his party paid a visit to an automobile factory near Cairo.

At Aswan:

On December 17, 1963 he flew to Port Said, and the following morning he left for Aswan.

Speaking at a luncheon given by the Governor of Aswan, the Chinese Premier said he was deeply impressed by the aspirations and enthusiasm of the people of UAR in building their country. Innumerable facts had proved that the Asian and African people were not only able to drive out imperialism and colonialism through their heroic struggles, but were also able to wrest more wealth from nature through their own strenuous labour.

He returned to Cairo the same evening.

Talks With President Nasser:

Mr. Chou En-lai and President Nasser held their third round of talks in Cairo on December 19, 1963.

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Also on December 19, the Chinese leader and his party visited the Great Pyramid.

He gave a reception in honour of President Nasser in Cairo on December 20, 1963.

In a formal speech on the occasion he said: "Our present visit to the UAR has been crowned with success, in that it had enhanced our mutual understanding and promoted friendship between the Chinese and UAR people."

President Nasser said that Mr. Chou En-lai's visit had gone beyond the sphere of direct relations between China and UAR. This visit would have positive benefits serving the cause of peace and human progress.

He added that Mr. Chou En-lai's tour of Africa was an excellent endeavour for mutual understanding, and consolidation of co-operation between China and the new revolutionary Africa, which was firmly advancing towards freedom.

Communique:

At the end of the visit on December 21, 1963, President Nasser and Mr. Chou En-lai issued the following *communique*:

"During the visit, Premier Chou En-lai expressed respect and deep admiration for the heroic struggles waged by the UAR under the leadership of President Nasser for defending the sovereignty of the Suez Canal against armed imperialist aggression and extended congratulations to the people of UAR on their successes in defending their homeland, sovereignty, building their country and developing national economy and culture.

"The talks were held in a spirit of cordiality and friendship, frankness, mutual confidence and understanding of the circumstances of the two countries. The talks were held in a number of sessions where President Nasser and Premier Chou En-lai reviewed the development of world events in general and those related to Asia and Africa in particular.

"The two leaders are confident that the Bandung Conference held in April, 1955 was the major turning point in the history of Africa and Asia. The parties were glad to note that since the Bandung Conference in which both China and UAR took active part, the Asian-African people have scored important victories in their struggle against imperialism and colonialism.

"Both parties expressed warm congratulations to the people of Kenya and Zanzibar who have won their national independence recently.

"The two parties strongly condemned the policy of racial discrimination pursued by the colonial authorities of South Africa and the system of racial discrimination wherever it might exist in the world.

"The two sides supported the establishment of nuclear-free zones in all parts of the world and backed the efforts deployed for the achievement of that objective. They particularly referred to the resolution of the African 'Summit' Conference held in Addis Ababa in May, 1963, declaring Africa a nuclear-free zone.

"The two sides reviewed in detail the circumstances of the Sino-Indian problem. They were animated by confidence and hope in the possibility of reaching a peaceful settlement and underlined their determination to support the peaceful efforts initiated at the Colombo Conference, which aimed at dissipating the tension existing between the two great countries and bringing about a peaceful settlement through direct negotiations.

"Both parties stressed that Asian-African countries should settle all their disputes in accordance with the Five Principles of peaceful co-existence and the 10 principles of the Bandung Conference, through peaceful negotiations and amicable consultations without resorting to force.

"On behalf of Chairman Liu Shao-chi and on his own behalf, Premier Chou En-lai extended an invitation to President Nasser to visit the People's Republic of China at a time convenient to him. President Nasser accepted the invitation with pleasure."

News Conference:

Before he left for Algiers, Mr. Chou En-lai held a news conference in Cairo on December 20, 1963.

An Indian correspondent asked why China had announced reservations about the Colombo proposals. The Chinese Premier replied that he did not think there was any question of reservations. This was because the Colombo proposals were recommendations put forward by the mediating countries and not an award given by arbitrating Powers. This was what all the Heads of the six Colombo Powers had told him.

He said the attitude of the Chinese Government was that in principle it accepted the Colombo proposals as a basis for direct Sino-Indian negotiations and that China and India should come to the conference table to settle their border problem peacefully without advancing any pre-conditions.

He said that the measures taken by the Chinese Government on its own initiative since November, 1963 had far exceeded the requirements set forth in the Colombo proposals. The proposals asked China to withdraw 20 kilometres along the whole line in the western sector, in the middle sector and the eastern sector of the boundary. Another example included further steps taken by China to evacuate the areas which had been occupied by India on the Chinese side of the 1959 line of "actual control" and other areas ceded by the two sides in their cease-fire arrangement without even setting up civilian check-posts pending a negotiated settlement with India.

He said that in taking these steps China had considered the honour and dignity of both sides. China suggested that both sides sit at a conference table without laying any pre-conditions, but during the negotiations either side could also discuss specific plans and proposals of the Colombo proposals as well as their interpretations of these proposals.

Answering a question why China opposed the tripartite Treaty between the Soviet Union, Britain and the United States on the partial test ban, he said that these three countries had concluded the Treaty with a view to monopolizing nuclear weapons. That was why he was against it. "We stand for the complete prohibition and destruction of nuclear weapons and the prevention of a nuclear war. On this account all the countries of the world should jointly discuss the question of strict prohibition and thorough destruction of nuclear war. Politically, all the countries of the world, big or small, strong or weak, are equal."

Replying to a question on Sino-Soviet differences, he said: "We do have serious differences with the leaders of the Communist Party of the Soviet Union on questions of principles of Marxism-Leninism. It is our hope, however, that these disputes will be resolved in the end on the basis of Marxism-Leninism and of the revolutionary principles of the 1957 Declaration and the 1960 Statement. Some countries want to profit by the Sino-Soviet differences, but they are doomed to failure."

In Algeria:

Mr. Chou En-lai and his party left for Algiers on December 21, 1963.

Mr. Chou En-lai and the Vice-Premier, Marshal Chen Yi were conferred honorary citizenship of Algiers at a ceremony in the Municipal Hall on December 23.

The previous day, the Chinese Premier called on President Ahmed Ben Bella.

The same night, President Ben Bella gave a banquet in honour of the Chinese visitor.

Communique:

Following talks between Mr. Chou En-lai and President Ahmed Ben Bella, a joint *communique* was released in Algiers on December 27, 1963.

It said: "Mr. Chou En-lai and the Foreign Minister, Marshal Chen Yi extended congratulations on the victory of the Algerian people in their struggle for national liberation. The two parties are aware that the struggle of the peoples of Angola, Portuguese Guinea, Mozambique, South Africa, French Somalia, Bechuanaland, Zimbabwe, Basutoland, Swaziland, Gambia and South-West Africa is a force for the liberation of all Africa. The two sides are determined to increase their efforts to develop the Bandung spirit. They consider that general and complete disarmament and destruction of nuclear weapons are an important task in the struggle for the defence of world peace."

The **communique** said that China supported the Governments of African countries in their pursuit of the policy of peace, neutrality and non-alignment.

Earlier, addressing the Algerian National Liberation Front (FLN), Mr. Chou En-lai said that his Algerian friends may rest assured that in the common cause of safeguarding national independence, strengthening Afro-Asian solidarity, opposing imperialism and defending world peace, the Chinese people would always remain united with the Algerian people and march forward with them hand in hand.

In Morocco:

Mr. Chou En-lai, accompanied by Marshal Chen Yi, arrived in Rabat, capital of Morocco, on December 27, 1963.

A ceremony was held in the Dar-es-Salaam Palace in Rabat on December 30 on the publication of the joint communique by the Governments of China and Morocco.

The Moroccan Prime Minister, Mr. A. Balafrej, expressed the hope that the Chinese Prime Minister's visit would promote closer amity between the two countries.

The joint **communique** said that Mr. Chou En-lai had an extensive exchange of views with King Hassan of Morocco on the international situation and on developments in Africa. Talks were also held with Mr. Balafrej as well as the Foreign Minister.

The **communique** said the two parties reviewed with satisfaction the fruitful development of relations of friendship and co-operation between China and Morocco. The two sides acclaimed the Charter of the Organization of African Unity (OAU) and considered the creation of this Organization as of fundamental importance for the unity of Africa and progress in that continent.

In Albania:

Mr. Chou En-lai and his party arrived in Tirana, capital of Albania, on December 31, 1963.

They were welcomed by Mr. Enver Hoxha, First Secretary of the Central Committee of the Albanian Party of Labour and other leaders, including the Chairman of the Albanian Council of Ministers, Mr. Mehmet Shehu.

Welcoming the Chinese Premier, Mr. Shehu said: "Our two peoples and two parties are united as one and there is a great general, fraternal and eternal militant friendship between us."

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The Chinese leaders visited several historic cities in Albania.

A Joint Statement was issued on January 8, 1964.

It said that the outcome of the talks showed complete identity of views between the two sides. The great friendship and militant unity between the two countries was based on Marxism-Leninism and proletarian internationalism.

In Tunisia:

The Chinese leaders arrived in Tunis on January 10 at the invitation of the Tunisian President, Mr. Habib Bourguiba.

At a dinner given in honour of Mr. Chou En-lai, President Bourguiba said he had special esteem for China not only because it was a great country but also because of the part it had played in the struggle for national liberation in Africa and Asia.

A joint communique issued in Tunis on January 10 said that Mr. Chou En-lai and President Bourguiba exchanged views on relations between China and Tunisia and on the international situation.

The two leaders were gratified with the progress made in the field of de-colonization.

It added that the two sides agreed to strengthen friendship between the two countries and to develop economic relations.

In Ghana:

Mr. Chou En-lai and his party arrived in Accra, capital of Ghana, on January 11.

At a dinner given in honour of the Chinese leaders, President Kwame Nkrumah expressed admiration for the great strides made by China since the Revolution under the dynamic leadership of Chairman Mao Tse-tung.

In a joint communique issued in Accra on January 16, Mr. Chou En-lai and President Nkrumah said that the two parties discussed at length the state of the Sino-Indian border dispute since the Colombo Conference of six non-aligned States and noted that the border situation had relaxed. They expressed full confidence and hope over the possibility of a peaceful settlement of the Sino-Indian boundary question.

The communique said that the convening of an Afro-Asian-Latin American peoples' anti-imperialist conference was desirable and the possibilities of such a conference should be explored. It was also considered that an Afro-Asian conference was necessary and active preparations should be made to convene it.

On disarmament, the two leaders considered that genuine general disarmament and the complete prohibition and thorough destruction of nuclear weapons was the goal for which all peace-loving nations should strive.

In Mali:

Mr. Chou En-lai and his party arrived in Bamako, capital of Mali, on January 16.

President M. Keita welcomed them at the airport.

After talks between Mr. Chou En-lai and President Keita, a communique was issued on January 21.

It said that the two leaders held identical views on the questions discussed. Mr. Chou En-lai paid tribute to the remarkable success achieved by the Republic of Mali in the struggle for national liberation, for the liquidation of colonialism and for economic construction.

The two leaders condemned the racial policies pursued by South Africa.

In Guinea:

The Chinese leaders arrived in Conakry, capital of Guinea, on January 21 and were received at the airport by President Sekou Toure.

Mr. Chou En-lai and his party visited several places in Guinea and at the end of the visit a communique was released in Conakry on January 26.

It said that two parties held that differences between Asian and African countries should be settled through peaceful negotiations on the basis of Asian-African solidarity.

It added that the Guinean side listened with interest to the account given by the Chinese side of its efforts to ease the situation on the Sino-Indian border and expressed the hope that in the interest of the Afro-Asian community, China and India would start direct negotiations as soon as possible in order to seek a fair and reasonable settlement of the dispute.

Visit To Sudan, Ethiopia And Somalia:

From Guinea, Mr. Chou En-lai visited Sudan and Ethiopia.

A communique issued in Khartoum denounced the present State of Palestine. Mr. Chou En-lai supported the Arab people of Palestine. He also supported the Arab and African peoples in their desire to achieve unity and solidarity in the manner of their choice.

Mr. Chou En-lai then visited Somalia.

He and his party returned to Kunming in South-West China on February 5.

In Burma:

Mr. Chou En-lai arrived in Rangoon, capital of Burma, on February 14.

General Ne Win, Chairman of the Revolutionary Council, welcomed him at the airport.

At a banquet given in his honour that night, the Chinese Premier said that the Chinese Government and people fully respected and actively supported the policy of peace and neutrality pursued by the Burmese Government.

Speaking earlier, General Ne Win said his Government re-affirmed China's rights in United Nations.

A joint communique issued on February 18 at the end of Mr. Chou En-lai's visit referred, among other things, to the Sino-Indian border dispute. Both sides noted that the situation along the Sino-Indian border had eased. It expressed the hope that China and India would find it possible to enter into direct negotiations on the basis of the Colombo proposals so as to remove progressively the differences between them and finally achieve a friendly settlement on the boundary question.

The communique said that problems arising between States should be settled by peaceful means by the application of the Five Principles of peaceful co-existence.

In Pakistan:

Mr. Chou En-lai's next visit was to Pakistan on February 18.

[For this visit, please see page 5728 of Asian Recorder].

In Ceylon:

A warm welcome was given to the Vice-Chairman of China, Mr. Soong Ching-ling, and Mr. Chou En-lai when they arrived in Colombo on February 26.

At a mass rally held in Colombo in honour of the visiting Chinese leaders, Mr. Chou En-lai said the Ceylonese people had achieved marked success in fighting imperialism and colonialism.

The Ceylonese Prime Minister, Mrs. S. Bandaranaike spoke of the friendly relations between her country and China.

The Prime Ministers of Ceylon and China signed a joint *communique* on March 1.

They noted that the situation along the Sino-Indian border had eased. They also expressed firm opposition to colonialism in all its forms and manifestations.

Mr. Chou En-lai expressed thanks to Ceylon and other Colombo Conference nations for their efforts of mediation between China and India and expressed readiness to continue to seek direct negotiations with India on the basis of the Colombo proposals.

The Chinese leaders returned to Kunming on March 1.

(*Peking Radio, The Egyptian Gazette*, Cairo, *The Times of India*, Bombay and *The Hindu*, Madras)

[Prev. ref. 5747:BUR:A, 5747:CEY:A]

INDIA

SUMMARY: Mr. Lal Bahadur Shastri Elected Premier; IDA Credit; Diplomatic Appointments; P-SP Members Join Congress; All-India Socialist Workers' Convention.

A. Mr. Lal Bahadur Shastri Elected Prime Minister: Consequent on the death of Mr. Jawaharlal Nehru on May 27, the Congress Parliamentary Party immediately elected Mr. Lal Bahadur Shastri as its new leader and Prime Minister on June 2.

Soon after his election, Mr. Lal Bahadur Shastri told the Party meeting that socialism would remain as the main objective of his Government and added: "Our policies have already been enunciated and defined, and what is essential is their quicker and proper implementation."

He wanted Parliament and the people to give him their fullest support in fighting the twin enemies—poverty and unemployment.

The out-going Prime Minister, Mr. Gulzari Lal Nanda, proposed Mr. Shastri's name and Mr. Morarji Desai seconded it. Since no other names were proposed, the Congress General Secretary, Mr. G. Rajagopalan, declared Mr. Shastri elected amid prolonged acclamation.

Not since the historic night of August 14-15, 1947, when Mr. Nehru made his famous "tryst with destiny" speech to herald the dawn of India's freedom, had the Central Hall witnessed such moving and vibrant scenes. National unity, collective leadership and socialism were the main themes of the speeches made on the occasion.

All senior leaders of the Congress pledged their full support to the new leader with words of sincerity and devotion to the common cause. Mr. Kamaraj himself set the pace by promising Mr. Shastri his "unstinted support." Mr.

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Nanda, in turn, declared that the rank and file of the Congress would stand by him "through thick and thin." Mr. Desai, Mr. Jagjivan Ram and Mr. S. K. Patil also assured Mr. Shastri of their loyalty and co-operation to the fullest extent.

In his reply, Mr. Shastri said that he trembled at the thought of the heavy responsibility and the highest charge that had been entrusted to him. In a brief speech that he had prepared hurriedly before coming to the party meeting, he assured the country that he would follow the footsteps of his illustrious predecessor and try to implement his policies to the maximum extent possible. Since the speech was not intended to be a policy statement, he made no reference to major foreign policy issues. But he left the party members in little doubt that India would continue to adhere to her basic policy of non-alignment.

Central Cabinet Sworn-in:

The Central Cabinet headed by Mr. Lal Bahadur Shastri was sworn-in on June 9 by the President at a simple ceremony in the Ashoka Room of Rashtrapati Bhavan.

The Cabinet consists of 16 Ministers including the Prime Minister. All the 12 Cabinet Ministers and the 15 Ministers of State of the out-going Council of Ministers were retained. The additions to the Cabinet are Mrs. Indira Gandhi, Mr. S. K. Patil and Mr. N. Sanjiva Reddy.

Mr. Morarji Desai and Mr. Jagjivan Ram did not figure in the Cabinet. Mr. Desai was offered the No. 3 position in the new Council of Ministers which he declined to accept. In the case of Mr. Jagjivan Ram, it appeared that no offer was made.

The Prime Minister, Mr. Lal Bahadur Shastri will also be Minister of External Affairs and Minister of Atomic Energy. In other words, he has assumed the same responsibilities as Mr. Nehru.

The following is the Cabinet personnel:

Members Of Cabinet:

Mr. Lal Bahadur Shastri—Prime Minister, External Affairs and Atomic Energy;

Mr. Gulzari Lal Nanda—Home Affairs;

Mr. T. T. Krishnamachari—Finance;

Mrs. Indira Gandhi—Information and Broadcasting;

Sardar Swaran Singh—Industry (including Heavy Engineering and Technical Development);

Mr. S. K. Patil—Railways;

Mr. Asoke Kumar Sen—Law and Social Security;

Mr. Y. B. Chavan—Defence;

Mr. Sanjiva Reddy—Steel and Mines;

Mr. C. Subramaniam—Food and Agriculture;

Mr. Humayun Kabir—Petroleum and Chemicals;

Mr. Satya Narayan Sinha—Parliamentary Affairs and Communications;

Mr. H. C. Dasappa—Irrigation and Power;

Mr. M. C. Chagla—Education;

Mr. D. Sanjivayya—Labour and Employment; and

Mr. Mahavir Tyagi—Rehabilitation.

Ministers Of State:

Mr. Mehr Chand Khanna—Works and Housing;

Mr. Manubhai Shah—Commerce (including Textiles and Jute);

Mr. Nityanand Kanungo—Civil Aviation;

Mr. Raj Bahadur—Transport (excluding Civil Aviation);

Mr. S. K. Dey—Community Development and Co-operation;

Dr. Sushila Nayar—Health;

Mr. Jaisukh Lal Hathi—Home Affairs;

Mrs. Lakshmi N. Menon—Foreign Affairs;

Mr. K. Raghuramaiah—Supply;

Mr. O. V. Alagesan—Petroleum and Chemicals;

Dr. Ram Subhag Singh—Railways;

Mr. R. M. Hajarnavis—Cultural Affairs;

Dr. K. L. Rao—Irrigation and Power;

Mr. B. R. Bhagat—Minister of Planning and Minister of State for Finance; and

Mr. A. M. Thomas—Defence Production.

Deputy Ministers:

Dr. Mono Mohan Das—Rehabilitation;

Mr. Shah Nawaz Khan—Food and Agriculture;

Mr. S. V. Ramaswamy—Commerce;

Mr. Ahmed Mohiuddin—Transport;

Mr. B. S. Murthy—Community Development and Co-operation;

Mr. Lalit Narayan Mishra—Home Affairs;

Mrs. Soundaram Ramachandran—Education;

Mr. D. R. Chavan—Food and Agriculture;

Mr. C. R. Pattabhi Raman—Information and Broadcasting;

Mrs. Maragatham Chandrasekhar—Department of Social Security;

Mr. Jagannath Rao—Law;

Mr. Sham Nath—Railways;

Dr. D. S. Raju—Defence;

Mr. Dinesh Singh—External Affairs;

Mr. Bibudhendra Misra—Industry;

Mr. B. C. Bhagavati—Department of Communications;

Mr. Shyam Dhar Misra—Irrigation and Power;

Mr. Prakash Chandra Sethi—Steel and Mines;

Mr. Ratanlal Kishorilal Malviya—Labour and Employment; and

Mr. Bhakt Darshan—Education.

Changes In Portfolios:

A *communique* from Rashtrapati Bhavan on June 13 redesignated Mr. Bali Ram Bhagat as Minister of Planning and also to be Minister of State in the Finance Ministry in the Department of Co-ordination.

Changes In Departments:

A new Department of Social Security was created following changes in the portfolios of some Ministers.

The new Department will deal, among other things, with co-ordination and development of village industries including khadi, handicrafts and Ambar Charkha.

The creation of the Department and certain amendments to the Government of India (Allocation of Business Rules, 1961) were announced on June 14 in a Presidential Order.

Various subjects relating to social security, which were formerly under the Ministries of Education, Health, Home Affairs and Labour and Employment, have been placed under this new Department. These include matters relating to Scheduled Castes, Scheduled Tribes and backward classes.

Subjects relating to civil aviation have been taken out of the Ministry of Transport and have been placed under a new Ministry of Civil Aviation.

The Ministry of International Trade has been renamed the Ministry of Commerce. It now has all the subjects that were under the former Ministry of International Trade as well as textiles, handicrafts, industry, jute and sericulture which were under the Ministry of Industry.

The Ministry of Industry has been renamed the Ministry of Industry and Supply. It now has three departments, namely, the Department of Heavy Engineering, which was formerly under the Ministry of Steel, Mines and Heavy Engineering; the Department of Industry, which includes all the subjects that were formerly under the Ministry of Industry except the subjects transferred as stated above to the Ministry of Commerce and to the Department of Social Security; and the Department of Supply and Technical Development, which combines all the subjects that were formerly under the separate Departments of Supply and of Technical Development.

The Ministry of Steel, Mines and Heavy Engineering has been renamed the Ministry of Steel and Mines, with two departments under it, namely, the Department of Iron and Steel and the Department of Mines and Metals.

Mr. Lal Bahadur Shastri's First News Conference:

Addressing his first news conference on June 2 as Prime Minister-designate, Mr. Lal Bahadur Shastri declared his intention to follow the late Mr. Nehru's domestic and foreign policies.

He would work for a new social order through peaceful means. In external affairs, he would pursue the policy of friendliness towards all countries without getting involved in military blocs.

He said that the British and Soviet proposals on Laos were under consideration. India had agreed to participate in the informal meetings of Ambassadors to be held in Vientiane. In the efforts to solve the Laotian problem, "we would try to carry the USA, Britain and the USSR with us." Ultimately, however, unless the 14-nation conference met it would not be possible to settle the question fully and satisfactorily.

While outlining his approach to economic questions, he laid stress on the urgent need to arrest the soaring prices. In a few days he would discuss with the Ministers for Food and Agriculture and Finance as well as the Planning Commission what "practical" measures should be taken in that regard. In the new social order he had in mind, the few should not be allowed to monopolise the national wealth, leaving others to suffer.

Other domestic issues on which he spoke in some detail were national integration and the question of minorities.

Answering a question, he said if he went to London for the Commonwealth Prime Ministers' Conference he would try to meet President Ayub Khan of Pakistan there. He was much impressed by the Pakistan President's latest statement on Indo-Pakistani relations.

Although he had not held discussions with the Defence Minister, Mr. Y. B. Chavan yet, his impression was that the Defence Minister's visit to USA for arms aid had been successful.

Appeal To The Nation:

On June 9, the Prime Minister, Mr. Lal Bahadur Shastri, appealed to his countrymen "to do his or her bit

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and give a helping hand to the nation-building activities."

In a special message to **All-India Radio**, he said: "I have formally taken over today the heavy burden cast on me. I am very happy to find that there is a fund of goodwill and the people want us to succeed. Let each and every one of us resolve to do his or her bit and give a helping hand to the nation-building activities. Let the atmosphere of bickering and faultfinding cease and a constructive effort be made to tackle our difficult problems with unity, purpose and courage."

The following is the text of the broadcast:

"Friends,

"The towering personality who was in our midst till but a few days ago is no longer with us to lead and guide us. The last of his mortal remains has gone to join the soil and water of the India that he loved. Even though Jawaharlalji has passed from our sight, his work and his inspiration lives on.

"And we, to whom was given the privilege of being his countrymen, contemporaries and colleagues, must now brace ourselves to the new tasks ahead, and face up to the situation whose very prospect we once used to dread—the situation of an India without Jawaharlal.

"There comes a time in the life of every nation when it stands at the cross-roads of history and must choose which way to go. But for us there need be no difficulty or hesitation, no looking to right or left. Our way is straight and clear—the building up of a socialist democracy at home with freedom and prosperity for all, and the maintenance of world peace and friendship with all nations abroad. To that straight road and to these shining ideals we re-dedicate ourselves today.

"No better beginning could have been given than by my colleagues of the Congress Party, who in the hour of decision resolved to come together. I am also grateful to the nation for the way they have received my taking over of the heavy burden cast on me. What I need in the discharge of these heavy responsibilities is the willing co-operation of our people. They are our real source of strength and it is from them that I shall seek to draw my inspiration.

"Among the major tasks before us none is of greater importance in our strength and stability than the task of building up the unity and solidarity of our people. Our country has often stood as a solid rock in the face of common danger and there is a deep underlying unity which runs like a golden thread through all our seeming diversity, but we cannot take national unity and solidarity for granted, or afford to be complacent, for, there have been occasions when unfortunate and disturbing divisions, some of them accompanied by violence, have appeared in our society.

"I know that these disturbances gave a deep shock and caused great anguish to Jawaharlalji who had, all through his life, worked untiringly for communal harmony and mutual toleration. Let people in different parts of the country, however strong their feelings might be on particular issues, never forget that they are Indians first, and that all differences must be resolved within the unalterable frame-work of one nation and one country.

"Let us make every endeavour to foster this feeling of oneness and to carry forward the work of national integration started with the National Integration Conference in 1961.

"Political democracy and the way it has functioned in our country is surely a great achievement. Here again we owe an immeasurable debt to Jawaharlalji for his deep attachment to democracy as a way of life.

"There is something in our older cultural heritage too. I have particularly in view that enduring strand in Indian life which can be best described as respect for human personality and the spirit of toleration.

"I have no doubt in my mind that it is by methods of persuasion and mutual accommodation, and by a constant search for areas of agreement as basis for action, that democracy can be worked. It is in this spirit that I shall devote myself to the duties and responsibilities of the office I have been called upon to fill.

"Of all the problems facing us, none is more distressing than that of the dire poverty in which tens of millions of our countrymen continue to live. How I wish that I would be able to lighten the burden of poverty on our people. I cannot forget particularly the claims of the most backward sections like the Scheduled Castes and Scheduled Tribes, who had suffered neglect, and had to endure disabilities for many centuries. It would be my proud privilege to work for the establishment of a more just social order.

"At the moment we are in the process of building up our defences. The burden is a heavy one, but recent events have left us with no choice. There can be no letting-up in these preparations, but we are determined that these should not affect our first foremost priority—the development of our economy.

"The main question before us is of execution of our plans and policies and how to introduce the necessary vigour and efficiency required for it.

"This naturally takes us to the problem of efficiency and integrity of the administration. Our public services have on the whole responded well to the numerous calls that have been made upon them since Independence. But there is a widespread feeling—which I share—that extensive reform of the administration is essential if the tasks of economic development and social reconstruction are to be accomplished.

"Apart from this, it is essential in a democracy that the public services should be sensitive to the feelings and sentiments of individual citizens. They should, under all circumstances, function not only with formal courtesy but in a spirit of service, sympathy and humanity. The administrative organization and its methods and processes must be modernized if it is to become an effective instrument of economic change.

"I shall do my best to have systematic attention paid to these major problems and I shall apply myself closely to the problem of administrative reforms in its various aspects.

"I know that our people are full of enthusiasm and that they are prepared to accept many sacrifices in order to keep the nation stable and strong. But sometimes their impatience gets the better of them and then there are unfortunate happenings which cause pain to everyone.

"Discipline and united action is the source of real strength for the nation. May I also appeal to the members of the various political parties to lend us a helping hand in the task of national reconstruction.

"Similarly, the Press can play a very useful role as indeed they have been doing all this time. Theirs is a position of great strength and influence and I have no doubt that their influence will always be exercised for the public good.

"We are all of us different elements working in different ways towards a common goal—the service of the people. I shall respect these differences, but I shall continue to lay emphasis on the oneness of our objective.

"In the realm of foreign affairs we shall continue to seek friendship and develop our relations with all countries irrespective of ideology or their political systems. Non-alignment will continue to be the fundamental basis of our approach to world problems and our relations with other countries.

"It will be our special endeavour to further strengthen our relations with neighbouring countries. With most of our neighbours we have friendly and co-operative relations. We have problems with some of them which we would like to settle peacefully and amicably on an equitable and honourable basis.

"India and Pakistan are two great countries linked together by common history and tradition. It is their natural destiny to be friends with one another and to enter into close co-operation in many fields. Goodwill and friendship and mutual co-operation between these countries will not only be of immense benefit to them but will make a great contribution to peace and prosperity in Asia.

"Far too long have India and Pakistan been at odds with one another. The unfortunate relations between the two countries have somehow had their repercussions on the relations between communities in the two countries, giving rise to tragic human problems.

"We must reverse the tide. This will require determination and good sense on the part of the Governments and peoples of both India and Pakistan. President Ayub Khan's recent broadcast showed both wisdom and understanding and it has come just at the appropriate time. However, a great deal of patience will be necessary.

"It had always been our desire to establish friendly relations with China. But all our efforts were nullified by the Government of the People's Republic of China. China has wronged us and deeply offended our Government and people by her premeditated aggression against us.

"Despite our strong feelings about this aggression we have shown our desire for a peaceful settlement by accepting in toto the Colombo Proposals. We adhere to them and it is for China to reconsider her attitude towards these proposals as well as give up the anti-Indian campaign that has been carried on in China itself and amongst our friends in Asia and Africa.

"For the greater part of this century the names of Gandhi and Nehru have been symbols of the movement of subject peoples for freedom from colonial domination. We, who have gone through our own struggle for freedom, cannot but look with sympathy at peoples struggling for freedom anywhere.

"Our country has, for many years, been a stout champion of the freedom of dependent nations at the United Nations and elsewhere in the councils of nations. Unfortunately there are still some parts of the world where colonialism remains and where large sections of people are denied freedom and fundamental rights. We would consider it our moral duty to lend every support to the ending of colonialism and imperialism so that all peoples everywhere are free to mould their own destiny.

"Our late Prime Minister was one of the founders of the Afro-Asian movement. We conceive of Afro-Asian solidarity not as an end in itself but as a means for achieving certain noble objectives. These are to work for the freedom of the people of Asia and Africa, to build up the area of peace and understanding among all nations and to promote economic growth and higher living standards among our peoples.

"We seek no leadership of the Afro-Asian group. We are content to be humble collaborators with the sister-nations of Africa and Asia in the common cause of world peace and freedom of peoples.

"We have always been a staunch supporter of the United Nations. As a member of that august body India has undertaken its full measure of responsibility in all aspects of United Nations activities.

"My Government re-affirms its unflinching support for the United Nations. The United Nations is the one hope of the

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world for bringing peace and freedom to humanity. Towards the achievement of these goals India has played an active role in the past and will continue to do the same in the future.

"The problem of problems that faces mankind today is the achievement of peace and disarmament. For countless generations mankind has been yearning for peace. The supreme task facing the United Nations is to ensure not only that war is banished, but that war is made impossible.

"As President Johnson has said, a world without war would be the most fitting memorial to Jawaharlalji. We pledge ourselves, in co-operation with other peaceful nations of the world, to continue to work for the realization of this ideal.

"Before I conclude may I repeat that I am only too conscious of the magnitude of the tasks before us and the responsibility placed on my shoulders for the service of the people of my country. I approach these tasks and responsibilities in a spirit of humility and with love and respect for all my countrymen.

"I will try to serve them to the limit of my capacity. The memory of our departed leader is still fresh with us. With him has ended the great age which Gandhiji began and Jawaharlalji consolidated.

"We have now to build on the firm foundations they have left behind. Let us then bend ourselves to the great task before us—an India free, prosperous and strong and a world at peace and without war—these would be the most fitting memorials to Gandhiji and Jawaharlal."

Mr. Morarji Desai's Statement:

On June 3, Mr. Morarji Desai said that the Prime Minister, Mr. Lal Bahadur Shastri, had asked him to join the Cabinet, but he regretted his inability to do so.

In a statement he said: "I was offered by the Prime Minister the third rank in the Cabinet, I regret that the offer was such that I could not accept it. I, however, think that by remaining outside I will be able to serve the country and the party better. I have assured the Prime Minister of my fullest co-operation and support even from outside the Cabinet."

(*The Times of India, The Statesman* and *The Hindustan Times*, New Delhi)

[Prev. ref. 5878:INI:A, 5883:INI:B]

B. Mr. Lal Bahadur Becomes Chairman Of Planning Commission: An official notification was issued in New Delhi on June 12 announcing the appointment of the Prime Minister, Mr. Lal Bahadur Shastri, as Chairman of the Planning Commission.

A similar announcement was made confirming the re-appointment of the four Central Ministers as members of the Commission in addition to the regular, whole-time members.

They are the Home Minister, Mr. G. L. Nanda, the Finance Minister, Mr. T. T. Krishnamachari, the Industry Minister, Sardar Swaran Singh, and the Minister of State for Planning and Economic Co-ordination, Mr. B. R. Bhagat.

(*The Times of India*, New Delhi)

[Prev. ref. 5473:INI:E]

C. IDA Credit For Capital Goods Production: The International Development Association (IDA), an affiliate of the World Bank, on June 10 extended credit equivalent to $90 million to India for the purpose of expansion of selected lines of capital goods production.

The credit will assist companies manufacturing commercial vehicles, industrial machinery and construction equipment to make fuller use of existing capacity and to produce more goods, by enabling them to import components and materials on a larger scale than had been possible up to now because of foreign exchange shortage.

In the industries directly affected, the IDA credit is expected to increase the output by 30 per cent in the current financial year.

The proceeds of the IDA credit will be made available to the participating firms and agencies through the regular import licensing procedures of the Government of India. About $75 million will finance imported components, materials and balancing equipment for factories producing trucks and buses, machine tools, cutting tools, heavy construction equipment, electrical equipment, such as switchgear, motors and transformers and similar items of capital equipment.

The balance will finance import of equipment and spares for heavy earth-moving and construction equipment, and transporters to move the equipment from one project site to another.

The credit is for a term of 50 years. Repayment of principal will begin from November 15, 1974, after a 10-year grace period. Thereafter, one per cent of the principal will be repayable annually for 10 years and three per cent annually in the final 30 years. The credit is free of interest, but a service charge of ¾ per cent per annum on the amount withdrawn and outstanding will be made to meet IDA's administrative costs.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5406:INI:K]

D. Technical Assistance Agreement With Czechoslovakia: An Agreement extending Czech technical assistance to the high-pressure boiler plant in Tiruchirapalli was signed in New Delhi on June 12.

It covers technical co-operation and consultancy services for producing high-pressure boilers, package boiler units, high-pressure valves and fitting and for training Indian personnel. The total cost of these services amounts to Rs. 2 crores.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5016:INI:E]

E. Diplomatic Appointments: It was officially announced in New Delhi on June 10 that Air Marshal A. M. Engineer, who was due to retire shortly, had been appointed Ambassador of India to Iran.

He is expected to assume charge of his new assignment by the end of November.

Gen. P. N. Thapar, former Chief of Army Staff, has been appointed Ambassador to Afghanistan.

He was expected to take up his new post in Kabul by the end of June.

His appointment papers were signed by the late Mr. Nehru the night before he died.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5885:INI:F]

F. P-SP Members Join Congress: Over 100 members of the Praja-Socialist Party, led by Mr. Asoka Mehta, joined the Congress Party on June 11.

The Central Home Minister, Mr. Gulzari Lal Nanda, described the event as the fulfilment of the late Mr. Nehru's great desire to weld into one dynamic force the scattered socialist elements in the country.

A message from the Prime Minister, Mr. Lal Bahadur Shastri, said: "It is not uncommon in politics for old colleagues and comrades to drift apart and go their separate ways and yet there is no greater joy than when their paths converge again and old friends are re-united.

"Even while being in separate parties, we have shared the common objectives of the struggle against poverty and want and of building up of a socialist democracy in India with plenty for all.

"I greatly welcome the re-entry of our old colleagues from the P-SP into our mother organization—the Congress. My congratulations and best wishes to you all."

(*National Herald*, Lucknow)

[Prev. ref. 5886:INI:N]

G. All-India Socialist Workers' Convention: Inaugurating the All-India Socialist Workers' Convention in Lucknow on June 10, Mr. Asoka Mehta, Deputy Chairman of the Planning Commission, called upon all socialist forces to weld socialism into a single force "enshrined in the Congress."

He said the re-assemblement of all socialists, their consolidation into the Congress, was a great grand design of Mr. Nehru's efforts of which the Bhuvaneswar Congress was, as it were, the pivotal point. "What we have assembled here to achieve is, therefore, in accordance with the will and testament of the departed leader."

He said the Convention sought to "strengthen the elements inside the Congress and to provide to their thought and work the needed point and thrust. It should also indicate further ways to draw socialists outside the Congress into the organization. In this effort, can I appeal to those Communists, who have awakened from obsolete spells, for response?"

He felt that the "historic work that awaits us of breaking the barrier of under-development, of carrying forward the liberation of many millions of our people, of pushing through the 'development revolution,' is of such vast dimensions and pressing urgency that to remain fragmented is a crime."

He said that those Socialists who sought to combat the Congress must realize, first, that "valuable time for transformation would be inevitably lost (and time was our scarcest resource)," and secondly, that internecine conflict would strengthen the enemies of change.

"The vast tasks of 'development revolution' need the use of levers of power, not abandonment to others. To bring about a mutually re-inforcing combination between political and administrative powers and ferment and fervour among the people is what has to be striven for. Does that brook divisions and conflicts?"

Outlining the main tasks of socialist transformation, he said: "It entails building an independent, comprehensive and modern industrial system and putting our economy, including agriculture, on a modern industrial system and putting our economy, including agriculture, on a common technical basis as early as we can.

"It means metals, machinery and fuels are produced by our heavy industries to meet the needs of socialist expanded reproduction, the needs of the technical transformation of all sectors of the national economy and those of defence.

"We must also see that agriculture has all the modern aids it needs like electricity, chemicals, fertilizers, pesticides and

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power-operated tools to produce the best results from the most fruitful combinations of land, water and human efforts.

"We must ensure that light industries produce various goods to meet the requirements of rising levels of living of the people. These levels must rise disproportionately, the lower always going up faster.

"These tasks, apart from demanding considerable discipline and forethought in industry, require also devoted efforts in agriculture and small-scale production. Heavy industry and agriculture are the two wheels of the chariot of economic development. If either of them fails, the chariot bogs down."

Presidential Address:

In his presidential address to the Convention, Mr. Ishwarbhai Desai referred to the Ramgarh decision of the P-SP to form a new amalgamated party and said that the Praja-Socialists had come to the parting of ways.

"I need not make a prophecy, but I must warn my colleagues and brothers in the P-SP," he said, "of the dangerous implications in choosing their new camps because ultimately, their's will not remain a socialist camp."

He was of the view that the logic of opposition politics was bound to compel them to seek united front with non-socialist and anti-socialist forces. They would one day find themselves as tragic instruments for releasing forces of totalitarian dictatorship or finish themselves in social chaos and national disintegration.

He felt that the Congress had slowly but surely moved towards a whole-hearted acceptance of democratic socialism. At the same time the forces of communalism and Right reaction were gathering strength to oppose the nation's march towards its cherished destiny. "The supreme need of the hour is for the forces of socialism to combine before they are overwhelmed by the reactionary forces."

He criticized the P-SP as a routine political party having its eyes on the parliamentary programme. The logic of opposition politics had compelled it to seek adjustments and alliances with unlike-minded parties and groups. It had failed to re-assess the political situation in the country following the Bhuvaneswar resolution and the Kamaraj Plan and unnecessarily provoked a controversy by expelling Mr. Asoka Mehta from the party. This, he said, had destroyed free thinking in the P-SP which was the essence of its democratic politics.

Resolutions:

On June 11, the Convention passed a resolution paying homage to the late Mr. Nehru and another pledging its wholehearted support to his successor, Mr. Lal Bahadur Shastri.

The main resolution was moved by Mr. Genda Singh which appealed to all socialists in the country to bind together to make the Congress the chosen instrument of the people's will for rapid and decisive transformation of life and work.

The resolution said that the realization of a socialist society demanded co-operative efforts. This required both a change in values as also a change in the mode and style of work. It denoted at once a cultural revolution and a revolution in tools, techniques and organization of work. To foster a fundamental transformation was the main task of the socialists.

The resolution said that trade unions, co-operative societies, panchayats, audio-visual education centres were among the organizations where socialist understanding emerged and socialist discipline could be shaped. Simultaneously a net-work of community-building activities had to be spread and the incandescence of socialist understanding imparted to them.

The resolution expressed confidence that Congressmen would offer their absolute allegiance to the struggle for social justice and economic abundance, and in this task the Convention sought the joint involvement of all fellow socialists.

In its earlier part the resolution said that the accredited leaders of the Congress had publicly expressed their anxiety to implement a socialist programme and had also invited all like-minded persons to join the Congress in this effort. The formation of the Samyukta Socialist Party was apparently a step in the direction of consolidation of socialist forces. But the refusal on the part of the leaders of that party to recognize the transformation taking place in the Congress was likely to lead them to seeking alliances with groups and forces that might endanger the cause of democracy and socialism.

The resolution said that the underlying assumption that the encouragement of the forces of instability could alone create conditions for a major social change in the country was dangerous to the interest of the nation, particularly in these critical times.

(*National Herald*, Lucknow and *The Hindustan Times*, New Delhi)

[Prev. ref. 5886:INI:N]

H. New Minister For West Bengal: Mr. Rabindralal Sinha, till lately President of the West Bengal Pradesh Congress Committee, was sworn-in in Calcutta on June 11 as a State Cabinet Minister.

The oaths of office and secrecy were administered to him by the Governor, Miss Padmaja Naidu.

Mr. Sinha, who is a member of the Legislative Council, will hold the Education portfolio.

(*The Statesman*, Calcutta)

[Prev. ref. 5597:INI:B]

I. Three "Panch-Chuli" Peaks Climbed: Three hitherto unclimbed peaks have been climbed by the *Panch-Chuli* Expedition, according to a message received from its leader, Flt-Lt. A. K. Chowdhury, in New Delhi on June 12.

The three peaks are: **Panch-Chuli III** (20,710 feet), **Panch-Chuli IV** (20,780 feet), and **Panch-Chuli V** (21,120 feet).

The Expedition according to the message made two futile attempts on **Panch-Chuli II** on June 9, but had to give up further attempts due to a blinding snowstorm.

As the weather conditions were fast deteriorating, the Expedition had decided to give up its attempt on **Panch-Chuli II.**

(*The Times of India*, New Delhi)

J. India's Oldest Man: An analysis of the 1961 census data showed that India's oldest man belongs to Jammu and Kashmir State. He was 175 years old when the last census was taken.

According to the analysis, 40 Indians are 150 or above.

There were nearly 100,000 centenarians in India in 1961. Uttar Pradesh had the largest number of centenarians—23,253. Bihar came next with 12,032 followed by Maharashtra with 11,352 and Madhya Pradesh with 9,334.

Of the 8,6000,000 people above 70, 4,169,000 were men and 4,432,000 women. But in the lower age groups there were more males than females.

(*The Statesman*, New Delhi)

[Prev. ref. 4816:INI:H]

IRAN

A. Oil Companies' Activities During 1963: In the middle of May, the two operating companies of the Iranian Consortium—Iraanse Aardolie Exploratie en Productie Mij (Iranian Exploration and Producing Company) and the Iraanse Aardolie Raffingae Mij (Iranian Oil Refining Company)—announced successful trading activities during 1963, with marked increase in crude oil production in the Agreement area, and with oil reserves increased by successful exploration.

Crude oil production for export reached 67.02 million tons, 11.7 per cent more than in 1962 (52.05 million tons were exported as crude and 14.97 million tons as refined products). Income of Iran reached a record total of £134,999,000, or 28,349 million rials, 13.3 per cent more than the 1962 total of £11,189,684.

Crude oil production which had fallen practically to zero following former Premier Mossaddeq's nationalization of the oil industry, overtook the previous 1950 record figure of 31.57 million long tons in 1957 when crude oil produced by the Consortium reached 34.8 million long tons and income to Iran was £76,038,346. Income to Iran should double the 1957 figure within the next two years.

(*Middle East Economic Digest*, London)

[Prev. ref. 5260:IRN:C]

B. World Bank Loan: It was announced in Washington on June 10 that the World Bank had agreed to give Iran a loan of $18,500,000 for the improvement of roads.

(*Tehran Radio*)

[Prev. ref. 5863:IRN:A]

IRAQ

A. Iraq-UAR Unity Agreement: Under a Unity Agreement signed in Cairo on May 26 by President G. A. Nasser of UAR and President Abdul Salam Arif of Iraq, UAR and Iraq are to have a joint Presidential Council, and joint organizations for political, military, economic, cultural, socialist ideology and popular organizational affairs.

The following is the Agreement:

"Believing in the unity of the Arab nation, a unity which springs from the unity of language, of history, of the Arab struggle and the Arab destiny, and realizing the false nature of the artificial plan which the present divisions reflect in the Arabs' land, divisions which were imposed by imperialism in accordance with its interests in exploiting and dominating it, the Arab nation finds itself attached to its unity by virtue of its history and experience. The aspirations of the Arab nation were embodied in a pilot experience which was the rise of the United Arab Republic comprising Syria and Egypt which aimed to prove to the whole world that the slogan of unity is not an unattainable hope but a truth which can prove its existence in fact.

"The elements of evil combined, and imperialism and reaction co-operated to carry out the crime of separatism. But the

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lesson of separatism left behind it a rich experience which, in itself, is a shield which protects unity in the future and strengthens adherence to it; the flags of unity remained raised repeating the slogans which exist within the heart of every Arab despite the vain attempts to impede them.

"Then came the Agreement of April 17, 1963, to achieve unity between Egypt, Syria and Iraq, but the absence of good intentions on the part of some people also led to the failure of these attempts.

"The revolutionary concept of unity is based on the unity of peoples, the unity of the working powers of the people, those in whose interest and in whose right the Revolution is carried out, the unity of the Arab socialist society, the society of sufficiency and justice at which the Arab socialist struggle aims and for which it works so that Arab unity may have a social context which would express the determination of the Arab people to establish a new and free future for the free Arab man.

"By all this and emanating from it, and on behalf of the people of the United Arab Republic and the Republic of Iraq as well as their Governments, the two Presidents, Abdul Salam Mohamed Arif, President of the Republic of Iraq, and Gamal Abdul Nasser, President of the United Arab Republic, have agreed on the following:

"Article 1: A Joint Presidential Council will be formed for the United Arab Republic and the Republic of Iraq consisting of the President of the United Arab Republic and the President of the Republic of Iraq and a number of members.

"Article 2: (a) The Joint Presidential Council will meet once every three months and in case of necessity by agreement between the two contracting Presidents. *(b) The seat of the Joint Presidential Council is the city of Cairo. The Council may convene in another locality by agreement of the Presidents.*

"Article 3: The decrees of the Joint Presidential Council are binding and come into force upon their ratification by the Council, with the exception of the decrees which require the issuing of a law in which case they are implemented after their ratification according to the constitutional systems in force in each countries.

"Article 4: The activities of the Joint Presidential Council shall be carried out according to the internal regulations to be drawn by the Council. These shall come into force upon the decree of the Council.

"Article 5: The Joint Presidential Council is competent in the following:

(a) The study and implementation of the necessary steps for the establishment of union between the two countries.

(b) The planning and co-ordination of the policy of the two countries in the political, military, economic, social, cultural and information fields.

(c) The realisation of ideological unity between the people of the United Arab Republic and the Republic of Iraq through the popular formations in the two countries, and working towards the unification of the two formations in the future.

"Article 6: Each of the two Governments shall appoint its Council members in the following way:

(1) Three specialised members provided they hold the rank of a Minister.

(2) Three non-specialized members from among Government members.

(3) The specialized members shall pursue the execution of the Joint Presidential Council's decisions, co-ordinate the Joint Committee's work and submit their studies and recommendations to the Joint Presidential Council on its meeting.

(4) The Joint Presidential Council or the Joint Committees may call experts and technicians from both countries to attend their meetings, if necessary.

"Article 7: The following joint organizations shall be established: (a) The Political Committee. (b) The Military Command. (c) The Economic Committee. (d) The Cultural and Information Committee. (e) The Socialist Ideology Committee. (f) The Popular Organization Committee. (g) Any other Committees which need to be established.

"These Committees shall undertake the study and preparation of the various questions ensuring the realisation of the purpose of this agreement and the questions referred to them by the Joint Presidential Council.

"Article 8: (a) The Joint Military Command will undertake the co-ordination of armament, training and preparation of the Armed Forces of the two countries, draw up plans for the operations and the movement of the Armed Forces and assume their leadership in time of war.

(b) The Joint Military Command takes measures required to meet war or the danger of war. Any aggression or threat of aggression upon either of the two States is considered directed at the other.

"The Council has a general secretariat, seated in Cairo and presided over by a general secretary with the rank of Minister. This secretariat is competent in the following:

(a) To issue invitations for the convening of the Joint Presidential Council.

(b) To prepare the subjects to be discussed by the Council.

(c) To record the minutes of the meetings of the Joint Presidential Council and the joint organizations, and *publish the resolutions after their ratification according to the constitutional* methods in force in each of the two countries.

(d) To elaborate the budget of the Joint Presidential Council, the General Secretariat and the joint organizations, according to the manner stated in Article 7.

"Article 10: (a) The budget of the Joint Presidential Council is to be paid in equal parts by the two contracting Governments. (b) Each State is to be responsible for the salaries and special compensation of the members and the officials appointed by it according to its financial systems.

"Article 11: The provisions of this Agreement do not, in any manner, infringe upon the rights and obligations imposed, or which may be imposed on either of the two countries by virtue of the United Nations Charter. The above-mentioned provisions have no bearing upon the provisions of any Agreement concluded within the frame-work of the Arab League.

"Article 12: This Agreement remains in force until the necessary arrangements needed for the establishment of unity are taken.

"Article 13: The Agreement comes into force upon its ratification by the constitutional methods in force in the two countries. This Agreement was drawn up in Cairo on Moharram 14, 1384 Hegira,—May 26, 1964—in two original copies, one for each of the two parties. A copy of the Agreement shall be deposited with the General Secretariat of the League of Arab States."

Joint Communique:

A joint *communique* issued in Cairo on May 26 said that the Unity Agreement will come into force following its ratification by the constitutional measures adopted in each of the two countries.

The following is the communique:

"A number of meetings were held between President Abdul Salam Arif and President Gamal Abdul Nasser in a spirit of brotherhood, true cordiality and complete frankness.

"An examination of the relation between the two countries, the situation in the Arab world, and the international situation in general was completed at these meetings.

"The two Presidents reviewed the development of relations between the two countries since the November 18, 1963 revolution and expressed their satisfaction at the growth of the relations between the two countries in the various fields, a growth built on mutual confidence. Points of view have also completely met during the examination of internal and foreign affairs, a fact that called for a new step towards unity, the Arab nation's great aim, and a drive based on the Arab people's confidence in their unity and in appreciation of the sacrifices suffered on the path of unity and its past experiences.

"The two sides reached a draft agreement which is regarded as a first step towards the realisation of unity, to come into force following its ratification through constitutional procedures adopted in each of the two countries.

"The two Presidents also confirmed their holding fast to the Arab Summit Conference's decisions as an effective means of resisting Israel and its evil ambitions, as a path by which we can fully recover and restore the rights of Palestine's Arabs, and an important factor in consolidating the fraternal relations between the Arab countries. The two Presidents also proclaimed their support for the Palestine Conference which will be held in Jerusalem on May 29, 1964.

"The two Presidents confirm their total material and moral support for the Arab people's struggle in Aden and the Occupied South. The two Presidents have considered with great concern the deterioration of the situation in Syria as a result of the terrorist regime imposed upon the people of Syria, which has required great sacrifices from the people, sacrifices which should have been saved for the battle of the unified Arab destiny.

"The two Presidents have discussed the great development in the situation of the Arab Republic of Yemen following the downfall of the corrupt regime which governed there. They proclaim their continued support for the Yemeni revolution and the affording of all possible assurance to it.

"The two parties have affirmed the adherence of the two people to the policy of peaceful co-existence between States with different social systems.

"The two parties have also affirmed their adherence to the policy of non-alignment and commended the continuous and sincere desires for the convening of the Second Conference of Non-Aligned States, which is scheduled to meet in Cairo in the course of this year, as well as the convening of the Second Conference of Afro-Asian countries to be held in March, 1965."

(*The Egyptian Gazette, Cairo*)

[Prev. ref. 5148:IRQ:B, 5179:SYR:A]

NEPAL

A. King Mahendra's Birthday Celebrations: A festive atmosphere prevailed in Khatmandu on June 11 as people in large numbers celebrated King Mahendra's 45th birth anniversary.

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Scores of school children sported badges bearing King Mahendra's portrait.

The title of Tribhuvan Prajatantra Shripad (pillar of Tribhuvan democracy) was conferred on two former Premiers, Mr. M. P. Koirala and Mr. Tanka Prasad Acharya. Their names figured in the birthday honours list.

Messages felicitating the King have been received, among others, from the Indian President, Dr. S. Radhakrishnan, Queen Elizabeth of Britain and Mr. Liu Shao-chi, Chairman of the Chinese People's Republic.

The postal authorities have issued a new series of stamps bearing a portrait of the King.

The Chairman of the Council of Ministers, Dr. Tulsi Giri, opened a park named after King Mahendra in Balaju suburb of Khatmandu. A reception was later held in the park.

Addressing a meeting at Bhaktapur, eight miles from Khatmandu, Dr. Giri criticised those who tried to "weaken the foundations of the panchayat system in the name of healthy criticism."

He pointed out that the participation of people in large numbers in the birthday celebrations indicated that they supported the King's policies.

(*The Times of India*, New Delhi)

[Prev. ref. 2791:NEP:A]

ASIA OUTSIDE ASIA

SUMMARY: CENTO Ministerial Council Meeting; World Conference On Economic Sanctions Against South Africa; World Bank Loans; British Budget.

A. **CENTO Ministerial Council Meeting:** Addressing the opening session of the CENTO Ministerial Council in Washington on April 28, the Pakistan Foreign Minister, Mr. Z. A. Bhutto, said that the vital function of CENTO was the "preservation of the independence and integrity of its members whom it is pledged to protect against all aggression".

He said that "peace and stability are not a self-perpetuating phenomenon" and that nations which want to preserve peace and stability must supply "demonstrable proof of their desire to do so".

[The United States has interpreted CENTO as a defence shield against Communist aggression. Pakistan considers it a pledge against any aggression which may come from its neighbour, India, as well.]

Other member-nations also re-affirmed the need for the CENTO alliance.

The inaugural session also heard speeches by the Foreign Ministers of Britain, Iran and Turkey and by the US Secretary of State, Mr. Dean Rusk.

The CENTO Secretary-General, Dr. A. A. Khalatbary, told the Conference that "it cannot be said that the chronic political instability in the Middle East has lessened."

"Thus", he said, "the necessity for CENTO continues. As a defensive stabilizing element it offers the best solution for countries determined to decide their destinies in their own way."

The Pakistani Government refused to permit five Pakistan newsmen to come to USA to cover the meetings of CENTO though USA had offered to fly them to Washington. This was interpreted as a Pakistani effort to belittle her alliance.

Last Winter the Pakistani Navy took part in a training exercise with elements of the US and British Navy, but no extensive report of it appeared in the Pakistani Press.

Washington was also disturbed by Mr. Bhutto's absence from the recent S-EATO meeting. He chose, instead, to attend talks for an Afro-Asian Conference sponsored by China.

Communique:

The two-day meeting of the CENTO Ministerial Council ended on April 29 after releasing a final *communique*.

As expected, the Turks were more successful than Pakistan in obtaining a specific reference of the area—their special concern being Cyprus.

The US Secretary of State, Mr. Dean Rusk, who presided over the meeting, parried questions at a news conference on the significance of the omission, but revealed that the Foreign Ministers had discussed both Kashmir and Sino-Pakistani relations.

He seemed conscious of the delicate American position faced with complaints by its ally, Pakistan, that USA was not doing enough to secure satisfaction to Pakistan's claims, and with its friend, India, charging USA with pro-Pakistan partisanship by virtue of the CENTO and S-EATO alliances and the enjoyment of monitoring facilities near Peshawar and in the Pakistan-occupied area of Gilgit.

He said that at first "there was a discussion on Kashmir and there were discussions on other elements of instability in the area. The Ministers themselves did not talk of these matters in detail."

Answering a pointed question on the omission of Kashmir and the inclusion of Cyprus, he said: "Kashmir was discussed, certainly. It was not ignored in any sense in our discussions." But, he added: "As far as the decisions were concerned had there been decisions they would have been registered in the communique. There was a very good and far-ranging exchange of views but had we anything to say we would have said it in the communique."

Asked whether Sino-Pakistani rapprochement also figured in the Council, he said: "There was some discussion but not very much discussion on that. It figured rather slightly."

Asked whether it was not a fact that while USA regarded CENTO as an anti-Communist alliance and that Mr. Bhutto had told the Council that it was aimed at "all aggression", implying thereby that it was also aimed against countries like India, Mr. Rusk said: "As far as USA is concerned we are associated with CENTO for the purpose of assisting the members of the Organization to deal with the problems of aggression from Communist countries.

"That does not mean we are disinterested in the problems of aggression that might arise elsewhere. There are other forums where those matters could be taken up. There are other issues that could be raised. But as far as we are concerned, our association with CENTO is directed towards the well-known threat from the Communist world."

He added: "There may be differences of, shall I say, balance of weight on that particular point but that has not in any way interfered with the working of CENTO as an organization."

He indicated continued American preference to remain as financier and observer but not a full member of CENTO. "There has been no change in the situation as far as the US is concerned. We are closely associated with CENTO for the past 10 years. We have not been formally a member."

The Council re-appointed for three years as Secretary-General Dr. Abbas Ali Khalatbary of Iran, the only member-country with no major problem with its neighbours.

Dr. Khalatbary revealed that CENTO discussed a report from its counter-subversion office. Communist subversion, he said, was mainly through clandestine radio stations. Apart from clandestine stations, "Communist radios from Peking to Budapest" beamed broadcasts in Turkish and for seven or eight hours daily."

The *communique* laid considerable stress on the non-political activities of CENTO.

It said that the "recent deterioration" in Cyprus had created a "dangerous situation with grave implications for peace and security in the whole area."

"The Council declared its earnest desire that the violence should be brought to an immediate end in acordance with the letter and spirit of the United Nations Security Council resolutions."

It referred to the "traditional frank atmosphere of CENTO," and said: "The Ministers particularly exchanged views on recent developments in the general area of West Asia and discussed the implications of these events for the CENTO alliance."

Meeting Of Military Committee:

The 15th meeting of the CENTO Military Committee ended in Washington on April 23 with agreement that the Middle East alliance "continues to make a major and essential contribution towards the defence of the area".

The two-day session made an analysis of the military defence posture of the Treaty region which includes Iran, Pakistan and Turkey.

Britain is a full member of CENTO with the three Middle East countries and USA is an active participant in the military and economic committees but has not become a full member.

In a message to the Conference, the military leaders of the five countries said there was great military significance within the region to the completion of a military communications link between the three Middle Eastern members and the provision of $18 million by USA to help complete the Turkey-Iran railroad links.

The Committee approved plans for CENTO military exercises in the 1964-65 fiscal year and made recommendations which will be presented to Foreign Ministers of the five countries during the CENTO ministerial meeting.

(*The Statesman*, Calcutta, *The Hindustan Times*, New Delhi and *The New York Times*)

[Prev. ref. 5806:TUR:A]

B. **World Conference On Economic Sanctions Against South Africa:** An international Conference on Economic Sanctions against South Africa opened in London on April 14 under the chairmanship of the Tunisian Foreign Minister, Mr. Mongi Slim. About 250 delegates and observers from 40 countries attended.

In a message to the Conference, the late Indian Prime Minister, Mr. J. Nehru, said the evil practices of racial discrimination were not only an insult to the human personality but a threat to peace and understanding among nations.

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He said that the "hateful racial policies" of South Africa had received universal condemnation from men and women of all races and religions. He hoped that firm steps would be taken by the Conference to persuade or compel the racial administration of South Africa to conform to the views and sentiments of the international community.

The leader of the Opposition in the British Parliament, Mr. Harold Wilson, in a message said that a Labour Government would loyally carry out the the UN Security Council's call for an arms embargo on South Africa. He, however, reiterated that his Party had never supported the unilateral application of sanctions. The imposition of a trade boycott was also not justified at present.

The opening session was marked by proposals for a world trade boycott of the South African Government.

The Danish Foreign Minister, Mr. Per Haakerup, expressed the view that any sanctions should be supplemented by a positive UN policy to help South Africa towards a new multiracial alternative to apartheid.

He said that Denmark supported the UN ban on arms export to South Africa and felt that pressure should be gradually increased. Other Nordic countries shared Denmark's grave concern, anxiety and resentment over developments in South Africa.

The leader of the Indian delegation, Mr. K. K. Shah, said that sanctions would be the first effective step to end the injustices in South Africa.

He stressed that it would be vital for all members of United Nations to carry out the decisions of the Security Council, as otherwise people in Asia and Africa in their frustration may feel that *their interests would be better served by a separate organization for Asia and Africa to solve their problems.* He pointed out that India had stopped all relations with South Africa in 1956, even though the balance of trade was in India's favour.

The Conference, which ended on April 17, presented a great degree of agreement among people representing different ideologies.

The Indian delegates told correspondents that the success of the Conference would eventually depend on the ability or willingness of USA to apply sanctions against South Africa; for if American public opinion could be converted in favour of it, Britain would eventually follow suit and it would also be possible to get UN to agree to such a course of action.

They said that throughout there was an atmosphere of friendliness and understanding between the African and non-African delegates.

The Conference called for the imposition of total economic sanctions against South Africa in an attempt to bring that *"apartheid* (racial segregation) State to its knees".

The Tunisian Foreign Minister, Mr. Mongi Slim, who presided over the Conference, told the closing session: "Economic sanctions are the last possible way of defeating apartheid peacefully. After that the road to violence will be open."

The Conference agreed that adverse effects on the British and US economies would be marginal if total sanctions were applied against South Africa.

It warned that if the nations of the world failed to take "speedy and decisive action on sanctions it may well lead to the disintegration of the UN itself."

South Africa's apartheid policies, it pointed out, constituted a threat not only to peace within South Africa but throughout the continent and indeed the whole world.

Bitterness and hostility in India and throughout Asia, the Conference said in a resolution, was engendered by the "most savage treatment" inflicted on the 500,000 people of Indian origin in South Africa.

The report recorded expert evidence that sanctions could not be applied effectively without a naval blockade to enforce them. A naval patrol would require from four to seven fleet carriers and from 30 to 100 ships and it was estimated that such a blockade might cost about $150 million a month. It was clear that to be successful a naval blockade would need financial backing far heavier than any previously given by UN and with the full support of the major naval Powers.

The Conference decisions will be sent to the world Governments and international organizations.

International Conference Against "Apartheid":

Another Conference—the International Conference Against *Apartheid*—ended in London on April 17.

A despatch on April 18 said that a concerted effort to persuade USA to impose economic sanctions against South Africa would be made in the next few months by those who had participated in the Conference.

It was felt by most of the delegates that the key to success in bringing economic pressure on South Africa to change its radical policies was Washington, as US approval and action was certain to be followed by Britain, West Germany and Japan, the four countries with the largest investment and trade with South Africa.

The Conference ended by declaring, on the basis of the opinion of outstanding economists, that economic sanctions against South Africa were feasible and practicable and could be imposed without damage to world trade or countries trading with South Africa.

The most "heartening feature" of the Conference was the complete harmony which prevailed in the end between the various participants. The Chinese delegation, for instance, which started with a propaganda and ideological outburst, in the end became co-operative and agreed that China would not object to action through the Security Council if it was effective. The delegation did not clash with the Soviet delegation or with the Indian.

After an initial misunderstanding was settled between the Indian and Pakistan delegations over an Indian paper, which mentioned Pakistan's trade with South Africa, the two delegations concentrated on the question of South Africa.

The implementation of the Conference resolutions will be undertaken in two stages. Immediately they will be circulated to United Nations, Heads of Governments and other international bodies.

The second stage will be for the participants who are member-States of UN to approach the Security Council while individually or jointly they try to persuade USA and Britain, the two most important countries trading with South Africa. They have already the backing of all the Scandinavian States, all the Communist and Afro-Asian States, excluding Japan.

The conclusions of the five commissions set up by the Conference were approved at the final session of the four-day Conference.

The Conference agreed that:

(1) Special pressures were essential to get the Governments of Britain, the United States and France to change the direction of their policies on the South African question.

(2) Concerted action to blacklist firms which trade with South Africa and thrive on apartheid must be planned.

(3) The continued frustration of the wishes of the overwhelming majority of nations could lead to a break-down of United Nations, to alignments on a colour basis and to extreme crisis on a world scale.

(4) National and international action was needed to use the machinery of United Nations to declare that the South African situation constituted a threat to world peace.

(5) The crisis in South Africa amounted to a state of race war which could not be resolved except by outside intervention and complete trade sanctions provided the only effective means of intervention short of military intervention.

The Conference report warned that if the nations of the world failed to take "speedy and decisive action on sanctions it may well lead to the disintegration of United Nations itself."

It cited the dangers of race war and added that "certain States in the West are warned that they cannot continue economic and political support for apartheid without endangering their relations with the whole Afro-Asian world."

Anti-"Apartheid" Movement's Memorandum:

In a memorandum released on April 13, the Anti-*Apartheid* Movement in London accused Britain of aggravating the South African question.

It said that the British Government had refused to impose a complete and effective embargo on the supply of arms and military equipment to South Africa. It had also maintained a policy of continued economic and political co-operation with South Africa.

These policies, it said, despite Britain's public condemnation of apartheid, had been a major factor contributing to the South African Government's persistent defiance of UN requests for the abandonment of its racial policies.

(*United Nations, The Statesman,* Calcutta and *The Times,* London)

[Prev. ref. 5671:AOA:A]

C. Cut In Production Of Nuclear Explosive Materials: President Lyndon B. Johnson said in New York on April 20 that USA would make a new reduction in its production of nuclear explosive materials.

In Moscow, the Soviet Prime Minister, Mr. N. Khruschev, also announced that the Soviet Union would cut back substantially on uranium production for nuclear weapons.

He made his announcement after receiving notice from President Johnson and the British Prime Minister Sir Alec Douglas-Home that USA and Britain were reducing their uranium production.

Mr. Johnson, announcing a "substantial reduction" in American enriched uranium production over a period of four years, said this new cut, together with others, would mean "an overall decrease in the production of plutonium by 20 per cent and of enriched uranium by 40 per cent."

He added: "By bringing production in line with need, we reduce tension while maintaining all necessary power."

In his speech he dealt with five areas of concern to the United States. They were: (1) East-West relations; (2) European unity; (3) Latin America; (4) The "battle for freedom" in the Far East; and (5) the new nations of Africa and Asia.

He said that today in East-West relations there were "new pressures, new realities, which make it permissible to hope that the pursuit of peace is in the

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interests of the Soviet Union as it is in ours."

(*The New York Times* and *Tass*)

[Prev. ref. 5487:AOA:A]

D. UN Seminar On Freedom Of Information: A report issued on April 21 by a United Nations seminar on freedom of information revealed general agreement on basic problems, but suggested that they be made the subject of further international study.

The seminar, organized by United Nations in co-operation with the Government of Italy, ended after two weeks' discussion in Rome. Its report summarized informal views put forward by participants from 25 European countries.

The main topics covered at the seminar were the role of government, Press laws, the role of the publisher and proprietor, the role of the professional journalist, standards of journalism and the role of the reader.

Among the general conclusions of the seminar was that the same basic problem exists in all countries, irrespective of their social and political systems: how to ensure that the great powers of information media were used for the good of mankind and not as an instrument of tyranny. Certain common standards and aspirations were given recognition in all countries.

It was agreed that information media should strive to enhance human dignity, broaden the intellectual and moral outlook of peoples, bring about a better understanding among individuals, groups and nations, and enable their readers to play a responsible role in the affairs of the community and of the world. However, the ways of reaching these goals differed according to the social and political systems prevailing in different countries. A healthy competition between different systems, both of which genuinely pursue noble aims, could only produce positive results.

The report said that a number of problems were raised at the seminar which might usefully be given further international study. These concerned not only the role of the Press, but also the role of other mass media in the promotion of freedom of information. The world-wide spread of radio and the expansion of television were already having a decisive impact on the dissemination of information, and the advent of space communication, vastly increasing the range and scope of broadcasting, will accelerate this trend, bringing new problems but also new opportunities for international co-operation.

A related problem, the report said, was the fomulation of codes of ethics for information personnel. A draft international code of ethics prepared in 1952 under UN auspices might be subjected to new study, taking into account the significant developments in mass communication since 1952.

The report suggested that a committee set up by the Commission on Human Rights might examine, against the background of recent technological advances in communications, the question of international co-operation in the use of broadcasting for the promotion of the free flow of information and mutual understanding; the re-establishment of international machinery to deal with the problems of freedom of information; and the preparation of an international digest of decisions in the application of standards of conduct for information personnel.

The seminar, which began its informal discussions on April 7, was presided over by Mr. Edoardo Martino, of Italy. Mr. Robert Touzery (France), Mr. E. N. Mamadov (USSR) and Mr. R. G. S. Hoare (United Kingdom) were Vice-Chairmen, and Mr. Patrick O'Hanrahan (Ireland) was Rapporteur.

The participating States were Austria, Belgium, Bulgaria, Byelorussia, Czechoslovakia, Denmark, Finland, France, West Germany, Greece, the Holy See, Hungary, Ireland, Italy, Netherlands, Norway, Poland, Portugal, Spain, Switzerland, Turkey, Ukraine, USSR, United Kingdom and Yugoslavia.

(*United Nations*)

E. New Journal To Replace "United Nations Review": The UN Office of Public Information announced on April 3 that the *United Nations Review* will cease publication with the April issue and will be replaced in May by a new journal to be known as *UN Monthly Chronicle.*

The object of the change is to provide a more comprehensive and documented coverage of UN activities and to encompass and reflect the expanded role of United Nations in world affairs. The new journal will aim at increased ease of handling and of reference.

The **UN Monthly Chronicle** will be divided into four sections—the first will be a Record of the Month, in which proceedings, decisions and resolutions of the main organs and committees of the Organization will be reported under relevant subheadings—political, economic, social, legal, administrative, etc.

The second section will contain authoritative articles and feature material on themes of UN interest.

The third section—Notes of the Month—will be devoted to such items as announcements of the Organization and its related agencies, lists of forthcoming meetings and events and reviews of important UN publications.

The fourth section will contain photographs, diagrams, charts and other illustrative material. Each issue of the magazine will cover a complete calendar month.

(*United Nations*)

F. World Bank Loans To 72 Countries: A United Nations hand-out on May 15 said that the World Bank had reported a net income of $72,000,000 for the first nine months of the current fiscal year.

Loan commissions earned during the nine months ended March 31, 1964 amounted to $24,600,000 and were credited to the Special Reserve, increasing that Reserve to $279,500,000.

During the period, the Bank made 27 loans totalling $616.3 million in Chile (two loans), China, Colombia (two loans), Costa Rica, Denmark, El Salvador, Finland, Japan, Liberia, Malaysia (two loans), Malta, Mauritius, Mexico, New Zealand (two loans), Nigeria, Norway, Peru, Portugal (two loans), Spain, Thailand, Venezuela and Yugoslavia.

This brought the total number of loans to 376 in 72 countries and territories and raised the gross total of commitments to $7,737.7 million. By March 31, as a result of cancellations, exchange, adjustments, repayments and sales of loans, the portion of loans signed still retained by the Bank had been reduced to $5,074.3 million.

Disbursements on loans during the nine months were $427.1 million, making total disbursements $5,852.6 million on March 31.

During the nine-month period the following 17 countries became members of the Bank: Algeria, Burundi, Cameroun, Central African Republic, Chad, Congo (Brazzaville), Congo (Leopoldville), Dahomey, Gabon, Guinea, Kenya, Malagasy Republic, Mali, Mauritania, Ruanda, Trinidad and Tobago, and Uganda. Subscribed capital amounted to $21,130,400,000 on March 31, 1964.

(*United Nations*)

[Prev. ref. 5576:AOA:D]

G. British Budget For 1964-65: The British Chancellor of the Exchequer, Mr. Reginald Maudling, presented to Parliament on April 14 the Budget for 1964-65.

He proposed higher taxes on alcoholic drinks and cigarettes and a boost to personal savings.

He proposed new taxes totalling about £100,000,000 to put a slight brake on the nation's economy while aiming to keep the present boom going.

He painted a bright picture of the nation's economy. The March trade figures would show that the trend of exports was still encouragingly upwards and the demand for British goods should continue to rise vigorously.

The balance of payments position was expected to worsen this year—"but this is an inevitable result of a higher level of activity."

He declared that the theme of his Budget was the same as last year: "To maintain expansion without inflation."

He stressed that the key to Britain's success was a vigorous increase in exports. That in turn depended on keeping costs competitive. He said he believed if taxes were stepped up by £100 million he would be doing enough to steady the economy without checking expansion.

He said there would be no increase in direct taxation. He then announced rises of about 10 per cent on the duty on tobacco and alcoholic drinks.

This would mean 4d. more on 20 cigarettes costing 4sh or more, and 3d on smaller brands.

There would also be an extra penny a pint on beer, 3d a bottle on light wines, 6d on heavy wines and 3sh a bottle on spirits.

He also announced a number of measures to encourage personal savings. These included a new 5 per cent Savings Bond from May, and moves to allow greater holdings of the current National Savings Certificates.

Describing the economic situation, he said that trade was buoyant, business confidence was high and investment in industry was gathering pace. The purpose of this year's Budget was to achieve a smooth transition from the recent exceptional rate of growth to a long-term growth rate of 4 per cent.

After announcing a series of minor taxation changes, mostly of a technical nature and bringing in only about £6 million extra to the exchequer, he said there was something in the argument that the basis of indirect taxation in Britain would have to be widened. But he did not think it possible to do it this year.

The minor changes announced by him included an increase in the duty on home-produced light oils and allowing passengers on ships and planes to buy more duty-free goods than at present.

A further proposal would change the present arrangements on sugar duties, allowing export manufacturers of foods containing sugar to buy refined sugar at the internal price where this was below the world price.

He said he had considered a general betting tax, but had decided against introducing one now.

He proposed to cut the duty on greyhound totalizators from 10 to 5 per cent and had decided to extend the football pool betting duty to cover fixed odds coupons. Fixed odds coupons had been exempt from duty so far.

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Dealing with the 1965-66 Budget, he said the total revenue on the basis of existing taxation was estimated at £7,352 million, an increase of £462 million over the previous year's receipts.

On the expenditure side, the biggest absolute increase was £161 million on defence, the equivalent of nearly 9 per cent.

Total expenditure—not counting loans to nationalized industries and local authorities—was estimated at £7,388 million. On the basis of the existing tax rates, the deficit would be £36 million.

But he pointed out that these total figures did not include costs of developments which had taken place since estimates were framed.

He said the overall deficit (which includes loans to nationalized industries, local authorities, colonial Governments and so on) was estimated at £894 million in 1965. (Last year it was £597 million.)

Discussing the recent rise in imports, he said he rejected controls on import of manufactured goods. It was not a practical policy.

He stressed the need for an effective incomes policy as the foundation of sound growth. If wages and salaries were always to be pushed to the limit "by sheer force of trade unions, or profit margins by unlimited opportunism management, the result must be either inflation or a Government policy to curtail it at the expense of growth". Something must be done to reduce the growth of demand.

Speaking after Mr. Maudling had delivered his Budget statement, the leader of the Labour Party, Mr. Harold Wilson described it as "irrelevant in terms of the economic problems the country is facing".

(*The Statesman*, Calcutta and *The Times*, London)

[Prev. ref. 5394:AOA:K]

H. Russia Launches "Polyot II": The Soviet Union put a second "acrobat" space ship into changing orbits on April 12, and said the launch was aimed at solving problems of eventual rendezvous in space.

The new blast-off came on the anniversary of the first manned space flight by Yuri Gagarin on April 12, 1961.

Tass said the ship, Polyot II was guided and manoeuvrable, indicating it was unmanned.

Polyot I, launched in November, 1963 as the world's first manoeuvrable space vehicle, also changed direction sideways and up and down.

Tass said the ability to achieve a space rendezvous would be a step towards building large orbiting space stations to be used as bases for manned interplanetary flights.

Radio Moscow said the satellite had been placed on the initial orbit calculated in advance. It said the Polyot II had then performed various manoeuvres in all directions.

By means of one of these manoeuvres, performed in the region of the Equator, the space vehicle considerably changed its orbit's angle of inclination.

The agency said that for manoeuvres and stability Polyot II was equipped with special guidance gear and a system of motors. The vehicle carried scientific equipment, a radio-telemetric installation, and a radio transmitter.

During the flight "many turns and changes of direction were made according to the present programme". "Its stabilization and manoeuvring rocket motors were switched on many times. After completion of the programme Polyot II went into a final orbit with a maximum distance from the earth of 310 miles and a minimum of 192 miles."

(*The Times*, London and *Tass*)

[Prev. ref. 5830:AOA:L]

I. USSR Launches "Cosmos" Satellites: Another Soviet sputnik *Cosmos XXIX* was launched on April 25.

The sputnik carried scientific equipment for the study of outer space in accordance with the programme announced by Tass on March 16, 1962.

The sputnik had gone into orbit with the following elements: period of rotation round the Earth 89.52 minutes; apogee 309 kilometres; perigee 204 kilometres; and inclination to the equatorial plane 65 degrees 4 minutes.

On May 18, Russia launched another satellite in the *Cosmos* series—*Cosmos XXX*.

All the equipment on board the satellite was reported to be functioning well.

(*Tass*)

[Prev. ref. 5830:AOA:M]

J. Discovery Of New High Density Star: A report on March 28 said that four US space scientists, with an astronomer in support, believe they have confirmed the reality of a new type of star—one of so high a density that a matchbox full of its substance would weigh more than 1,000 tons.

They suggest the discovery should be known as a "neutron star"—one in which compression has been carried a stage beyond that found in "white dwarf" stars. Squeeze a star sufficiently hard, say the scientists, and the electrons that form the outer part of its atoms will all be captured by atomic nuclei, which will then consist wholly of neutrons. The whole star might then be considered as a single atomic nucleus with the unusual factor that it carried no electric charge.

The occasion of this theory is the discovery, from observations made by an Aerobee rocket, of two galactic sources of X-rays. One of them is in the neighbourhood of the Crab Nebula, believed to represent the still expanding shell of gas ejected during a supernova explosion in AD 1054.

In the middle of the shell is a small, hot star which it has been suggested might be of unusually high density. The other X-ray source is in the constellation Scorpius, in a region of faint stars.

The observations and theory were published in an issue of the scientific jounal Nature. The observations were made by Dr. S. Bowyer, Dr. E. T. Byram, Dr. T. A. Chubb and Dr. H. Friedman of the United States Naval Research Laboratory, Washington.

The suggestion that a neutron star would provide a type of source which might account for the observations was first made by H.-Y. Chiu and the supporting theory has been worked out by Dr. D. C. Morton, of Princeton.

(*The Times*, London)

[Prev. ref. 5252:AOA:A]

K. World Sugar Production—FAO Forecast: According to the Food And Agriculture Organization (FAO), world production of sugar in 1963-64 is expected to be in the order of 53,000,000 tons—about 2,600,000 tons more than in the previous year.

This was stated in a UN Press release on April 24. However, world supplies will be less, for the third successive year, owing to a reduction in stocks in 1962-63 totalling about 4,000,000 tons.

A review of the current situation and outlook for sugar was contained in the March issue of the FAO Monthly Bulletin of Agricultural Economics and Statistics. The review observed that world sugar consumption was beginning to level off but that stocks would be further reduced before sugar from the 1964-65 beet crop comes forward. Average sugar prices are expected to remain variable and "very high" during the first half of 1964, and to fall later in the year in recognition of increased production in the coming season.

The record world sugar production is 54.9 million tons, established in 1960-61. Production was 51.6 million tons in 1961-62 and 50.4 million tons in 1962-63.

During the current season Cuban sugar production, because of Hurricane Flora and other problems, was estimated at no more than 3.3 million tons, about one half of production in 1960-61. As a result of prolonged drought, production in USSR was estimated at about six million tons raw value—500,000 tons less than in 1962-63—despite an increase in beet acreage.

On the other hand, production in Western Europe was estimated at more than eight million tons—about one million tons more than in 1962-63, despite reduced production in Italy, Spain and the Netherlands. The main increases were in the Federal Republic of Germany, where production recovered to its record two million ton level, and in France, which expected a similar output. In USA, production of both beet and cane sugar was at record levels.

In other sugarcane growing areas "there are indications of increases in output in a number of countries, including Argentina, Mexico, the Philippines, Mauritius and South Africa". India also expected to produce more in 1963-64.

Although full information on trade in sugar in 1963 was not available at mid-February, "there was a further substantial decline in world trade in raw and refined sugar...which largely reflected the further fall in Cuban output". In particular, Cuban exports to the Soviet Union and China were severely reduced.

Total imports into the developed countries were larger in 1963 than in 1962. Imports into Britain increased from 2.18 million to 2.52 million tons and in other West European countries, especially Italy, the Netherlands and West Germany, imports were also higher. However, there was as yet "little indication as to whether or not importing countries in Asia, Africa and the Near East maintained their 1962 import levels".

The review said that world sugar consumption for 1963, excluding the centrally planned economies, was tentatively estimated at 41.5 million tons raw value, 1 per cent higher than in 1962. This "implies no increase in average per caput consumption".

The outlook for coming years is for increased sugar production in a number of major cane sugar producing countries, including Australia, South Africa, Southern Rhodesia, Mexico and India. Increased plantings for the 1964-65 sugar beet harvest are expected in Europe this Spring, encouraged in several countries by higher prices to growers. However, in all cases weather would play a major role in the final output.

(*United Nations*)

[Prev. ref. 5624:AOA:I]

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ASIAN RECORDER

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AFGHANISTAN

A. Czech Air Flight Inaugurated: Czechoslovak Airlines (CSA) inaugurated on April 13 a regular weekly flight between Prague and Kabul *via* Sofia, Athens, Damascus and Tehran.

At present, Aeroflot, Air-India International, Pakistan International Airlines, Iranian Airways and Trans-Mediterranean Airlines have regular services to Kabul and Afghan Ariana Airlines has extended services to Karachi, New Delhi, Tehran, Beirut, Ankara, Istanbul, Belgrade, Prague and Frankfurt.

(*The Times*, London)

[Prev. ref. 5001:AFG:B]

BURMA

A. Demonetization Measure: Under a decree issued on May 17, the Government demonetized currency notes of the denomination of K100 and K50.

The Government said the measure was designed to counteract "numerous acts of subversion" committed by the rich, including foreign nationals.

Certain rich people, it said, had begun hoarding currency notes of these two denominations, thus affecting the Government's policy to bring down the prices.

It charged those who accumulated these notes with buying foreign currencies at high prices.

All the demonetized notes were to be surrendered to the Government within seven days. Violation of the order was made punishable with a minimum of ten years' imprisonment.

[One kyat equals one Indian rupee.]

The decree asked the people in possession of these currency notes to surrender them to the Treasury before 4 p.m. on May 24.

According to the decree, it applied also to foreign diplomatic missions, Government Departments, boards and corporations.

The decree stipulated that a maximum of K500 in legal tender would be returned to each depositor out of the total amount deposited and the balance sent to the nearest State commercial bank to be held as fixed deposit in the name of the depositor concerned.

The notes were the highest denomination in circulation and the K50 and K100 denomination notes constitute more than 50 per cent of the entire money in circulation within the country.

The announcement said "the capitalists had withdrawn money" from the banks when the banks were nationalized and had indulged in speculative trading with their hoarded money when trade was nationalized.

(*The Nation*, Rangoon and *The Statesman*, Calcutta)

[Prev. ref. 5807:BUR:A]

B. Trade Agreement With South Korea: Burma and South Korea formally signed in Rangoon on June 17 a general Trade Agreement to promote trade relations between the two countries.

The South Korean Consul-General, Mr. Jun Ha Pak, signed for Korea, and Lt.-Col. San Win, Trade Secretary for Burma.

Provisional signing of the Agreement was made in January, 1964 during the visit of the Assistant Trade Minister, Mr. Chul Seung Lee, to Rangoon and the Burmese authorities.

The Agreement mentioned the export commodities of the two countries. Korean exports, among others, include fish and fish products, sewing machines, and radios.

Burma's exports are rice, raw rubber, tin and timber.

(*The Nation*, Rangoon)

[Prev. ref. 5425:KRS:A]

C. Changes In University Education System: The Government promulgated on May 30 a new law aimed at introducing a new system of university education replacing the old one in conformity with the "Burmese way to socialism."

The new law would do away with the present unitary system of centralized universities and replace it with a multilateral one with various vocational and technical universities and institutes, each functioning autonomously.

An important feature of the new system is the emphasis on professional subjects such as medical science, industrial trade, teaching in agriculture, health, education and economics. Though priority will be given to teaching of science subjects in these universities, pursuance of the studies in arts subjects will also be provided for in proportionate measures.

The number of students to be admitted to universities will be determined by the availability of qualified teachers and accommodation and equipment.

(*The Statesman*, Calcutta)

[Prev. ref. 5265:BUR:B]

CAMBODIA

A. Aggression Charge Against South Viet-Nam And USA—Security Council Debate: Cambodia requested the UN Security Council on May 13 to consider as soon as possible its charge of aggression against USA and the Republic of Viet-Nam.

Cambodia also requested UN to send investigators to check the accuracy of the allegations of collusion with Viet-Cong which, it said, had been advanced as justification for American and South Viet-Namese incursions into Cambodian territory.

On May 19, the Security Council took up the Cambodian charges. During the debate, these charges were rejected by Mr. Charles Yost of the United States, but supported by Mr. N. Fedorenko of Russia, who spoke of what he called "criminal American aggression against a small neutral nation."

The debate started with a difference of views on whether South Viet-Nam, which is not a member of United Nations, should be allowed to take part in the Council's deliberations. Russia and Czechoslovakia were opposed to what they called "a puppet regime of the United States" being invited to the Council table. On a vote being taken, nine members favoured the proposal and only two opposed it. An invitation was accordingly extended to Viet-Nam.

Cambodia's representative, Mr. Sonn Voeunsai demanded the holding of an international conference similar to the 1954 Conference on Indo-China to reach an agreement guaranteeing the territorial integrity and neutrality of his country.

He said that it was the International Truce Supervisory Commission, set up by the 1954 Agreements, which should ensure the surveillance of the Viet-Nam-Cambodian border, and "not a new organism under the auspices of UN."

He said Cambodia would be only too happy to have inspectors on a limited and short-term mission to make on-site inquiry into US charges against Cambodia. He said these charges were unfounded.

Mr. Pham Quac Rau, South Viet-Nam's representative, announced that his Government was sending a delegation to the Council headed by the South Viet-Namese Ambassador in London.

He said his Government was renewing its offer for bilateral talks with Cambodia.

The Czech delegate, Mr. Jiri Hajek, told the Council that it had the "duty" of calling an international conference to guarantee the neutrality of Cambodia.

He accused USA of violating the Geneva Agreements on Indo-China by its "military occupation" of South Viet-Nam.

Mr. Adlai Stevenson (USA) rejected proposals that the 14-nation Geneva Conference on Indo-China be reconvened to discuss the tense situation in South-East Asia and guarantee the neutrality of Cambodia.

He said that what was needed was not more conferences but respect and honour for the agreements that had been made. "If the parties will do in good faith what they promised to do in Laos and Viet-Nam, whether in good faith or not, there will be no danger to the integrity of Cambodia, there will be peace in South-East Asia and another threat to international security will be removed."

Mr. Stevenson, who was answering Cambodian charges that USA and South Viet-Nam had committed aggression against Cambodia, referred to the several practical steps for restoring stability to the frontier that had been suggested.

One of these, he said, was that the Council request the two parties directly concerned to establish a substantial military force on a bilateral basis to observe

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and patrol the frontier and to report to the UN Secretary-General, U Thant.

"Another suggestion", he went on, "is that such a bilateral force be augmented by the addition of United Nations observers and possibly be placed under UN command to provide an impartial third party element representing the world community. We also could see much merit in this idea.

"A third suggestion is to make it an all-UN force. This might also be effective. It would involve somewhat larger UN expenditure than the other alternatives. But if this method should prove desirable, the United States will be prepared to contribute."

He added: "We would suggest that whether one of these or some other practical solution is agreed, it would be useful to ask the Secretary-General to offer assistance to Cambodia and the Republic of Viet-Nam in clearly marking the frontiers between the two countries."

He hoped that the Council, the "primary world agency for peace and security", could quickly take effective steps to remedy a situation which could threaten the peace.

Dr. Nikolai Fedorenko, the chief Soviet delegate, said the US representative had made a "noisy and rather sensational show of American advertising techniques" from which it might have been supposed that he would have delivered a "really important and substantive statement."

It seemed, he said, that when USA was sending thousands of soldiers to Viet-Nam "in order to wage a very dirty and cruel war", it was making some sort of contribution to the cause of peace. "Those who talk to small children and village idiots might speak in this way".

He described the speech of Mr. Stevenson as "a tissue of myths."

The Security Council, he said, should condemn the aggression against Cambodia, *recognize the responsibility of South Viet-Nam and USA, demand that they* compensate the victims of their aggression, and take steps to avoid a repetition of such acts.

He wanted the Security Council to also declare itself in favour of a new Geneva Conference to guarantee the neutrality and territorial integrity of Cambodia.

Mr. Adlai Stevenson in reply said Mr. Fedorenko's ideas were obscure and offensive, and in the tradition of the cold war. USA had no national aims in South-East Asia, but that the sole cause of the war in this area was the aggression against neighbouring countries by the Hanoi authorities supported by China. If North Viet-Nam aggression ended, USA would have no further reason to aid countries that wished to stay free.

But, he added, as long as this aggression continued, USA would aid South-East Asian countries to remain free.

The Cambodian Foreign Minister, Mr. Huot Sam Sambath said Cambodia could not accept the South Viet-Namese proposals for a commission of experts to trace out the frontier, and for mixed patrols to provide joint supervision of the frontier zone.

He re-iterated his call for a Security Council decision in favour of a new Geneva Conference, to guarantee Cambodian neutrality and give the International Control Commission the means of supervising the frontier.

South Viet-Nam's Ambassador to London, Mr. Vu Van Mau, who, by that time, had come as head of his country's delegation, rebutted Cambodian charges of aggression and proposed international control of the frontier, with UN help.

Some Soviet and Czechoslovak representatives withdrew from the chamber when he took the floor.

He told the Council it was "purely a pipe-dream" to presume the North Viet-Namese would pay any more heed to a new accord than they had done to the 1954 Agreement.

He re-iterated his Government's proposal that mixed patrols should supervise the Cambodian-Viet-Namese border, adding that if Cambodia rejected this, "the only effective solution remaining would appear to be to set up an international system of control across the border under the auspices of UN."

"We are asking for nothing else but an effective system to prevent the crimes which falsely are imputed to us but are committed by the communists."

He said his Government proposed an expert commission to help demarcate the ill-defined border and an effective system of border control to keep constant watch on the guerrilla bands.

Speaking as a delegate of France, the President of the Council, Mr. Roger Seydoux, repeated his Government's call for a resumption of the Geneva Conference.

He also affirmed that "without any doubt, Cambodia is today the victim of a situation which it has in no way helped to create."

He repeated France's call for a new meeting of the 14 nations at Geneva "without delay". This alone could guarantee effectively the territorial integrity and neutrality of Cambodia.

Sir Patrick Dean, chief delegate of Britain which was a co-Chairman of the 1954 Geneva Conference, said it would "clearly serve no useful purpose" for the British Government to join in issuing invitations to a conference that would be declined by several of the members.

He told the Security Council that Britain did not believe the passage of resolutions by the Council calling for a new conference on Cambodia would alter the basic situation. (Cambodia had proposed *that the Council should recommend the* reconvening of the Geneva meetings to guarantee the neutralist Kingdom's neutrality.)

Sir Patrick affirmed Britain's sympathy with and support for South Viet-Nam in "its struggle against an attempt by a dissident group to impose their own peculiar doctrines on their unreceptive fellow country-men by force of arms and with the aid of weapons, men and active incitement from the north, in defiance of the 1954 Cease-fire Agreement."

On the fact of this "externally directed aggression", the British Government was in no doubt whatever.

Britain fully endorsed the right of the Republic of Viet-Nam to seek help from its friends and was equally convinced that if external communist aggression ceased, a major step towards preventing border incidents between Cambodia and South Viet-Nam would have been taken.

Noting that the International Commission composed of Canada, India and Poland was "sufficiently occupied", he said the Council should took elsewhere for machinery for border control.

He took issue with a Cambodian charge that Britain had opposed the reconvening of the Geneva Conference. The British Government had explained it was ready to join Russia, the other co-Chairman, in issuing invitations "as soon as all the Governments directly concerned expressed agreement to participate."

In the present circumstances, "it would clearly serve no useful purpose for my Government to join in issuing invitations to a conference which would, we have reason to believe, be declined by several of those Governments with which Cambodia has differences and with which it would be the purpose of such a conference to reach agreement."

Decision To Send UN Mission:

After two weeks of debate, the Security Council decided on June 4 to dispatch a three-member mission to Cambodia and South Viet-Nam to draw up recommendations to prevent a recurrence of border incidents between the two countries.

The group was asked to report back to the Council within 45 days.

The action, proposed by Morocco and Ivory Coast in a joint resolution, stemmed from Cambodian charges that South Viet-Nam and USA had committed "repeated acts of aggression" against the neutralist Kingdom.

In a separate vote on the operative paragraph covering the establishment of the inquiry group, Russia and Czechoslovakia cast abstentions. On the resolution as a whole, all of the members voted in favour.

U Thant told the Council that he proposed to assign five members of the secretariat to accompany the three Council members.

The Council might well have taken more far-reaching steps based on United Nations experience. But a beginning had been made and the establishment of the visiting mission was the most important part of the resolution.

An announcement by Dr. Nikolai T. Fedorenko that Russia would vote for the resolution as a whole if it were permitted to cast an abstention in a separate vote on the establishment of the inquiry group cleared the way for adoption of the draft.

Dr. Fedorenko said the International Commission, composed of representatives of Canada, India and Poland, was fully able to deal with border questions and it was "unjustified" to set up a new UN body.

He also repeated Cambodia's demand that the 14-nation Geneva Conference, of which Russia and Britain were co-Chairmen, be reconvened to draw up guarantees of Cambodian neutrality.

(*The New York Times* and *The Times of India*, Bombay)

[Prev. ref. 5771:CAM:A]

B. **Nationalization Of Banks:** All private banks in Pnom Penh ceased their activities on June 30 under a nationalization measure decided upon in November, 1963.

The private banks were replaced by three State concerns: the National Bank of Cambodia, the Khmer Bank for Commerce and the National Credit Bank.

The Bank of Tokyo and the French firm BNCL were authorised to maintain "a representative office" in the Cambodian capital.

(*The Nation*, Rangoon)

[Prev. ref. 5556:CAM:B]

CEYLON

A. **Compensation To Oil Companies:** The Minister of Finance, Mr. T. B. Ilangaratne, on May 22 directed officials to take "meaningful steps" to compensate Shell, Caltex and Esso for assets taken over by the Ceylon Petroleum Corporation in 1963.

He said in a Press statement that he hoped the Governments concerned would appreciate the Ceylon Government's good faith and anxiety for a speedy settlement.

His reference was obviously mainly directed at the United States, which last year suspended aid to Ceylon until

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the Government took steps to compensate the oil companies for seized assets.

He disclosed that efforts had been made by the Government to settle the payment of compensation outside the scope of the compensation tribunal, which is investigating the claims made for compensation by the oil companies.

(*The Times of Ceylon*, Colombo)

[Prev. ref. 5110:CEY:A]

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CHINA

A. World Conference Of Communist Parties—Soviet Proposal Rejected: In a letter to the Central Committee of the Soviet Communist Party made public on May 8, the Chinese Communist Party rejected a Russian proposal for an early world conference of communist parties to resolve the ideological dispute between Peking and Moscow.

The Chinese letter stated that "it may require perhaps four or five years or even longer to complete preparations for such a conference."

It asserted that the convening of a conference in the Autumn, as proposed by Moscow on March 7, might result in a split in the international communist movement. Moscow should "bear responsibility for the split" if it unilaterally attempted to summon a conference.

Under the present circumstances of tension, the letter said, it would be more appropriate to take the first step towards a world conference about May, 1965 with the holding of bilateral talks.

The letter, dated May 7, which was a reply to the March 7 letter of the Soviet Central Committee, was published by the New China news agency together with other correspondence between the Central Committee of the two parties since November, 1963.

In a letter of February 29 the Chinese brushed aside Soviet offers to expand trade and to resume the economic aid and technical assistance suspended in 1960. They also rejected a proposal for the cessation of public ideological polemics but agreed to negotiate border differences. They referred to "unequal treaties" negotiated during the Czarist regime.

Alluding to difficulties on the Sinkiang frontier, in Central Asia, the letter stated: "The Soviet side has made frequent breaches of the status quo on the border, has occupied Chinese territory and has provoked border incidents."

It asserted that Moscow had undertaken "large-scale subversive activities in Chinese frontier areas, trying to sow discord among China's nationalities by means of Press and wireless, inciting China's minority nationalities to break away from their Motherland and inveigling and coercing tens of thousands of Chinese citizens into going to the Soviet Union."

(*Tass*, *The Times*, London and *The New York Times*)

[Prev. ref. 5843:CHI:A]

B. Soviet Warning Of Possible Border Conflicts: The *New China* news agency reported on May 9 that the Soviet Union had warned China of possible conflicts over their mutual border and had made proposals for consultations.

The Soviet letter, dated November 5, 1963 recalled that both sides had favoured consultations on the question, and added: "In this connexion, we are transmitting to you a relevant document."

The letter referred to Chinese statements about the "aggressive policy of the Czarist Government and the unjust treaties imposed upon China." [Some eastern regions of the Soviet Union were ceded by China to Russia during the Czarist era].

It added: "Naturally, we will not defend the Russian Czars who permitted arbitrariness in laying down the State boundaries ....We are convinced that you too do not intend to defend the Chinese emperors who by force of arms seized not a few territories belonging to others.

"But while condemning the reactionary actions of the top-strata exploiters who held power in Russia and in China at that time, we cannot disregard the fact that historically formed boundaries between States now exist.

"Any attempt to ignore this can become the source of misunderstandings and conflicts. We have all the possibilities for fully eliminating border frictions of any kind, and thus showing the peoples an example of truly friendly relations between two socialist States."

The letter was one of seven exchanged between the communist parties of the two countries since November, 1963 on their ideological dispute.

(*The Statesman*, Calcutta and *The Times of India*, Bombay)

[Prev. ref. 5843:CHI:A]

C. Mass Purges In China Alleged: The Soviet Government newspaper *Izvestia* accused Chinese leaders on May 16 of mass purges affecting many hundreds of thousands of people.

The Izvestia article, first of a new series on China, was one of the most outspoken attacks on China's internal system to appear in the bitterly contested Sino-Soviet ideological feud.

Izvestia said the Chinese had made a "state practice of violating socialist legality". Peking interpreted the dictatorship of the proletariat to mean the dictatorship of a group of leaders, and Mao Tse-tung's personality cult was the crowning embodiment of this policy. "It is therefore quite understandable that the exposure of the Stalin personality cult by our party was received by the Chinese leaders as something directed against them."

The views of the Chinese leadership on the proletarian dictatorship "are the result of the gigantic pressure of the petty bourgeois elements drawn into the whirlpool of the revolutionary struggle."

(*Tass* and *The Times of India*, Bombay)

[Prev. ref. 5784:CHI:A]

D. Opposition To Soviet Participation In Asian-African Conference: The Chinese Government, in a statement issued on May 30, re-iterated its opposition to the Soviet Union taking part in the second Asian-African Conference to be held somewhere in Africa in March, 1965.

The statement, replying to a Soviet declaration of April 30, was handed to the heads of all diplomatic missions in Peking.

It said the Chinese Government had taken a "principled and consistent stand" on the question of Soviet participation in the Asian-African Conference.

"The Asian-African Conference is a conference of heads of Asian and African countries. Since the Soviet Union is a European country, it of course should not take part in such a conference. This is a matter of principle, and we abide by principle.

"The relations between China and the Soviet Union were very good in 1955, but we did not on that account stand for its participation in the first Asian-African Conference. And our objection to its participation in the second Asian-African Conference is by no means because the relations between China and the Soviet Union are at present not so good....

"On the contrary, even in the present circumstances when our relations are not so good, the Chinese people will certainly stand by the Soviet people and fight shoulder to shoulder with them against the enemy if the Soviet Union should be attacked by the imperialists, whether the attack is first directed against its European part or its Asian part."

Referring to Soviet statements that USSR was the "biggest Asian Power" and that the Asian part of USSR was almost twice as big as the territory of the whole of China, the Peking statement said: "These statements sound frightening. But what is the sense of talking like that? Does the fact that all the large Asian States could fit into the Asian part of USSR give it more say than all the Asian and African countries put together? Size cannot frighten anybody. It cannot frighten any Asian or African State, even the smallest...."

The statement said that, while it was true that two-thirds of Soviet territory lay in Asia, "equally important is the fact that nearly three-quarters of the Soviet population live in Europe."

"Even more decisive, the political centre of the Soviet Union as a single entity has always been in Europe and, therefore, it has traditionally been acknowledged as a European country."

The statement noted that the Soviet Union supported the first Asian-African Conference in 1955, but did not ask for its participation. As the second Conference was a continuation of the first, on what grounds could the Soviet leaders insist on being invited to it? "What changes have taken place in the world that should have caused the Soviet leaders to change their attitude?" it asked.

The Soviet Government, in its declaration, "said bluffingly it would give a rebuff" to those countries which are against its participation in the Asian-African Conference.

"Well, let us see your 'rebuff'. You probably rate yourselves most important. But in our opinion you will ultimately make yourselves a laughing stock by taking such an attitude. Although the Asian and African countries are poor and have many difficulties they have a backbone. The times when Asian and African countries could be ordered about by others are gone for ever.

"There exist serious differences between China and the Soviet Union. We are not afraid to debate with the Soviet leaders, but we have tried our best whatever possible to avoid embarrassing Asian-African countries by this debate.

"We are replying under compulsion. If the Soviet Government should endlessly repeat its old tune of the past month without any creative development, we would ask to be excused from making any further reply. What good would be served by such haggling?"

It called upon the Soviet leaders to "exercise some restraint and not to impose the Sino-Soviet dispute on Asian and African countries."

(*The Statesman*, Calcutta, *The Times*, London and *The New York Times*)

[Prev. ref. 5838:IND:A]

E. Russian Charge Of Bribery And Blackmail: The Soviet Press carried reports on June 3 accusing Chinese leaders of bribery and blackmail in an attempt to subordinate world communism to their ideological leadership.

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The attack was in the first instalment of an article "against the splitters, for unity of the Communist movement" reprinted in **Pravda** from the latest issue of the party magazine **Partinaya Zhizn.**

The article accused the Chinese leaders of resorting to "all kinds of unsavoury tricks—slander, bribery and blackmail—in an attempt to gain control of at least some of the Communists of other countries." "It embarked upon the road of subverting the unity of the socialist countries."

It said that in Belgium the Chinese made use of an embezzler, in Chile a Trotskyist, and in Ceylon they paid a mortgage for a "splitter." "All kinds of renegades....are trying to float on the dirty foam of Peking's fractional struggle against the Marxist-Leninist parties."

The Chinese were especially active in Ceylon, where diplomats from the Chinese Embassy tried to give directives to the Ceylonese Communist Party and supplied it with propaganda literature.

The Chinese had settled a Rs. 5,000 debt for one Ceylonese communist, paid up a mortgage for another, and gave a third "splitter" Rs. 1,000 for car repairs.

In Peru, pro-Chinese activities made an armed attack on the offices of the Communist newspaper and threatened the party leader with physical violence.

In Brussels, "hooligans" tried to break up a Communist meeting.

In Australia, the pro-Chinese faction had only 100 members, but was able to publish its own newspaper and magazine, apparently with outside help.

Izvestia said on June 3 that China had stopped its exchanges of diplomatic information on foreign policy problems with USSR some time ago, although the exchanges *were provided for in the Sino-Soviet Friendship and Aid Treaty of 1950.*

Izvestia also accused China of sending strategic goods to the "imperialist countries" while the supply of such goods to USSR had been diminished or interrupted.

The newspaper said the Chinese leaders put no trust in Soviet military aid in the event of a conflict. In this connexion it cited a statement by Marshal Chen Yi, Foreign Minister of China, and said: "It is hard to say at what point it (the statement) is serious."

(*Tass*)

[Prev. ref. 5831:CHI:A]

F. Sino-Soviet Trade Protocol: A Sino-Soviet trade protocol for 1964 was signed in Peking on May 13.

Mr. Yeh Chi Chuang, Minister for Foreign Trade, signed for China, and Mr. Grishin, Vice-Minister of Foreign Trade, for the Soviet Union.

Marshal Chen Yi attended the signing ceremony.

(*The Times of India*, Bombay and *The New York Times*)

INDIA

SUMMARY: Das Commission's Report—Mr. P. S. Kairon Resigns; CPI National Council Meeting; Loans From USA And Canada; Balance Of Payments Position.

A. Corruption Charges Against Mr. Pratap Singh Kairon—Das Commission's Report: In its report released in New Delhi on June 21, the Das Commission roundly castigated the Punjab Chief Minister, Mr. Pratap Singh Kairon, for his conduct in making himself an instrument of furthering the interests of his sons and for other irregularities.

A summary of the report was considered by the Central Cabinet on June 21 and was subsequently released. The summary was in three parts—the Commission's findings against Mr. Kairon himself, adverse comments against other Ministers and officials, and findings on the charges individually.

It showed that Mr. Kairon was held culpable in four cases, namely, those concerning Neelam Cinema, Chandigarh; Nandan Cinema and Cold Storage, Amritsar; land for the settlement of Harijans; and Dr. Harcharan Singh Dhillon.

In the first three instances, certain irregularities or illegalities were committed to promote the interests of the Chief Minister's relations with his full knowledge and consent. Dr. Dhillon, a State Government employee, attended, against Government directives, on Mr. Kairon during his election tour of 1956.

In a fifth case, in the absence of direct evidence of pressure having been exerted by the Chief Minister on behalf of his sons, Mr. Kairon was given the benefit of the doubt.

The conduct of three other Ministers was adversely commented upon. They were Mr. Mohan Lal, Home Minister, Choudhury Suraj Mal, former PWD Minister and Mr. Niranjan Singh Talib, Deputy PWD Minister.

The officers impugned were referred to by designation. Though the list was not exhaustive, the following were specifically mentioned: the Additional Secretary and the Deputy Secretary of the Capital Project Department; the Excise and Taxation Commissioner; the District Magistrates of Patiala and Hissar; the Director of Health Services and Mr. Waryam Singh of the Amritsar Municipal Committee.

Mr. Das pointed out that in coming to his conclusions he had insisted "on the high standard of proof, which our laws enjoin, before accepting any allegation however emphatically asserted." Accordingly, he dismissed most of the other charges for lack of evidence. Among these were the alleged **mala fide** prosecution of Mr. D. S. Grewal and of Mr. R. P. Kapoor.

The following extract, in which Mr. Das summed up his judicial reaction to the manner in which Mr. Kairon permitted his influence and authority to be prostituted to promote the business and other interests of his sons, constitutes a powerful damnation of the man who ruled Punjab for eight years:

"The Commission is free to concede that a father cannot legally or morally prevent his sons from carrying on business, but the exploitation of the influence of the father who happens to be the Chief Minister of the State cannot be permitted to be made a business of. Such exploitation cannot possibly be a legitimate business and the father's influence and powers cannot be permitted to be traded in.

"In the delicate situation in which Mr. Pratap Singh Kairon, holding such exalted high office, was placed as a result of the activities of his sons and relatives and Government officials, even assuming he personally had not lent a helping hand in relation to them, the least he could do was to give a stern warning, in private and, if necessary, publicly, to his sons, relatives, colleagues and subordinate officers against their alleged conduct even if such conduct had not been proved to be true.

"There is no getting away from the fact that Mr. Pratap Singh Kairon knew or had more than ample reason to think or suspect that his sons and relatives were allegedly exploiting his influence and powers. But, as his own affidavit shows, he made no inquiry, gave no warning to anybody and took no step whatever to prevent its recurrence but let things drift in the way they had been going, assuming he had no hand in it.

"In the premises, he cannot now be heard to say that he had no knowledge of any wrongful conduct on the part of his sons, or relatives or the officers under him. The allegations stared him in the face; he paid no heed to them. He cannot now plead ignorance of facts.

"In view of his inaction in the face of the circumstances hereinbefore alluded to, he must be held to have connived at the doings of his sons and relatives, his colleagues and Government officers. This is the true position, as the Commission apprehends it. It will be for the authorities to consider and decide what consequences follow from such connivance."

Mr. P. S. Kairon Resigns:

On June 15, the Governor of Punjab, Hafiz Mohammed Ibrahim, accepted the resignation of Mr. Pratap Singh Kairon from the Chief Ministership.

Mr. Kairon told a news conference before that after resigning he felt as if a "load is off my shoulders."

Replying to a question whether he wanted to become PCC chief, he replied: "It depends on the people. If they and the PCC President, Mr. Bhagwat Dayal Sharma, want me to head the State Congress, I will do so."

He said that he would now devote himself to organizational work in the State. "I wish to serve the State and through it the country."

He asserted that he would prove himself useful in any job. He would keep on doing his work. "I will try to find something new to do." He would also continue to pay attention to the task of doubling food production. "You will see how well I engage myself in that job."

He was anxious that those who had been in politics during the British regime should secure training in agriculture, industry and poultry farming. They should tour the countryside and tell the people how to do their work better. He was of the opinion that these people would prove useful in increasing production on farms and in factories.

He would also concentrate on a mass literacy campaign.

To a suggestion by a correspondent that he (Mr. Kairon) could have waited for the reaction of the Congress High Command to the two letters of his resignation before submitting the resignation of his Ministry to the Governor, Mr. Kairon said that he did not want to say anything in this matter.

He also declined to give reasons for tendering the resignation of his Ministry to the Governor.

Besides the Chief Minister, the Punjab Ministry consisted of seven Ministers. They were: Dr. Gopichand Bhargava, Mr. Mohan Lal, Mr. Darbara Singh, Mr. Gurbanta Singh, Mr. Ram Saran Chand Mittal, Mr. Ranbir Singh and Mr. Ajmer Singh. In addition, there was the Chief Parliamentary Secretary, Mr. Gulab Singh.

The Ministry was formed in February 1962 with 31 members. Its strength was reduced to nine after the declaration of Emergency.

Mr. Kairon had been in office since January 1, 1956.

Dr. Gopichand Bhargava Forms "Interim" Government:

On June 21, the Punjab Governor, Hafiz Mohammed Ibrahim invited Dr. Gopichand Bhargava to form an *interim* Government.

Besides Dr. Bhargava, who was sworn in as the "caretaker" Chief Minister at a quiet function at Raj Bhavan, Mr.

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Mohan Lal, Mr. Gurbanta Singh, Mr. Ram Saran Chand Mittal and Mr. Ajmer Singh took oath of office.

The other two members of the Kairon Ministry—Mr. Darbara Singh and Mr. Ranbir Singh—were sworn-in later.

The Chief Parliamentary Secretary, Mr. Gulab Singh was sworn-in on June 22.

Mr. Gurnam Singh, Opposition leader in the Punjab Assembly, said: "Mr. Kairon's exit is the triumph of the people. I wish Mr. Kairon had taken this step much earlier in the interest of healthy, democratic traditions."

In an interview, Mr. Kairon said: "I have taken this step after consulting Prime Minister Lal Bahadur Shastri and Congress President Kamaraj.

"My love for the people of Punjab is ever-abiding in my heart and I will continue to serve them. I wish to see Punjab great and India great."

Dr. Bhargava, the new "caretaker" Chief Minister, will continue till the Congress Legislature Party elects a new leader and forms a regular Ministry.

Mr. Mohan Lal Resigns:

The Punjab Home Minister, Mr. Mohan Lal, who was sworn-in as a member of the "caretaker" Government headed by Dr. Gopichand Bhargava on June 21, tendered his resignation later the same day.

He sent his resignation to the Governor, Hafiz Mohammad Ibrahim, through Dr. Bhargava. The Governor accepted the resignation.

Mr. Mohan Lal's resignation came in the wake of the release of the Das Commission's report which implicated him in the case in which Mr. Gurinder Singh Kairon was given Government support in getting the town planning scheme rescinded to enable him to start a cold store and a cinema at Amritsar.

It was learnt in New Delhi that Mr. Mohan Lal was being relieved of his Cabinet post.

Prajatantra Party Dissolved:

The Prajatantra Party, consisting of dissident Punjab Congressmen, was dissolved on June 21 at a meeting held under the presidentship of Mr. Gian Singh Rarewala.

A resolution adopted at the meeting stressed the need for ensuring a clean and efficient administration in Punjab.

It said: "We are gratified that the Congress High Command has taken prompt action on the basis of the findings of the Das Commission and accepted the resignation of Mr. Kairon and his Government. We regret, however, that he has been allowed to function as the head of the 'caretaker' Government. We wish also to emphasize that a large number of members of the State Congress Legislature Party cannot be relied upon to elect a suitable leader." It was, therefore, essential that the High Command should help them elect a leader who would be equal to the task.

The resolution demanded that the report of the Das Commission should be immediately published and proper and prompt action taken on the basis of its findings. Those who signed the resolution were Mr. Ram Chandra, Mr. Hardwari Lal, Mr. K. L. Sharma, Mr. Gurdial Singh Dhillon, Mr. Darshan Singh, Mr. D. D. Khanna, Mr. Dev Raj Anand, Mr. Tirlochan Singh Ryasti, Mr. Ram Piara, Mr. Moolchand Jain and Sardar Gian Singh Rarewala.

(*The Times of India, The Statesman* and *The Hindustan Times*, New Delhi)

[Prev. ref. 5528:INI:P]

B. CPI National Council On Mr. Nehru's Death And After: The National Council of the Communist Party of India (CPI) began a 10-day session in New Delhi on June 7.

In a resolution adopted on June 7, it described the late Prime Minister, Mr. Nehru as "the most beloved leader of the Indian people", whose death "has left a void in the life of the nation that no other person can fill for a long time".

The resolution also described Mr. Nehru as "the greatest citizen of the modern world" and said that "with his faith in the unity of the Afro-Asian peoples, in peace and anti-colonialism, friendship with socialist countries and international co-operation based on equality of nations, he made outstanding contributions to the world development in the last two decades".

It added: "The National Council of the Communist Party of India expresses its deep sense of sorrow at the death of Pandit Jawaharlal Nehru, the most beloved leader of the Indian people. His death has left a void in the life of the nation that no other person can fill for a long time.

"His death has also been mourned internationally, by all Governments and peoples, for Mr. Nehru was one of the greatest citizens of the modern world.

"With his faith in the unity of the Afro-Asian peoples, in peace and anti-colonialism, friendship with socialist countries and international co-operation based on equality of nations, he made outstanding contributions to world developments in the last two decades.

"He was one of the main architects of the policy of non-alignment which has played a great and positive role, not only in strengthening our country's freedom but also in the preservation of world peace and reduction of international tensions."

Resolutions:

In a resolution adopted on June 17, the CPI National Council welcomed the Prime Minister, Mr. Lal Bahadur Shastri's policy statement and said that the Party, as during the time of Mr. Nehru, would support "all progressive and democratic policies and measures".

But the Party would oppose all policies and measures which sought to reverse the policy of non-alignment and peace or which were "anti-democratic and harmed the people's interests".

It viewed with concern the "difficult situation" that faced the country after Mr. Nehru's death and said that the tragedy had been a signal "for reactionary elements within the country and diehard imperialist circles abroad to make renewed efforts to infiltrate their nominees into vantage posts in the new Government with the object of subverting the basic policies of Mr. Nehru."

It welcomed Mr. Shastri's statement that he would adhere to Mr. Nehru's policies and ideals, "thereby foiling the immediate hopes of the reactionary circles".

At the same time, it expressed concern that "such a well-known advocate of Rightist policies as Mr. S. K. Patil" had been included in the Cabinet.

It called for "drastic practical steps" to break the power of profiteers and monopolists by taking over the food trade, enforcing "severe penal measures against the anti-social robbers of the people's food" and nationalization of banks.

In another resolution on food, the Council called for State trading, asking the Government to enter the market at harvest time.

A separate resolution on the food situation in West Bengal asked the Centre to give an adequate quantity of rice to that State.

A fourth resolution demanded the release of Communist detenus.

The Council also discussed the Party programme prepared by the Leftist group and rejected it outright. But a Party spokesman said that the Council found several good points in the programme note submitted by Mr. E. M. S. Namboodiripad.

The Council advised the Leftists to dissolve their separate committees formed in certain States and pave the way for party unity. The spokesman said that the Party would like the Leftists to participate in the Party congress to be held in Bombay in the second week of November, provided they agreed with the decisions taken by the National Council.

In two resolutions released on June 18, the CPI indicated its attitude to the Congress and the Samyukta Samajwadi Party (SSP).

Without naming them, the Council rejected the plea of Mr. Asoka Mehta and his followers that democratic and Socialist-minded people should join the Congress to fight the "Right-reactionaries" inside the party.

It said that after Mr. Nehru's death "strong reactionary forces" entrenched in the Congress, "in league with their counterparts outside", had been trying to shift the Government's policies further to the Right. They had also been trying to weaken "the positive aspects" of the Government's policies.

Though as a political party the Congress declared at its Bhuvaneswar session its faith in Socialism, it was to be judged "not by its declarations, but by its performance and practice". In practice, the Congress had not carried out even the "essential pre-requisites" for weakening reaction and strengthening democracy. The "prerequisites" were nationalization of banking, breaking the power of "big money" and taking over the wholesale trade in food.

It warned "Socialist-minded" people against the "illusion" that the Congress could become a platform for the unity of democratic and Socialist forces.

In its second resolution the Council offered to co-operate with the Samyukta Samajwadi Party "for the adoption and implementation of progressive policies, and particularly in the sphere of mass struggles of the workers, peasantry, the intelligentsia and students". It hoped that the SSP would reciprocate the gesture.

But it warned that "democratic unity and, far more, Socialist unity, cannot lie through a policy of anti-Communism." Anti-Communism was the ideological spearhead of reaction against all progressive and democratic forces and movements.

In both its resolutions the Council drew pointed attention to the situation created after Mr. Nehru's death. There was now "no person of his national and international stature" in the ruling party who could hold the country and the people together as he had done.

(*The Statesman* and *The Hindustan Times*, New Delhi)

[Prev. ref. 5879:INI:A]

C. Canadian Loan: The Canadian Trade Minister, Mr. Mitchell Sharp, announced in Ottawa on June 12 that a new loan of $900,000 would be granted to India in addition to a $1,000,000 export credits loan made in December, 1963.

This loan, he said, followed revision of India's needs for the construction of a new plant at Loharga, in Bihar State, with

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Canadian equipment, of an Indian aluminium company affiliated with Aluminium Limited.

(*The Times of India*, Bombay)

[Prev. ref. 5593:INI:C, 5834:INI:I]

D. US Loan For Methanol Plant —Agreement Signed: India and USA signed in New Delhi on June 19 an Agreement providing for an American loan of Rs. 3.7 crores ($7.3 million) to build a methanol plant at Trombay.

The project will make India self-sufficient in methanol, a key chemical in the manufacture of plastics, drugs, resins, synthetic fibres and dyestuffs.

The methanol plant, India's first, will be built by the Fertilizer Corporation of India and will begin production in late 1965, utilizing synthetic gases produced at the adjacent fertilizer factory.

Earlier US loans totalling Rs. 27.7 crores will meet both the foreign exchange and the rupee costs of the fertilizer plant itself, which will produce annually 420,000 tons of chemical fertilizers—enough to raise the food output by 100,000 tons—making it India's largest producer.

A portion of the loan given under the latest Agreement will be used to install ancillary facilities, including a sulphuric acid plant and an argon gas recovery plant.

Mr. P. Govindan Nair, Additional Secretary, Ministry of Finance, and Mr. Joseph M. Greene, Jr. US Charge d'Affaires, signed the Agreement.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5833:INI:F]

E. Trade Agreement With Poland: A Trade Agreement was signed in Warsaw on June 18 between India and Poland following negotiations between an Indian trade delegation and the Polish Government.

As a result, the volume of trade between the two countries will be about Rs. 38 crores by 1966. Besides traditional items, India will export engineering goods, cotton textiles and other manufactures.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5607:INI:D]

F. Supply Of Field Tractor Components—Contract With Yugoslav Firm: Motor and Tractor Industries—the biggest Yugoslav tractor firm—signed in Belgrade on June 16 a contract with Tractors and Farm Equipment Ltd., Madras, for the export of field tractor components worth about Rs. 2 crores during the current year.

The new contract is more than double the contract signed the previous year.

At present, the Indian firm manufactures 60 per cent of the components required for field tractors and imports the rest from Yugoslavia.

Mr. Radic Stanojevic, Managing Director of the Yugoslav firm, which produces annually 9,500 field tractors per annum in addition to 150,000 motor engines of various horsepowers, said after the signing of the contract: "The contract is a symbol of new industrial collaboration between India and Yugoslavia".

(*The Hindu*, Madras)

[Prev. ref. 5715:INI:F]

G. Balance Of Payments Position During 1963: India's balance of payments position improved substantially during 1963 as a combined result of an improvement in "invisibles" and the narrowing of trade deficit.

As against a fall of Rs. 73.2 crores in 1962, the foreign exchange reserves rose by Rs. 45.6 crores in 1963.

The improvement took place in spite of a worsening of Rs. 39.6 crores under "errors and omissions" and an increase in imports on Government account by Rs. 117 crores.

Trade deficit narrowed down by Rs. 21.7 crores to Rs. 395 crores. The factors that favoured the narrowing down of the trade gap were: (1) increase in export earnings by Rs. 102.2 crores; and (2) decline in imports on private account by Rs. 36.6 crores.

The improvement in "invisibles" came as a result of receipts under transportation, insurance, miscellaneous, private donations and banking capital. The factor which affected invisibles was the larger outflow under investment income, presumably because of servicing of foreign loans.

There has also been an increase in receipts to the Government not shown elsewhere which include US Embassy expenditure in India from the rupee proceeds of sales of US surplus agricultural commodities.

The current account deficit in 1963 stood at Rs. 295.2 crores, which was less by Rs. 66.2 crores compared to the preceding year. Receipts from official donations were Rs. 78.4 crores, against Rs. 70.3 crores in the preceding year.

As against a net outflow of Rs. 15 crores for other invisibles in 1962, there was a net inflow of Rs. 21.4 crores in 1963.

Imports on private account were worth Rs. 600.7 crores and on Government account Rs. 568.2 crores. In the preceding year, they were Rs. 637.2 crores and Rs. 451.2 crores respectively. Export earnings were Rs. 773.9 crores in 1963, against Rs. 671.7 crores in the preceding year. This resulted in an adverse trade balance of Rs. 395 crores in 1963, against Rs. 416.7 crores in the preceding year.

In regard to capital account, the position with regard to private long-term capital deteriorated further. The net outflow in short-term capital was Rs. 8.6 crores, against Rs. 1.2 crores in the preceding year. In short-term capital, there was a net outflow of Rs. 1.1 crores, against a net inflow of Rs. 3.1 crores in 1962.

In banking capital, there was a net inflow of Rs. 2.9 crores in 1963, against a net outflow of Rs. 4.3 crores in the preceding year. The fall in the UK Bank Rate had presumably caused an upswing in the inflow of banking funds. The inflow was highest in the January-March, 1963 period, when the net inflow was Rs. 17.2 crores.

Utilization of foreign loans improved during the year. The net inflow of official loans was Rs. 421.4 crores during the year as against Rs. 342.3 crores in the preceding year.

India's Balance Of Payments:

	1962	1963
(A) Current Account		
Imports c.i.f.		
(a) Private	637.2	600.7
(b) Government	451.2	568.2
Total imports (a + b)	1088.4	1168.9
Exports, f.o.b.	671.7	773.9
Trade balance	—416.7	—395.0
Official donations	+ 70.3	+ 78.4
Other invisibles (Net)	— 15.0	+ 21.4
Current Account (Net)	—361.4	—295.2
(B) Errors and Omissions	+ 8.8	— 39.6
(C) Capital Account		
Private capital (Net)		
(a) Long-term	— 1.2	— 8.6
(b) Short-term	+ 3.1	— 1.1
Banking capital (Net)	— 4.3	+ 2.9
Official capital		
(a) Loans	+342.3	+421.4
(b) Amortization	— 48.8	— 54.3
(c) Miscellaneous (Net)	— 6.7	+ 20.8
(D) Movement in Reserves (A + B + C)	— 73.2 (increase —)	+ 45.6 (increase +, Decrease —)

(*The Financial Express*, Bombay)

[Prev. ref. 3858:INI:D]

H. Dearness Allowance For Defence Services Revised: According to an official Press release in New Delhi on June 18, the rates of dearness allowance for Defence Services personnel have been revised. Those below officer rank will get dearness allowance at two-thirds of the rates applicable to corresponding civilians.

Junior Commissioned Officers and those holding honorary ranks as commissioned officers, as well as commissioned officers whose pay is less than Rs. 600 a month will get dearness allowance at the full rates applicable to civilian Government employees.

The revised rates are effective from February 1, 1964.

(*The Statesman*, New Delhi)

[Prev. ref. 5126:INI:B]

I. Tourism During 1963: India earned Rs. 20 crores worth of foreign exchange through tourism in 1963 as compared to Rs. 19 crores in 1962.

In 1963, 1,40,841 foreign tourists visited India, of whom 29.9 per cent came from Western Europe, 29.2 per cent from North America, 19.2 per cent from East Africa, 10.3 per cent from Africa, 3.5 per cent from Eastern Europe, 3.3 per cent from West Asia and 1.1 per cent from South America and the rest from other parts of the world.

Tourists who came by air and entered Bombay numbered 47,730. Those who came to Delhi direct numbered 37,625, those who came via Calcutta were 24,369, via Madras 11,415, via Dhanushkodi 7,234 and via other ports 12,448.

Out of the total number of 1,40,841 tourists, 25,000 came to Rajasthan. About 75 per cent came by road, 24 per cent by air and one per cent by rail.

For the first time in the history of tourism in Rajasthan, Mount Abu was visited by a select 29 American tourists taken by a leading travel agency of USA—Ferguson Travel Agents—who visited the Dhilwara Temple and the Ranakpur Jain temple.

For the last 10 years, Ferguson Travel Agents are bringing tourists to India and showing them Jaipur and Udaipur.

During 1963, the Indian Government invited about a dozen tour operators and travel agents from USA, Japan and Australia. These groups have decided to include Jaipur and Udaipur as "musts" in their programme in future. Tourist traffic to Rajasthan during the first four months of this year showed considerable increase, compared to the first four months of 1963.

According to a spokesman of the State Tourist Department, Rajasthan is a tourist paradise. There is, however, difficulty to reach places like Bikaner and Jaisalmer, and these places should, therefore, be linked by air.

(*The Financial Express*, Bombay)

[Prev. ref. 4854:INI:H]

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J. Population Estimates: According to estimates released in New Delhi on June 21, India's population has doubled in the past 63 years.

The first census held in 1901 recorded a total of 23.83 crores persons in the territories now comprising the Indian Union. Since then, India's population has been rising at varying rates—except during the decade 1911-21, when it fell by 0.31 per cent—and the present population is estimated at more than 47 crores, double the 1901 figure.

The growth rate of India's population was 5.75 per cent during the decade 1901-11, 11 per cent during 1921-31, 14.22 per cent during 1931-41, and 13.31 per cent during 1941-51. The population increased from 36.10 crores in 1951 to 43.92 crores in 1961, recording a 21.51 per cent growth rate.

Among the States, Assam has always shown the highest rate of growth. Even in the decade 1911-21 when most of the States showed a fall in population, Assam's population rose by 19 per cent. During the decade 1951-61, Assam's population rose by 31.45 per cent, followed by West Bengal, Gujerat, Rajasthan and Punjab, where the population increased by 32.80, 26.88, 26.20 and 25.86 per cent, respectively.

The working group set up by the population expert committee has finalized population projections up to 1981. It has indicated that the present growth rate will continue showing an upward trend during 1961-66 and the country's population will rise to 49.47 crores in 1966. Thereafter, the growth rate is expected to decline, and the country's population is expected to rise to 55.96 crores in 1971, 63 crores in 1976, and 69.49 crores in 1981.

(*The Statesman*, New Delhi)

[Prev. ref. 4816:INI:H]

K. "Nanda Devi" Climbed: Nwang Gombu and Sherpa Da Norbu of the eight-member expedition to *Nanda Devi* reached the 25,645-foot summit on June 20.

Nwang Gombu had reached the Everest summit in an attempt by a US expedition in 1963.

The message from Captain N. Kumar, leader of the expedition, said another member of the summit party, C. P. Vohra, stopped 700 feet short of the summit as he was not feeling well.

The expedition, sponsored by the Indian Mountaineering Foundation, had left New Delhi on May 7.

(*The Statesman*, New Delhi)

IRAN

A. Industrial Development Plan For Azerbaijan: A despatch from Tehran on June 12 said that Dr. Ali Naqi Alikhani, Minister of Economy who had recently visited Azarbaijan, had announced plans for large-scale industrial expansion in the Province, with the Industrial and Mining Development Bank of Iran allocating special credit facilities for the purpose.

The impressive results already attained in metal work by Azerbaijanis using primitive tools are to be developed with the aid of the Ministry of Economy.

A 200 to 300-ton cement plant is to be established at Azarshahr and at Mohabad. The construction of a dam is expected to contribute to the area's industrial and agricultural activity. A wool-processing and cleaning plant will be established with financial help from the Industrial and Mining Development Bank and another project is the installation of a semi-automatic plant for the production of blankets and locally produced wool.

(*Middle East Economic Digest*, London)

[Prev. ref. 5863:IRN:A]

B. Second Phase Of Land Reform Programme: It was stated on June 9 that Iran would begin the second phase of its land reform programme in November.

The Prime Minister, Mr. H. A. Mansour sent a Bill to Parliament on May 19 that sets new, and considerably lower, limits on land holdings.

In its initial stage, launched in January, 1962, Iran's land distribution programme limited each landlord to one village, irrespective of size, and required everything else to be turned over to the Government for resale to the peasants. About 20 per cent of the country's estimated 48,600 villages were affected, the great estates were broken up and large-scale landlordism came to an end.

The new Bill seeks to carry the programme a stage further by breaking up the medium-sized estates. It sets new limits of 30 to 120 hectares for a landlord. Farm productivity is the criteria for application of limits.

The lowest figure has been set for the fertile rice fields of Gilan and Mazanderan. The highest is for the arid provinces of Sistan and Baluchistan. Limitations for Tehran and the surrounding area stand at 50 hectares; for other than rice fields in Mazanderan and Gilan at 60 hectares; and for all other areas at 80 hectares. (A hectare is about 2.5 acres).

Landlords are allowed three choices for disposing of their excess land. They can either sell to their peasants at a mutually agreed price. They can lease the land to them for a 30-year period, with terms of the lease reviewable every five years. They may, as a final choice, divide up the land between themselves and their peasants according to the crop-sharing ratio prevalent in the region.

The proposed law nevertheless includes a number of provisions to help landlords through the difficult transitional period. The law allows up to 500 hectares of mechanized farmland to each landlord. It further specifies that a landlord can hold an unspecified area of mechanized farmland above that limitation, provided the holding is virgin land brought under cultivation by the landlord's personal capital and effort.

A mechanized farm is defined as land where all work is done by hired labour (as against share-croppers) and where at least ploughing is done by machinery. To encourage mechanized farming further, priority in development of virgin lands will be given to former landlords, who have lost their land through the distribution. The Government will assist such efforts by easy credit and technical assistance.

In addition, the Government has undertaken to provide one-third of the price of any land sold to a peasant in cash to the landlord. The peasant will repay the Government in 14 annual instalments.

The pace of payments to landlords has been increased in other ways. Under the initial phase of land reform, the Government paid landlords in instalments over a 15-year period. It will now make a cash payment of £2,320 for any land worth more than that amount. For land valued at less than this, 95 per cent of the price will be paid in cash. In each case the remainder will be paid in 14 annual instalments.

The proposed law envisages broad authority for the Land Reform Organization which will supervise all transactions. It is authorized to mediate in disagreements between landlords and peasants over prices and terms of lease. Where either party fails to comply with the regulations, it is empowered to enforce the laws as agent for the non-complying party.

Because of the flexibility of the law, it is not yet known how great an area of land, or how many peasants, will be affected. Around 300,000 peasant families received land under the first distribution. The country has probably around three million peasant families, and it is certain that a great many will receive land under this phase.

The important question is whether the programme, so vastly extended, can be effectively financed and administered. Credit requirements for the newly-landed peasants are high, for the Government must step into the landlord's shoes in providing seed, fertilizer and ready cash. Availability of credit has so far not been commensurate with need.

The number of co-operatives will also have to multiply rapidly, and although the men to run them are being trained, they are not yet available in sufficient numbers. There were 3,089 co-operatives for the first 8,042 villages distributed (an average of 2.5 villages per co-operative). But less than half of these were reported as effectively operational.

Nevertheless, there are at least two reasons that argue in favour of pushing forward, however cautiously, with land distribution. Peasants were promised that the programme would be extended, and their patience is not inexhaustible. The landlords, knowing further distribution was forthcoming, were not eager to continue investing in their land. These were strong reasons for ending the period of suspense.

(*The Times*, London)

[Prev. ref. 5058:IRN:A, 5085:IRN:A]

IRAQ

A. Development Allocations For 1964-65: It was stated on June 12 that the Economic Planning Board had approved allocations to the value of ID105,700,000 for 1964-65.

[A sum of ID8,500,000 has been allocated for defence. ID is equal to Iraqi dinar; is also known as pound].

The original allotments under the detailed Five-Year Plan have been amended as follows:

Sector	Original Allotment	New Allotment
Agriculture	ID24,698,000	ID,19,200,000
Industry	ID43,008,000	ID30,400,000
Transport and Communications	ID27,890,000	ID28,100,000
Buildings and Housing	ID24,009,000	ID19,500,000
Defence	—	ID8,500,000
Total	ID199,605,000	ID105,700,000

(*Middle East Economic Digest*, London)

[Prev. ref. 5815:IRQ:B]

ISRAEL

A. Bank Of Israel's Report For 1963: According to the Bank of Israel's report for 1963 (available on June 5), a high rate of development was maintained in every sector of

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the economy, but during the second half of the year the massive inflow of foreign capital, precipitated by the devaluation of the Israeli pound in 1962, made its effect felt through a big increase in the money supply, causing the re-appearance of inflationary symptoms.

During the year output rose by 10.7 per cent or 5.5 per cent per gainfully occupied person, and incomes rose by an average of 8.2 per cent per person. Consumption rose by 5.4 per cent per head. The means of payment rose by I£353 million, or 28 per cent due largely to the inflow of funds from abroad, and the foreign trade deficit declined by 11 per cent from $455 million in 1962 to $407 million in 1963. Exports rose by 20 per cent to $605 million and imports were reduced in the first half of the year, but then began to rise sharply. Although the Government repaid some $50 million of foreign debts in advance of maturity, the foreign currency reserve increased by $72 million, reaching $634 million on March 31, 1964.

Overall investment increased during the year by only one per cent due to a 20 per cent decline in Government housing, 11 per cent in agriculture and smaller amounts in mines, quarries and electricity. On the other hand, investment in industry rose by 9 per cent and the capital stock of the country by 10 per cent. As a result of devaluation, the purchase of locally manufactured equipment rose by 25 per cent.

Mr. David Horowitz, Governor of the Bank of Israel, said in Jerusalem on June 4 that the maintenance of present monetary and credit restrictions and resistance to the wages push were necessary if Israel's trade balance was to be improved.

(*Middle East Economic Digest*, London)

[Prev. ref. 5347:ISR:C]

JAPAN

A. Mr. A. Mikoyan's Visit: The first Deputy Prime Minister of USSR, Mr. Anastas Mikoyan, visited Japan from May 14 to 27 at the head of a Supreme Soviet delegation.

He was the first Soviet leader to be granted an audience by the Japanese Emperor. Unlike his visit three years ago amidst basic distrust between the two countries, this time he met political and economic leaders, including conservative elements whose interests are deeply identified with those of USA.

Besides members of the ruling Liberal Democratic Party, he met top economic leaders who, for the first time, committed themselves to full economic relations with Russia. In the political field no tangible agreement was reached. Such issues as the northern islands, the proposed joint declaration calling for the immediate suspension of underground nuclear tests and talks for Far Eastern security stood now where they did before.

However, there was an indication that the return of the Habomai Island group and Shikotan Island off Hokkaido may be referred to further discussions when a Socialist Party mission visits Moscow in the near future.

Mr. Mikoyan said, on concluding his mission, that he was happy to meet representatives from many strata and see many places, including the growing industrial facilities which he could not see during his last trip three years ago.

Mr. Mikoyan's economic achievements may be summed up as follows:

(1) He foresaw a $1,000-million trade in 1970 compared to $270 million for 1964.

(2) Possible supply of Japanese economic potential for development projects of the Soviet Union envisaged in three plans, namely, Gosplan (1959-1965), Far Eastern development programme (1966-1970) and a seven-year chemical industry plan (1964-1970).

Especially, Japanese participation in the Siberian development now appears likely in the following projects: establishment of paper and pulp plants, fertilizer plants and the Irkutsk-Nakhodka pipeline.

Full participation by the ex-Zaibatsu business concerns in Soviet economic development occurred for the first time. These firms, which control the bulk of Japanese business, have so far remained reluctant to deal with communist countries because of consideration towards USA. The apparent thaw between USA and the Soviet Union has evidently encouraged the deeply pro-American business leadership to start unrestricted activities in what they consider to be the virgin soil of Siberia.

Economic And Trade Relations:

Earlier, in the first week of May, in an interview with the Kyodo News Agency director, Mr. Mikoyan emphasized the possibility of Japan taking a hand in the development of eastern Siberia and opening a direct air service with Europe.

Speaking about the need to develop trade between the two countries—which, he said, "we cannot consider sufficient"—he attached importance to the development of coastal trade between the Soviet maritime provinces and Japanese firms, "Of particular significance is the question of using Japanese technology and resources for industrial development in Siberia and the Far East."

He indicated a possible hitch by linking the prospect of fresh markets to the whole question of possible long-term credits. He said that industries serving Japan could be built on the Soviet mainland "if Japanese companies agree to provide us with technical equipment and other materials on conditions of deferred payment".

Oil is one of the products the Russians are most interested in supplying to Japan. The present obstacle of the long supply route through the Black Sea and Suez will be overcome largely with the completion of the trans-Siberian pipeline from Angarsk to the new Pacific port of Nakhodka.

Mr. Mikoyan told the Japanese that the establishment of a direct air link between Moscow and Japan would provide European businessmen with the shortest and most convenient service to the Far East. "Our Government", he said, "is ready to direct its efforts to a most speedy solution of this question on a mutually acceptable basis."

The Chinese are known to be interested in extending services from China to Japan and to South Asia and this may be one reason for the Russian interest.

Answering a question on the territorial dispute over the islands of Habomai and Shikotan, he said that the Soviet Government did not intend to force the issue if the Japanese Government did not think the time ripe for the conclusion of a Peace Treaty. In 1960, after the Japanese had signed a security treaty with USA, the Soviet Union declared that it would not return the islands until all foreign troops had been withdrawn from Japan.

Peace Treaty Proposed:

Mr. Mikoyan brought to the Prime Minister, Mr. Hayato Ikeda, a letter from the Soviet Premier, Mr. N. Khruschev which, among other things, proposed immediate signing of a Peace Treaty between the two countries.

The two countries are yet to sign a Peace Treaty to bring to a formal end their Second World War state of hostility.

When Mr. Mikoyan met Mr. Ikeda on May 15 he was firmly told that the territorial dispute between the two countries over the Kurile Islands must be settled before any Peace Treaty could be signed. (The southern Kurile Islands were taken over by Russia from Japan in the last days of the Pacific War. Japan claims she is the rightful owner of the Islands.)

Mr. Ikeda said he agreed in principle with Mr. Khruschev that a Peace Treaty was essential for normalization and development of relations between the two countries.

Mr. Ikeda said he agreed to principle with Mr. Khruschev's other proposals also for issuing a joint declaration urging world Powers to refrain from underground nuclear tests.

About an air link between Tokyo and Moscow, Mr. Mikoyan said Soviet experts would arrive in Tokyo very soon—after his departure—to discuss the matter with the Japanese experts.

Observers believed this showed a change in the Soviet stand on this issue. They had been reluctant to finalise the air link agreement—which was accepted in principle last year—for it involved flying over the closed strategic territory of Siberia.

According to official sources, Mr. Mikoyan during the talks suggested that development of trade between the two countries should be speeded up.

The sources said Mr. Ikeda said he wanted further talks with Mr. Mikoyan, and these would take place at the Soviet Embassy in Tokyo on May 26.

The Foreign Minister, Mr. Masayoshi Ohira, told the Diet (Parliament) on May 15 that the Japanese Government hoped to promote cultural and economic exchange with the Soviet Union for peace and security in the Far East.

(*The Japan Times*, Tokyo, *The New York Times* and *The Times of India*, Bombay)

[Prev. ref. 5032:JAP:B, 5149:JAP:A]

B. Plan For Asian Development Bank: The Ministry for International Trade and Industry has drafted a plan for the establishment of an Asian Development Bank.

The draft plan envisages extending of loans to projects which should be of value to the economic and industrial progress of the Asian region. This includes industrial, transportation, communications and riparian development projects.

The Government has approved in principle the establishment of the Bank, which is in line with its policy at the UN Conference on Trade and Development in Geneva.

The proposed Bank will also finance technical aid for mapping out development plans, and loans for emergency import of goods that may be needed for stabilization of the people's livelihood.

The membership of the projected Bank would also be open to countries not belonging to the UN Economic Commission for Asia and the Far East (ECAFE).

The Bank's capital would be increased to $1,000 million in five years after its inauguration.

The Foreign Minister, Mr. Masayoshi Ohira, told a conference of Japanese diplomats in Tokyo on June 2 that Japan hoped to set up a frame-work for an economic aid programme to the Pacific Asian area.

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A spokesman for the conference said Mr. Ohira explained the Government's desire to participate in the economic development of South-East Asia.

He said at present South-East Asian countries had only a limited number of exports which were of interest to Japan. But as Japan's agricultural scene was now undergoing a change, her imports of South-East Asian primary products were expected to increase.

(*The Japan Times*, Tokyo and *The New York Times*)

[Prev. ref. 5223:JAP:B]

C. **Chinese Trade Liaison Mission:** The Government has agreed to the functioning of five Communist Chinese officials in Tokyo as a trade liaison mission without any guarantee from China that these officials would not engage in political activities.

Originally, the Government had asked for such a guarantee but as Peking was not willing, Japan agreed to the opening of the trade liaison office with a guarantee of good conduct from the Japan-China Trade Council, a private Japanese institution.

Observers pointed out that any such guarantee by a private Japanese institution to the Japanese Government could not be held binding on the Chinese liaison officials. In other words, they would be in a position to function in Tokyo as other foreign diplomats, even though Japan has not recognized China and has no diplomatic relations with it.

(*The Statesman*, Calcutta)

[Prev. ref. 5515:CHI:K]

JORDAN

A. **Palestine National Conference:** Inaugurating the Palestine National Conference in Jerusalem (Jordan sector) on May 29, King Hussein said: "The eyes of millions of people are on you today as you plan your first steps along the road of a new and valiant struggle. The hearts of millions of the sons of your nations are with you, filled with love for you and determined to take unified action to recover the usurped homeland."

He said that there could be no life, freedom, union, or prestige for the Arabs except with Palestine. He would be honoured to give his "life and his blood so Palestine might return as it was—Arab, free, and dignified".

The Conference was attended by Mr. Hussein Ben Nasser, the Jordanian Prime Minister, the Ministers, the Arab League Secretary-General, Mr. Abdul Khalek Hassouna, Mr. Ahmed el Shukairy, the Representative of Palestine at the Arab League and Chairman of the Conference representatives of the Arab Kings and Presidents. In all, there were 242 representatives from Jordan and 146 from Syria, Lebanon, the Gaza Strip, Qatar, Kuwait and Iraq.

Mr. Abdul Khalek Hassouna followed King Hussein in addressing the Conference.

He described the meeting as an historical milestone in the Arab struggle for the liberation of Arab Palestine, for it was a meeting of the chosen representatives of the Arab people of Palestine seeking the best means for the organization of their people and making their voice heard in the national and international spheres. As such, it foiled Zionism's attempts to obliterate the Palestinian identity after having occupied Palestine and driven out its Arab people from their sacred soil and homes.

Mr. Shukairy explained the purpose of the Conference. He said the Conference was to create a "Palestine entity," which would organize the Palestine people, politically, militarily and economically.

He appealed to Arab countries to assist Jordan militarily and economically. "Any such assistance will be a big contribution towards restoring Palestine, because Jordan is a base for Palestine liberation."

The delegates repeated the following oath after Mr. Ahmed el Shukairy:

"Palestine is our homeland. Our return to it is our aim. Struggle is our way. Knowledge is our guide. Faith is our weapon. Sacrifice is our duty. Work is our Constitution. Discipline is our motto. Unity is our guide. Death does not frighten us. Palestine is ours... ours... ours. Palestine, we never forget you. Nor shall we accept any homeland but you. We pledge ourselves before God and history that we shall sacrifice our lives for the sake of the restoration of Palestine.

"Long live Palestine, and long live we ourselves, to take vengeance."

The delegates later in the day visited the front lines.

Recommendations:

The National Organization Committee of the Conference recommended on May 31 the immediate formation of a commandos organization and asked the United Arab Command to contact the Arab armies for the opening of training camps for Palestinians.

At the request of women members of the Conference, the Committee recommended that Palestinian girls be permitted to join the commandos organization.

Mr. Shukairy, Palestine's representative at the Arab League and the Chairman of the Conference, communicated the Conference's resolutions to the Arab countries as well as to the envoys of Arab Heads of State at the Follow-up Committee meeting held in Cairo on June 12.

The Charter and Regulations Committee approved the Charter submitted by Mr. Shukairy with some slight amendments. The Charter comprises 29 Articles defining the relationship between Palestine and the other Arab countries constituting the great Arab homeland, the Palestine entity, Palestinian nationality, the cause of the liberation of Palestine.

At its final meeting on June 2, the Conference recommended the establishment of a Palestine Liberation Organization to be set up by the Palestine people.

In a desire to have the people's formation capable of carrying out its task, the Conference recommended that all sectors of the Palestine people be represented on it and be prepared for the battle of restoration of Palestine by two means, a civilian formation which will consist of a people's professional formation and a military formation.

With regard to the civilian formation, the Conference recommended the establishment of committees and sub-committees in various Arab countries with a view to realizing the goals and the purpose of the establishment of the Palestine Liberation Organization.

To make the Palestinian "mobilization" comprehensive and strong, the Conference recommended that a survey be made of the abilities of the Palestine people and their man-power, and that this man-power be organized and concentrated so that it would play an effective part on a level of equality in the Arab and international fields.

The Conference appealed to all Palestinians who belong to the same profession and who are members of any Arab professional union to form one Palestinian formation which would be a member of such a union. The professional formations will be bound by the decisions taken by the Palestine Liberation Organization.

In the military field, it recommended the immediate setting up of camps for training all Palestinians of all classes, including men and women who were able to bear arms. The object is to have them prepared for the liberation battle "which will only be won in Palestine and with the force of arms".

It furthermore recommended that the number of Palestinians who joined military academies in Arab and friendly countries be increased.

It also recommended that a Palestine National Fund be established.

It recommended that a "Palestine Week" be held in Arab and Islamic countries during which such countries would collect contributions to the Fund. It was suggested that the Week be held as from May 15 of each year. For the current year, however, the Week would be held in accordance with a date to be fixed by the committee.

It also recommended that Arab countries be contacted with a view to levying taxes and dues on certain goods and products for the benefit of the Fund.

It approved of the recommendations made by its Political Committee which stated that the creation of Israel is considered as an imperialistic Zionist aggression contradicting the principles of the UN Charter; and that the creation of Israel by imperialism was aimed at dividing the Arab world, preventing its unification and wasting its energies so that its wealth could be exploited. "Hence the existence of Israel in this part of the Arab nation constitutes a direct menace to the entity of this nation and to world peace."

The recommendations made by the Political Committee stated that the Palestine people had the right to struggle for the liberation of their usurped homeland using all means and supported by Arab countries as well as peace-loving peoples.

The Conference hailed the UAR-Iraq Unity Agreement and regarded it as a step towards the realization of Arab unity and the liberation of Palestine.

It furthermore called for publicising the Palestine cause in all fields, including the home and foreign fields, by various methods; and for directing the Arab economy towards serving Arab interests, especially the Palestine problem.

It urged the Arab countries to adopt a unified economic and political attitude towards certain countries which support Israel, especially the member-States of the European Common Market, and at the same time, to develop economic co-operation among Arab countries and between these countries and the countries which support . goals of the Arab nation.

It also urged Arab countries to tighten the economic boycott imposed on Israel and to put an end to the infiltration of Israel into the developing countries.

It called for strengthening the ties of amity and brotherhood among the Arab and Islamic peoples and creating an awareness of the Palestine problem among them so that they would be able to combat the effect of Zionism and Zionist propaganda.

It also called for co-operation with the Afro-Asian countries, friendly and socialist countries and all peace-loving Powers.

Insofar as the Palestinian entity was concerned, the Conference's political recommendations emphasized the importance of having this entity represented in

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all the organizations of the Arab League and in Arab and international spheres.

It denounced the attitude of the imperialistic countries, foremost among which were Britain and USA, towards Arab problems in general and the Palestine problem in particular.

On the other hand, it recorded the honourable attitude of the socialist countries, especially China and USSR, towards such problems.

The Conference hailed the Arab "Summit" Conference and the efforts it made towards the purification of the Arab atmosphere and the support of Arab problems, foremost among which was the Palestine problem. It requested the Arab Unified Military Command to hasten to assume its jurisdiction and to train the Palestinians militarily so that they could be in the vanguard of the Army to liberate usurped Palestine.

Insofar as the diversion of the course of River Jordan was concerned, it recommended that a firm and radical attitude be adopted aimed at combating the Zionist expansionist aggression lying behind Israel's attempt to divert this River's course. It also recommended that the policy of racial discrimination followed by Israel in the occupied part of Palestine be exposed and the fact that such a policy did not accord with the principles of human rights be emphasized.

National Charter Proclaimed:

The Conference at its closing session also proclaimed the Palestine National Charter.

The 29 Articles in the Charter stated that Palestine was an Arab country; the Palestine people had the right of self-determination; Jews of Palestinian origin were to be regarded as Palestinians, provided they were willing to abide peacefully and loyally in Palestine; Palestinians would have three mottoes—national unity, national mobilization, and liberation; the Palestine people believed in Arab unity; the liberation of Palestine was a national mission to be shouldered by the entire Arab nation. Governments and peoples alike; therefore, the Arab nation had to mobilize all its military, material and spiritual energies for the liberation of Palestine and to offer every support and every possible aid to the Arab people of Palestine so that they may play their part in the liberation of their homeland; from the international point of view, the liberation of Palestine was a defensive action according to the UN Charter.

The Balfour Declaration and the Mandate Document were also to be regarded illegal; Zionism was an imperialist movement in origin; the Palestine people believed in peaceful co-existence.

(*The Egyptian Gazette*, Cairo, *The Times*, London and *The Statesman*, Calcutta)

[Prev. ref. 5793:JOR:A, 5840:JOR:A; also see *African Recorder* under UAR]

KOREA (South)

A. Cabinet Changes: The Prime Minister, Mr. Mo Sun Choi announced on May 9 that his Cabinet had resigned en bloc.

The President, Mr. Park Chung Hee, named the Foreign Minister, Mr. Chung Ilk Won, as the new Prime Minister.

Mr. Chung, (47) was Foreign Minister in Mr. Choi's "non-partisan" Cabinet which resigned following pressure by the ruling Democratic Republican Party for a reorganization to include more Democratic Republicans.

On June 6, altogether 14 members of the ruling executive committee of the Democratic Party tendered their resignations en bloc to President Park.

The resignations came in the wake of the removal of Chairman Kim Chongpil of the Party.

Meanwhile, Mr. Kim told a news conference that he had resigned the party chairmanship assuming full responsibilities for all the trouble that had been created up to the moment of the Martial Law proclamation.

He offered an apology to the nation for the trouble he had created. But he emphasized that he would remain as a plain party member.

Anti-Government Demonstrations:

President Park proclaimed Martial Law over the entire Seoul area on June 3 in a drastic move to forestall university students' mounting attack on the Government.

The proclamation followed day-long street demonstrations by 10,000 students, which ended in a near-riot.

Gen. Min Kishik, Army Chief of the Staff, was appointed Martial Law commander.

He issued a decree banning all indoor and outdoor assemblies, imposing Press censorship, closing all educational institutions in Seoul from the university to the primary school level, and extending the curfew—which had been effective from midnight to 4.00 a.m.—from 9.00 p.m. to 4.00 a.m.

The decree said that violators would be arrested and imprisoned without court warrants.

The proclamation was made against the advice of the US Government.

President Park, faced with the severest crisis since he became President six months ago, said that the proclamation of Martial Law was unavoidable in view of the worsening student demonstrations.

The trouble began on March 24 when students staged their first demonstration against what they termed the Korean Government's "humiliating dealings" in attempting to normalize relations with Japan.

However, soon afterwards, the student protest took the expression of discontent with "current economic difficulties" and what was described as "rampant corruption in the Government."

Immediately after the proclamation of Martial Law, paratroopers broke up a sit-down demonstration by 1,500 students in front of the Capital building.

President Park said in a statement that he would allow political activity and the legislative work of the National Assembly to continue under Martial Law.

A spokesman for the Government, Mr. Suk Chan Noh, said Martial Law covered only Seoul.

There were reports of smaller clashes in three other cities—Suwon, south of Seoul and Teajon and Chongju in central Korea.

The US Ambassador, Mr. Samuel Berger, and the UN Commander, Gen. Hamilton H. Howze, summoned by the President for talks, had to fly to his official residence by helicopter because students had blocked the road.

The Opposition Democratic Party called on President Park to resign to pave the way for a new General Election.

Both the student demonstrations aimed at toppling the Government of President Park Chung Hee and the "emergency Martial Law" were in a way two sides of the same coin—an attempt to save the rapidly-deteriorating economic and political situation.

Ironically, neither the Government nor the students were aware of the measures to be taken next. While the Government was solely engaged in suppressing student mobs with military force without giving any indication of the measures to be taken after the violence subsides, the students were equally unprepared even to think of the steps they proposed to take after their success or failure in overthrowing the Government.

(*The Japan Times*, Tokyo and *The Times of India*, Bombay)

[Prev. ref. 5779:KRS:A]

KUWAIT

A. Budget For 1964-65: Introducing the Budget for 1964-65 in the National Assembly on May 26, the Minister of Finance and Industry, Sheikh Jaber Al-Ahmed Al-Jaber Al-Sabah, said that total revenues for the financial year 1964-65 were estimated at KD205,000,000 (Kuwait Dinar = £)—an increase of KD9,000-000 over the previous year's figure of KD196,000,000.

Expenditure in the ordinary Budget was put at KD120,000,000—an increase of KD12,000,000 over the previous year's figure.

Sheikh Al-Sabah said that the Government had adopted economic planning policies "to some extent" in order to increase the country's revenue and to overcome some shortcomings in the private sector.

A comprehensive survey of mineral resources and their exploitation is to be undertaken with a view to increasing State revenue. Oil production accounts for 93.3 per cent of such revenue and the Government is to exert all possible efforts to develop the country's enormous potential as one of the foremost oil producing areas of the world.

He showed concern at the decline in the country's general reserve and at the trade recession which began last Autumn.

Reviewing Kuwait's economy, he said that in 1959 national income was estimated by the World Bank at KD296 million, and in 1962-63 at KD370 million—an average rise of 8 per cent a year. The country's per capita income is one of the highest in the world at KD1,000.

As far as the comparative distribution of national income is concerned, the public sector of the economy has registered a greater increase in consumption than the private sector since 1959. The relevant figures are: 1959—public sector KD62 million, private sector KD101 million; 1962-63—public sector KD93 million, private sector KD107 million. The positions are reversed, however, for national savings, the public sector accounting for 39.8 per cent (KD53 million in 1959 compared with 60.2 per cent (KD80 million) for the private sector, whereas in 1962-63 the figures were 36.5 per cent (KD62 million) and 63.5 per cent (KD108 million) respectively. About 45 per cent of total income is now "saved," but a large part of this money, particularly in the private sector, is deposited in Kuwaitl or foreign banks instead of being used to buy capital assets, such as industrial plant. During the 1962-63 financial year (which runs from April 1), national savings represented KD170 million out of a national income of KD370 million; the private sector used KD73 million for monetary investment and KD35 million in capital expenditure, while the public sector used KD35 million

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for monetary savings and KD27 million in capital expenditure.

In order, therefore, to promote national investment in fixed capital assets such as industrial plant and to develop the country's resources to maximize national income, a certain measure of economic planning is to be introduced. Development projects are to be spread over a long period in order to ensure continuous economic growth and the private sector is to be strengthened by large-scale Government participation in the capital of certain projects. Investment of the State's general reserve is to be stepped up through the medium of first-class stocks and bonds and short and medium-term loans with good interest rates and projects for which thorough studies have been made. Exhaustive surveys of the country's mineral resources and fishing grounds are to be made and surplus natural gas is to be utilized wherever possible for industrial development. The establishment of highly-automated industries requiring few workers is to be encouraged and a special survey is to be made of Arab markets.

Turning to sources of income, oil represents 93.3 per cent of total Government revenue; nevertheless, considering its importance to Kuwait, the Government is endeavouring to obtain better terms for the oil companies and is also campaigning, through the Organization of Petroleum Exporting Countries (OPEC) for the stabilisation of world oil prices.

Kuwait's monetary reserves now amount to about KD162.2 million, apart from current commitments which total KD129.2 million and comprise: KD73 million representing the balance of the capital of the Kuwaiti Fund for Arab Economic Development; KD9,746,000 representing the balance of the capital of Kuwait Airways; KD15,456,000 representing the balance of Kuwait's share in international organizations; KD25 million loan to UAR; KD5 million loan to Jordan; and KD1 million representing the balance of the loan to Beirut municipality. In addition, the Government has already paid out KD95.6 million from the State's general reserve, as follows: KD27 million towards the capital of the Kuwait Fund for Arab Economic Development; KD7.5 million for the capital of the Credit Bank; KD10 million loan to Algeria; KD30 million loan to Iraq; KD6,253,000 towards the capital of Kuwait Airways; KD6,047,000 for Kuwait's share in international organizations; KD3 million loan for the preservation of the Abu Simbel temples; KD4 million loan to Beirut municipality; KD300,000 loan to Dubai and KD1 million to Jordan.

On the recommendation of the World Bank and the Investment Advisory Board the general reserve is to be strengthened and, with this in view, 6.3 per cent of the total estimated revenue of KD205 million in the draft budget for 1964-65 is to be set aside for reserves. It must be remembered that this general reserve is the mainstay of Kuwait's financial position in the world community and that it would provide backing for the Kuwaiti dinar in the event of a break with sterling. A draft law is to be submitted to the National Assembly fixing the annual allocation for the general reserve in future at not less than 10 per cent of State revenue. Government policy as far as investment is concerned is to maintain a high liquidity ratio, to avoid concentrating investments in any one place (at present they are spread over Kuwait, the UK, USA, Switzerland, Germany, Austria, France, Italy, UAR, India, Algeria, Japan, Lebanon and Jordan), to avoid dependence on one form of investment and to reinvest funds in projects which would yield a higher return by direct participation in major projects. No new taxes are envisaged by the Government, the present income-tax law applying exclusively to foreign companies operating in Kuwait of which there were 28 in the fiscal year 1962-63. Eleven of these were oil companies who paid a total of KD118,350,619 in income-tax during 1962-63, the remaining 17 companies contributing KD321,409. The only tax levied on the local economy is a 4 per cent ad valorem duty on imports.

Bank notes and coins in circulation increased by 17 per cent during 1962-63 to KD35 million—an average of KD100 per inhabitant, with gold backing valued at KD18,493,109 (52 per cent). Foreign exchange holdings stood at KD17,815,125 comprising treasury bills worth KD14,582,755, foreign Government bonds worth KD3,033,327 and cash in hand worth KD200,123.

The continuous rise in Government spending, construction projects by the private sector, the increase in population and the rise in incomes have led to an increase in imports from KD30 million in 1954 to KD120 million in 1963. In the same period exports rose from KD2 million to KD11.5 million. Since September, 1963 there has been a decided recession in some sectors of business activity and a committee, headed by the Minister of Finance and Industry, has been set up to establish its cause.

Meanwhile, certain measures to stimulate the economy are to be introduced, including the allocation of KD15 million to enable workers to buy their own houses, KD30 million for the acquisition of land and real estate for development projects and the suspension for six months of licences for new commercial enterprises except to self-employed persons. As the amount of KD45 million needed for these measures amounts to KD20 million more than was estimated in the draft budget for the current year, the deficit will be met from the general reserve.

Finally, Sheikh Al-Sabah said that Kuwait's loans to other Arab States, both from the general reserve and from the KFAED over the past five years amounted to KD120.3 million. Of this sum, KD53,834,609 had been paid out by the end of April, 1964.

(*Middle East Economic Digest*, London)

[Prev. ref. 5382:KWT:A]

LAOS

A. New Military Moves By Pathet Lao: The situation in Laos became critical in the second week of May following new military moves by Pathet Lao forces.

The Pathet Lao forces occupied the Neutralist headquarters in the Plain of Jars. The situation first remained confused with the rival factions making allegations and counter-allegations. Attempts to patch up the coalition Government, headed by the Neutralist leader, Prince Souvanna Phouma, were frustrated by the fighting. Earlier, he had announced a merger of the Rightist and the Neutralist forces in the face of strong opposition by the Pathet Lao leader, Prince Souphanouvong.

On May 20, the last Neutralist position at Xieng Khouang fell to Pathet Lao forces. The Premier said that the Pathet Lao forces had, with North Viet-Namese support, launched a massive offensive.

The worsening situation in the Kingdom set off a series of diplomatic moves in Washington, London, Moscow, New Delhi and Peking.

Britain asked China to use its influence to dissuade the Pathet Lao from continuing the offensive.

Prince Souvanna Phouma on May 16 asked Britain and the Soviet Union as co-Chairmen of the 1962 Laos Conference to do what they could to stop the fighting in Laos.

The US Secretary of State, Mr. Dean Rusk called on the Soviet Ambassador, Mr. Anatoly Dobrynin, and a British Embassy Minister, Mr. Denis Greenhill, on May 17 to discuss the new outbreak of fighting in Laos.

Mr. Rusk appealed to Russia and Britain —co-Chairmen of the Geneva Conference on Laos—to do everything possible to stop the fighting.

Mr. Dobrynin was called to the extraordinary conference after Mr. Rusk had conferred with the British representative earlier. In the course of the afternoon and early evening, Mr. Rusk also conferred with representatives of India, Canada and Poland—the three countries which make up the International Control Commission for Laos.

Mr. Rusk also conferred separately with representatives of other member-nations of the South-East Asia Treaty Organization. Apart from Britain, these Governments are France, Australia, New Zealand, Pakistan, Thailand and the Philippines.

Polish Decision:

The Polish news agency announced on May 20 that the Polish Foreign Minister had informed the Ambassadors of Britain, USSR, India and Canada in Warsaw that the Polish representative on the International Truce Supervisory Commission had been recalled for discussions on "the possibilities of future activities by the Commission itself and Poland's future participation in the Commission's work."

It added that in the meantime the Polish representative's deputy on the Commission would take no part in the Commission's work until further notice.

The Polish decision was taken in view of the "provocation" against the Polish delegation at Vientiane on May 17 and 18 when Laotian units tried to beslege the Polish delegation.

It added: "This action proves that Prince Souvanna Phouma is no longer in a position to oppose the military junta."

Chinese Proposal:

China proposed on May 26 the reconvening of the 1962 Geneva Conference on Laos in Pnom Penh in June.

The proposal was made in a message from Marshal Chen Yi, Foreign Minister to the Chairmen of the Conference and the countries which took part in it.

In the message, Marshal Chen Yi said the situation was becoming "increasingly grave." He accused USA of using the Laotian Rightists to hold the Premier, Prince Souvanna Phouma, "under duress."

He said US reconnaissance flights over Laos were the first step to armed intervention. USA and its followers had intensified their attacks against Cambodia and were plotting to extend the war in South Viet-Nam. The peace and security of all Indo-China were "seriously endangered."

He said his Government hoped that the co-Chairmen of the Geneva Conference would convene a meeting of the three groups in Laos to form a delegation to attend the Conference.

Earlier, Marshal Chen Yi handed to Mr. Terence Garvey, British Charge d'Affaires, a reply to Britain's appeal to influence the Pathet Lao to halt its attacks in central Laos.

The reply, quoted by the New China news agency, said Britain had "misrepresented the rising of the neutralist troops" as an attack by the Pathet Lao.

It said the Chinese Government had, therefore, to refuse Britain's request.

It added that, "far from performing its

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duty, the British Government has echoed the United States in using the rising of the Laotian neutralist troops as a pretext for falsely accusing the Pathet Lao, and openly supported the dispatch by the US of its aircraft for direct aggression in Laos."

British Appeal:

Britain asked Russia on May 29 to join her in halting the fighting in Laos.

The British Government's appeal was contained in a message delivered to the Soviet Foreign Ministry in Moscow.

The British Government proposed that the Russians join in sending the following message to the 14 Governments which took part in the 1962 Geneva Conference:

It said: "The co-Chairmen of the Geneva Conference on the settlement of the Laotian question have received a message dated May 16 from Prince Souvanna Phouma, the Prime Minister of Laos, informing them of attacks launched that morning against the neutralist forces on the Plain of Jars by the Pathet Lao and Viet-Minh forces.

"The co-Chairmen express their grave concern at the situation caused by these unwarranted attacks, which are still continuing, in flagrant violation of the Geneva Agreement.

"The co-Chairmen decisively condemn these attacks which are causing untold suffering to thousands of innocent citizens of Laos and call upon Pathet Lao and their foreign supporters to put an end to these acts of aggression at once.

"The co-Chairmen further call upon Pathet Lao to withdraw their forces to their original positions on the Plain of Jars prior to launching their attacks on May 16.

"The co-Chairmen note that these acts of aggression by the Pathet Lao and North Viet-Namese forces, which are creating further obstacles for a peaceful settlement in Laos, are aggravating the situation not only in this country but also in the whole area of South-East Asia.

"By pursuing this dangerous path of open violation of the Geneva Agreements, Pathet Lao and the North Viet-Namese authorities must bear the responsibility for any resulting break-down in the peace and security of the area.

"The co-Chairmen therefore call on the Pathet Lao and the North Viet-Namese authorities to join the Governments of all the countries which participated in the Geneva Agreements to respect the sovereignty and neutrality of Laos and to desist from actions which could lead to a break-down of the Geneva settlement and the renewal of civil war in Laos."

Hopes for international talks on Laos getting started in Vientiane fell on May 30 after France rejected a British proposal to that effect.

France in a letter to Prince Souvanna Phouma said it was doubtful whether the 14 nations which signed the Geneva Agreement would attend the consultations.

It said the only practical way was to reconvene the 1962 Geneva Conference on Laos. The Conference should seek an effective cease-fire agreement, define the powers of the International Control Commission, prepare conditions for a coalition government to work properly, unify the armed forces and re-examine and strengthen the terms of the previous Geneva Agreement.

Sources close to Prince Souvanna said he would not attend any conference or consultations on Laos unless all the 14 nations were represented.

The United States, Thailand and South Viet-Nam had agreed to a British proposal for talks in Vientiane.

The sources said Prince Souvanna at the moment believed that consultations would be useless if all the signatory nations did not attend.

They said Prince Souvanna Phouma had rejected the Polish proposal for talks among Britain, Russia, India, Canada, Poland and representatives of the three Laotian factions because it excluded some nations.

The sources were inclined to tone down the significance of recent Pathet Lao statements that they no longer recognized Prince Souvanna as the Prime Minister. They noted that the Pathet Lao had made similar statements in the past.

The sources said that if the various proposals for international talks on Laos did not materialise, the problem might still be thrown into the hands of the UN Secretary-General, U Thant.

China also rejected Britain's proposal for Ambassadorial consultations in Vientiane on the Laotian situation.

It said Mr. Terence Garvey, British Charge d'Affaires in Peking, was called to the Foreign Ministry and told that the convocation of a Foreign Ministers' meeting of the 14 Geneva Powers was the only practical step to save the situation.

The Chinese reply said the purpose of Britain's proposal "is obviously to absolve the United States of its responsibility for violating the Geneva Agreements and impose the will of one group in Laos on another. This measure in our view will not help ease the situation in Laos but only aggravate it."

In the last week of May, Vientiane announced appointments to take over the Ministry of Economic Planning, formerly held by Prince Souphanouvong, and the Ministry of Information, formerly headed by Gen. Phoumi Vong Vichit.

Pathet Lao Withdraw Recognition Of Prince Souvanna Phouma As Premier:

The Pathet Lao announced on June 1 that it no longer recognized neutralist Prince Souvanna Phouma as Premier.

Prince Souphanouvong, the Pathet Lao chief, demanded a safe conduct for Pathet Lao officials still in Vientiane to communist headquarters in Khang Khay "so to avoid the harm that may come to them."

He cabled Prince Souvanna Phouma, "strongly protesting" against the elimination of his pro-communist Neo Lao Haksat Party (political wing of Pathet Lao) from the coalition Government.

The cable said the ousting of the Neo Lao Haksat from the coalition Government violated the Zurich and Plain of Jars Agreements "and particularly the principle of unanimity of the three factions."

Prince Souphanouvong also had talks with Western officials. He re-iterated the demand for the neutralization of Luang Prabang as a prerequisite for any Laotian summit talks there.

The French and Indian Ambassadors, Mr. Pierre Willet and Mr. Bikram Shah, and a British Embassy official flew to the Pathet Lao headquarters at Khang Khay to discuss various proposals to settle the Laotian crisis.

The French Ambassador, who had conferred with Prince Souphanouvong, told newsmen later that the Prince favoured a 14-Power conference on Laos but that a number of local problems should be settled first and that a new meeting of the representatives of the three political wings in Laos under conditions of appropriate security should be held prior to the international conference.

Prince Souphanouvong said such a meeting would be aimed at re-activizing a genuine tripartite central government and at appointing a tripartite delegation to the international conference.

Later, in letters to Britain and Russia—co-Chairmen of the 1962 Geneva Conference making Laos neutral—Prince Souphanouvong asked neutralist and Rightwing leaders to reply to his summit proposal. He claimed the recent fighting on the Plain of Jars was provoked by neutralist troops disgruntled over the Rightwing coup in Vientiane in April, 1963 and the merger between neutralists and Rightists.

He refused to recognize Prince Souvanna Phouma as Prime Minister, alleging that he was under Rightist pressure.

In a letter dated June 1, Prince Souphanouvong asked the International Control Commission to investigate alleged US violations of the Geneva Agreement, including the introduction of arms and jet planes to Laos.

Prince Souvanna Phouma said on June 3 that he was willing to meet Prince Souphanouvong without preconditions in Luang Prabang, the royal capital. But he did not consider such a meeting necessary before another Geneva Conference on Laos.

He said Laotian Air Force T-28 fighter bombers would continue bombing the Pathet Lao forces as long as the military situation required it. On a Polish proposal for talks among Britain, Russia, Canada, India, Poland and representatives of three Laotian factions Prince Souvanna Phouma said it was interesting, but he preferred to await Soviet reaction before replying to Poland.

(*The New York Times, The Times,* London and *The Statesman,* Calcutta)

[Prev. ref. 5850:LAO:A]

SPORT

A. Beighton Cup Final: Mohan Bagan, the Bombay Gold Cup winners and joint winners of the Aga Khan Cup, played a goalless draw with East Bengal in the Beighton Cup hockey final in Calcutta on May 12. The teams were declared joint winners.

Mohan Bagan won the toss and will keep the trophy for the first six months.

This was the first ever meeting of the two top local hockey teams in the Beighton final. Mohun Bagan were in the final in 1952, 1956, 1958 and 1960, missing the trophy only in 1956 when they lost to the Services. East Bengal were fourth time in the final. They won in 1957 and 1962 but lost to Central Railway in 1963.

The teams were:

Mohan Bagan: Christie; Dhillon and Azhar Hussein; Sarif-ud-Din, R. Shah and Wahed; Qumer Ali, Baloo, Yasin Choudhury, Inam-ur-Rehman and Anis-ur-Rehman.

East Bengal: P. Kapoor; Iqbal and Daljit Singh, Inderjit Singh, Kushal Kumar and Sayed Khan; Veer Singh, Joginder Singh, Jagminder Singh, Sultan and Davinder Bhatt.

(*The Statesman,* Calcutta)

[Prev. ref. 3994:SPO:A]

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ASIAN RECORDER

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MALAYSIA

A. New Cabinet Personnel: The new Malaysian Cabinet formed after the Government's victory in the General Elections was announced on May 3.

The Cabinet has been increased from 13 to 16 members and there are six Assistant Ministers instead of four. The newcomers were sworn-in on May 3. Almost all the Ministers have retained their portfolios.

The Ministers of the Interior and Internal Security have been merged, and will be known as the Ministry of Home Affairs. Four new Ministries have been created—Culture, Youth and Sports; Lands and Mines; Welfare Services; and Local Government and Housing.

Tengku Abdul Rehman, the Prime Minister, has retained the External Affairs portfolio because of Indonesia's threat to Malaysia, but has relinquished the Ministries of Information and Justice. However, he has taken over the responsibility for Culture, Youth and Sports because, he said jokingly later, "no other Minister loved sports". The Tengku is President of the Malaysian Football Association, plays golf and is fond of horses and racing.

The new Cabinet is as follows:

Prime Minister, External Affairs, Culture, Youth and Sports—Tengku Abdul Rehman;

Deputy Prime Minister, Defence, National and Rural Development, Lands and Mines—Tun Abdul Razak;

Home Affairs and Justice—Dato Ismail;

Finance—Mr. Tan Siew Sin;

Works, Posts and Communications—Dato V. T. Sabanthan;

Transport—Dato Sardin;

Agriculture and Co-operatives—Inche Muhammad Khir;

Health—Inche Bahaman;

Education—Inche Abdul Rahman Talib;

Commerce and Industry—Dr. Lim Swee Aun;

Welfare Services—Haji Abdul Hamid Khan;

Local Government and Housing—Mr. Khaw Khai Boh;

Sarawak Affairs—Dato Temenggong Jugah;

Labour—Mr. V. Manickavasagam;

Information and Broadcasting—Inche Senu; and

Without Portfolio—Dato Ong Yoke Lin.

Dato Ong Yoke Lin is Ambassador to USA and Permanent Representative at United Nations. The new Ministers are Mr. Khaw, a former head of the special branch in Singapore and a former Minister without Portfolio; Inche Senu, a former Ambassador to Indonesia and West Germany and Mr. Manickavasagam, a former Assistant Minister.

(*The Times*, London)

[Prev. ref. 5851:MAL:A]

B. Parliament Session Opened: The new Parliament was formally opened on May 19 by the Yang di-Pertuan Agong.

In his address, Yang di-Pertuan Agong said that the people of the confederation formed in September, 1963 were living in critical times because Indonesia had followed up her policy of confrontation by open aggression.

He announced plans for large-scale expansion of the Malaysian armed forces during the current year. He said that by the end of 1964 the Army would be double the strength it had been at the end of 1960.

For the Navy, a frigate, four more patrol craft, and a landing craft would be commissioned this year.

He said the militia had been expanded into an effective military reserve and there would be a call-out of territorials when it was considered necessary for the defence and security of Malaysia.

In an appendix to the royal address it was stated that the Central Government recognized with deep gratitude the defence aid and military assistance given by Britain, Australia and New Zealand. Confrontation was a result of the expansionist policy of Indonesia which hoped to overthrow the present Malaysian Government and set up a pro-Indonesian Cabinet to form a greater Indonesia.

The appendix said that Indonesia was being actively supported by its own communist party, the communist terrorists on the Malayan-Thailand border and the clandestine communist organization in Sarawak. It was most likely that Indonesia would increase the militant attack on Sabah and Sarawak and also send more infiltrators and saboteurs into Malaya and Singapore. It was hoped that Malaysians would continue to remain calm but vigilant and continue to cooperate with the authorities.

Security operations had continued against the communist terrorists in north Malaya and it was intended to negotiate an agreement with the Thailand Government on border arrangements and cooperation. The Government was determined to stamp out communist terrorism and subversion.

(*The Times*, London)

[Prev. ref. 5612:MAL:A]

NEPAL

A. King Mahendra On Relations With India: In a message to the nation on June 21 on his return from a month-long foreign tour, King Mahendra said that he had no doubt that India would march "onward along the path of progress and prosperity under the competent leadership of Prime Minister Lal Bahadur Shastri."

He added: "Nor do I entertain any doubt that friendship and good relations subsisting between Nepal and India will grow progressively stronger on the basis of equality and in keeping with our respective national policies."

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5881:INI:A]

PAKISTAN

SUMMARY: Central Budget; Aid Consortium's Commitments; Constitution (Second Amendment) Bill Passed; CENTO Exercises; Provincial And Railway Budgets.

A. Central Budget For 1964-65: The Central Budget for 1964-65 was presented to the National Assembly in Rawalpindi on June 12 by the Finance Minister, Mr. Mohammed Shoaib. It showed a surplus of Rs. 18.81 crores.

The following are the Budget estimates for 1963-64, revised figures for the same year and estimated income and expenditure for 1964-65:

(In lakhs of rupees)

	1963-64 Budget	1963-64 Revised	1964-65 Budget
Receipts	2,47,54	2,66,22	2,97,37
Expenditure	2,07,75	2,46,59	2,78,56
Surplus	39,79	19,63	18,81

The following are other details of the Budget:

Revenue Budget:

(Rs. in lakhs)

	1963-64 Budget	1963-64 Revised	1964-65 Budget
Receipts:			
Customs	73,20	74,70	81,90
Central Excise Duties	58,36	60,18	68,40
Income Tax and Corporation Tax	26,83	29,72	33,26
Sales Tax	26,10	27,30	29,45
Interest Receipts	27,96	37,23	42,19
Currency and Mint	5,21	5,22	5,21
Post Office, Telegraph and Telephone (Net Receipts)	4,57	5,08	5,37
Defence Services	9,68	9,32	11,37
Other Revenue	15,63	17,47	20,22
Total Receipts	2,47,54	2,66,22	2,97,37
Expenditure:			
Revenue Collecting Departments	4,46	4,65	5,02
Civil Administration	41,75	4,96	47,94
Defence Services	1,09,16	1,22,88	1,29,65
Civil Works and Central Road Fund	2,17	1,99	2,81
Interest Payments	31,66	31,82	41,43
Grants to Provincial Governments (Non-Development)	3,64	4,71	3,75
Other Non-Development Expenditure	6,68	19,01	19,08

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Development Expenditure:			
Grants to Provincial Governments	30,69	40,28	54,43
Other Development Expenditure	8,94	7,63	10,18
Less Development Expenditure met from Foreign Aid	31,40	81,34	35,73
Total Expenditure	2,07,75	2,46,59	2,78,56
Revenue Surplus	39,79	19,63	18,81

Capital Budget:

(Rs. in lakhs)

	1963-64 Budget	1963-64 Revised	1964-65 Budget
Development Expenditure:			
Direct Outlay by the Central Government—			
Post Office, Telegraph and Telephone	11,70	11,69	13,33
Irrigation	17,21	18,57	33,99
Industrial Development	3,46	2,96	3,23
Civil Aviation	4,12	4,19	5,92
Broadcasting	70	78	2,59
Ports	73	40	1,13
New Federal Capitals	11,35	11,20	12,00
Civil Works	3,60	2,45	5,00
Food Storage and Other Works	5,21	5,30	7,35
Miscellaneous Investments	8,36	7,57	7,55
Other Expenditure	92	1,09	1,90
Loans to Semi-Independent Bodies, etc.	3,70	21,47	27,75
Loans and Grants to Provincial Governments	2,67,98	2,38,72	2,31,57
Less—Likely Shortfall in Expenditure	30,00	28,00	18,00
Total Development Expenditure	3,37,04	2,98,30	3,35,31
Non-Development Expenditure	21,85	16,90	16,73
Contingency Item	15,00	2,75	15,00
Total—Disbursements	3,73,89	3,17,95	3,67,04
Financed from:			
Revenue Surplus	39,79	19,63	18,81
Debt raised in Pakistan (net)	14,00	35,18	19,50
Debt raised abroad	2,39,20	1,89,19	2,62,53
Floating Debt (net)	30	5,70	3,71
Unfunded Debt (net)	9,97	9,78	9,98
Recoveries of Loans and Advances	11,79	12,24	12,73
Foreign Grants	42,23	34,57	11,87
Accretions to Reserve Funds	10,28	13,20	17,62
Other Deposits and Remittances (net)	1,50	3,50	50
Other Capital Receipts	29	29	29
Cash Balance Utilization	5,19	5,33	10,27
Total Resources	3,73,89	3,17,95	3,67,04

The Budget estimates for 1964-65 are based on existing taxation and do not include the effect of new proposals.

Budget Speech:

Presenting the Budget, Mr. Shoaib said:

"The Budget this year will be significant for more than one reason. It will be the last Budget submitted to the present House. It will also mark the end of the Second Plan and lay the foundations of the Third. It should thus consolidate the economic and financial achievements of the country and pave the way for further the steps on the road of all-round advancement.

"The Basic Democracies have proved their suitability to the genius of our people. A new and healthy activity is taking shape around the principle of collective self-help and local responsibility.

"The works programme, which is very largely carried out by the Basic Democracies, is already making a visible impact on the rural economy. The Basic Democracies have won recognition as an institution and are already an indispensable part of our social fabric.

"In the international sphere, our policy of goodwill and friendship towards all nations, particularly those who are our neighbours, has paid dividends. An atmosphere of confidence and co-operation has been re-established with Afghanistan. The demarcation of our boundary with China is proceeding apace.

"Our relations with India have not in the past been what we would have liked them to be. We have seen from the communique recently issued in Washington and New Delhi that further massive military assistance has been promised to India. This will clearly jeopardize our security, aggravate our problems and make our task harder.

"Pandit Nehru's death has grieved us deeply. We share India's sorrow. We have once again extended a hand of friendship to India. The struggle of the people of Kashmir is the major irritant in our relations, and we sincerely hope that Sheikh Abdullah's efforts to find a solution to this problem will bear fruit.

"The fate of the Muslim minority in India is also of great concern to us and through the efforts of the two Home Ministers and otherwise, we are making every endeavour to assure the security and welfare of the minorities in both the countries. This is a human problem and its resolution is of paramount importance for the future well-being of this subcontinent.

"I would also like to refer briefly to a related question. The eviction of Muslims from India has created a serious problem for us. So far about 3,50,000 displaced persons have crossed the border to East Pakistan from Assam, Tripura and West Bengal. The Central Government has given substantial grants during the last two financial years for their relief and rehabilitation. The influx, however, continues unabated and the problem calls for very grave attention all round.

"In the economic sphere we can look back with a sense of satisfaction and pride to the remarkable progress made since 1958 in the acceleration of the growth rates, in the introduction of progressive structural changes in the economy, in the mobilization of additional domestic resources, in the improvement of the export performance, and indeed, in all sectors of the economy.

"We have laid the foundation of a sound economic base and are now ready for embarking on the Third Plan. The success of the Second Plan is in no small measure due to the inspired leadership and the political stability provided by the present regime.

"But it would be wise—and a true measure of the achievement of the nation—to look at the picture of 1958 and, then, at the one I can now present to the country. In 1958, prices were rising rapidly, economic growth hardly kept up with population growth, and the performance under the First Plan was substantially behind the relatively low targets. Deficit financing had resulted in inflation, exports were declining, a balance of payments crisis was imminent, and the confidence of the world in Pakistan was jeopardized by the country's failure to deal with its problems.

"There is now every reason to assume that the Second Plan target of growth will not only be attained but may be exceeded.

"Production in the manufacturing side of industry has increased by about 11 per cent a year since the beginning of the Second Plan. Industry has gradually assumed an important role not only in its contribution to the national income and employment but also in relation to the export and import substitution efforts of the country.

"Both industry and agriculture have been responsible for the substantial improvement in our export performance which has taken place since 1960. There has been, so far, an average annual increase in foreign exchange receipts of over 7 per cent a year which is more than three times the rate expected when the Second Plan was framed. Our total foreign exchange earnings which amounted to Rs. 241 crores in 1961-62 rose to Rs. 278 crores in 1962-63, mainly due to an increase in the export of cotton. Thus, the Second Plan target for 1964-65 was actually exceeded 2 years in advance, through the successful operation of the Export Bonus Scheme on the one hand and through encouraging increases in production of agricultural cash crops on the other.

"One of the most satisfying achievements has been our success in restoring and maintaining monetary stability after the inflation of the Pre-Revolution Fifties. In 1959-60 the Government imposed price controls and reduced deficit financing to nominal amounts while continuing to provide new incentives for increased production. The excess liquidity was thus absorbed in physical growth.

"Money supply which registered an increase of Rs. 88 crores during 1962-63 further rose by another Rs. 87 crores during the first nine months of the current financial year. The main expansionary influence was the rise in bank credit in the private sector. The banking sector had to respond to the tempo of development of the economy by providing for the diverse and increasing financial requirements of imports, and the industrial and agricultural sectors.

"One of the crucial problems that face us is the high rate of population growth, which nullifies part of our effort to improve the standard of living of our society, which is after all the chief objective of economic development, investment, and planning. I wish to draw the attention of the House to this fact, and I believe the House will agree that a greater effort will have to be made now and in the future to encourage the voluntary limitation of families and to do everything possible to create a greater consciousness of this important issue among our people. We have to try and take particular care of this problem from now on and through the Third Plan.

"I would now like to say something about the dimensions, which are being currently fixed for the Third Plan and for the perspective Plan covering the period up to 1965. We are talking in terms of nearly Rs. 5,000 crores for the Third Plan. This reflects both the enormous size of the requirements and the growing confidence flowing from the performance under the Second Plan. The details are presently being worked out under the orders of the National Economic Council and I expect the revised guidelines of the Third Plan to be issued shortly. The main objective of the Plan will be to increase national income by 30 per cent. The perspective Plan on which the Planning Commission is also now working aims at tripling the national income by 1985 and doubling the income per head in the same period.

"A major objective of the Third Plan will be to consolidate the infra-structure built up during the earlier Plan periods, particularly in East Pakistan. Certain de-

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partures will be made from the previous pattern of allocation. Higher priorities will be given to basic industries, technical education, transport and health. A number of studies have been taken in hand in the economic and technical spheres to provide the basis for the detailed framework of the Plan."

Defence Expenditure:

Pakistan's defence expenditure during 1964-65 will total Rs. 129.65 crores, which is 46.5 per cent of the estimated revenue expenditure of Rs. 278.56 crores and 43.5 per cent of the estimated revenue receipts of Rs. 297.37 crores.

Tax Proposals:

Mr. Shoaib made the following Budget proposals:

Corporate taxation: 5 per cent tax relief has been allowed to all industrial companies with a total income up to Rs. 50,000.

Tax holiday: The tax holiday, which was to expire on June 30, 1965 has been extended up to June 30, 1970. The exemption will be admissible for 2, 4 and 6 years in West Pakistan and 4 and 6 years in East Pakistan as against the present limit of 4, 6 and 8 years in West Pakistan and 6 and 8 years in East Pakistan.

Apart from industries based on indigenous raw material the following industries will qualify for tax holiday:

Drugs and pharmaceuticals (basic manufacture), fertilizers, insecticides and pesticides (basic manufacture), petrochemicals, wires and cables, agricultural machinery, boilers and compressors, tractors, machine tools and manufacture of other capital equipment, manufacture of trucks, cars, scooters and auto-rickshaws and bicycles, shipbuilding and repair, diesel engines and I.C. engines, textile machinery, including manufacture of looms and spindles, selected mineral production (coal, chromite), refractories, manufacture of radio components, ceramic and sanitary-wares, livestock feed, gas and electric appliances, gas and electric meters and water meters, canning and preservation of food, canning and processing of fish, components of above, footwear and leather goods, tanning and curing of leather, surgical instruments, sports goods, cutlery, carpets, other units which export at least 30 per cent of their production, poultry and dairy farming, and other industries notified later on.

Mining industry: The industry will get 10 per cent rebate in addition to the existing concessions (e.g., tax holiday, current expensing of capital expenditure, depletion allowances etc.)

Tax rebate: The rebate of 15 per cent will be allowed to Pakistani enterprises in respect of income from foreign operations remitted to Pakistan. In order to qualify as a public company, the criterion would now be that controlling shares of the company should be held by not less than 20 persons for the major part of the relevant previous year.

Personal taxation: Education allowance up to the maximum limit of Rs. 900 has been made admissible even in the case of one child or two children where expenditure in excess of the present limit of Rs. 300 per child has been incurred.

Interest on savings banks accounts: Up to Rs. 500 has been exempted. Income from small residential houses, with an annual rental value up to Rs. 6,000, and small housing estates has been extended in respect of houses and estates constructed up to the end of the Third Plan period.

Foreign technicians: Foreign technicians will enjoy exemption from tax for 3 years instead of 2 years.

Wealth tax: Wealth tax has been withdrawn from private companies and the rate of tax for individuals has been raised from 1½ to 2 per cent on the slab of net wealth exceeding Rs. 34,00,000, subject to a maximum of 15 per cent of the total income.

Stocks will be valued on their break-up value.

Gift tax: Income from property given away as gift will not be aggregated with the other income of the donor for income-tax purposes.

Capital gains tax: Where a capital asset is disposed of within six months, the gain will be treated as income and taxed accordingly. Where it is disposed of within six months to five years, tax will be levied at the current capital gains tax rates. On capital gains arising from the sale of assets after five years, tax would be levied at half the present rates. The last concession will also be available to regular dealers and brokers in stocks and shares.

Sales-tax: The standard rate of 15 per cent will apply to imported fruit. This will help the local fruit industry. Raw cotton (exports), furniture, toys, imported tennis and other balls and ink and other stationery used by students have been exempted from sales-tax.

Rehabilitation surcharge: This will be levied at the rate of one per cent on all goods liable to sales-tax. The tax will not be levied on goods exported abroad. The proceeds will go into a special fund exclusively earmarked for refugees.

Central excises: Cotton fabrics: (1) The present ad valorem excise duty on cotton fabrics is being converted into the specific rates as follows:

(A) Fine cotton fabrics 31 paisa per square yard; (B) Medium cotton fabrics 19 paisa per square yard; (C) Coarse cotton fabrics 6 paisa per square yard.

Concessional rates are being prescribed for saris and Dhotis. Mazri remains exempt. (These are the same rates as were in force in 1962-63.)

(2) As an incentive for higher production, manufacturers of cotton fabrics will be given an option to pay a fixed amount per loom in lieu of prescribed excise duty and sales-tax on actual production.

Companies which have given the undertaking that they would convert themselves into public companies within the specified period, would not be liable to pay Wealth Tax for the year 1963-64 if they fulfil their undertaking, while those companies which did not give such an undertaking and those who do not live up to their undertaking, will be liable to Wealth Tax for the year 1963-64.

Mr. Shoaib said: "The period of tax-holiday ends on June 30, 1965. Since it takes time to plan and implement industrial schemes, I would like to announce that we propose to continue this concession during the Third Plan up to June 30, 1970. With certain modifications, from July 1, 1965, the tax-holiday period would be reduced by two years and the holiday would be admissible for two, four or six years in West Pakistan and four or six years in East Pakistan.

"Last year's Budget introduced the concept of tax rebate on income attributable to exports. However, the existing provisions do not cover those who set up business undertakings in foreign countries and remit their profits to Pakistan.

"I now propose that the foreign income of such enterprises remitted to Pakistan would be entitled to a tax rebate of 15 per cent. This concession would apply to Pakistani professional and consulting firms working abroad as well as to banks, insurance companies and other Pakistani enterprises who operate in foreign countries and remit the income from their foreign operations to Pakistan.

"The rates of personal taxation in Pakistan compare favourably with most neighbouring countries and countries in the West. However, I propose to give some further relief to the middle class tax-payers.

"At present, education allowance is admissible to tax-payers with income up to Rs. 25,000 at the rate of Rs. 300 per child, subject to a maximum of Rs. 900. It has been represented that in certain cases one child's education may cost more than Rs. 300. In order to cover such cases, I propose that an amount up to a maximum of Rs. 900 may be claimed by any tax-payer with income up to Rs. 25,000 even in respect of the education expenses of one child or two children provided he furnishes an itemised account of the expenditure incurred by him.

"Interest on Post Office Savings Bank deposits is already exempt from income-tax. I propose to allow the same exemption to interest from other Savings Banks deposits subject to a maximum of Rs. 500. Where a tax-payer receives interests from these sources in excess of Rs. 500 the first Rs. 500 would, in any case, be exempt from income-tax and not added to his other income.

"The existing tax exemption given in respect of residential houses up to an annual rental value of Rs. 6,000 and to certain types of residential estates expires on June 30, 1965. We propose to extend these concessions up to June 30, 1970.

"Foreign technicians employed by industrial undertakings in Pakistan enjoy exemption from tax for a period of two years. It often becomes necessary to continue the employment of foreign technicians for a period longer than two years. We propose to extend the tax exemption to three years.

"Under the existing law, income from assets gifted away by a tax-payer is still liable to income-tax in his hands. It is proposed that once an asset has been gifted and the appropriate amount of gift tax has been paid on it, income derived from it will be taxed in the hands of the recipient of the gift and not in the hands of the donor with effect from the year following that in which the gift was made.

"A large number of representations have been made in respect of the administration of the capital gains tax since it was introduced last year. After carefully considering these representations, I propose that where a capital asset is disposed of by a tax-payer within six months of its acquisition, the profit from such disposal should be treated as ordinary income and subjected to tax at the appropriate rate after adding it to his other income.

"I have already referred to the displacement of Muslims from India and the fact that an increasing number of displaced persons are finding shelter in Pakistan. This has entailed a very heavy expenditure on the part of the Government. We are desirous and hopeful that these evictees would be restored to their rightful homes where they belong but pending this desirable and humane solution of the problem Government have to incur expenditure on their maintenance and settlement in Pakistan.

"We have already spent a sizable amount from our existing resources, but in order to meet further expenditure on this account, I have no option but to propose a tax for rehabilitation purposes and I am sure no tax-payer will grudge this.

"The tax will be in the form of a surcharge which will be levied at the rate of 1 per cent on all goods liable to sales-tax. The proceeds of this surcharge shall not be merged with other Government revenues but would go into a special rehabilitation fund which will be used exclusively for the maintenance and rehabilitation of refugees.

"The surcharge will not be levied on goods which are exported. I expect an yield of Rs. 4 crores.

"Excise duties are at present contributing about 25 per cent of the total revenues and it is expected that with the increasing industrialization of the country,

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the contribution from this source will increase further in the coming year.

"However, to begin with, I am giving three concessions this year in excise duties. First, the duty on syrups, squashes and fruit juices is proposed to be withdrawn. This should enable the industry to absorb a greater amount of fresh fruits which cannot be consumed during the season and are likely to go waste or be sold at uneconomic prices.

"I also propose to withdraw the excise duty on laundry soap produced without the aid of power to give relief to the smaller manufacturer as well as to the consumer in the lower income brackets.

"The third concession aims at increasing the production of tea which has not kept pace with developments in other fields. There has been an immense increase in the consumption of tea in the country and I fear that unless appropriate steps are taken, we may be compelled to import tea from abroad in the not too distant future.

"I propose to allow a rebate of excise duty for increased production. In the case of small gardens with less than 500 acres under tea cultivation, excise duty will be levied at the rate of 50 per cent of the normal rate in respect of additional production as determined with reference to the highest production during the preceding four years.

"In the case of gardens with more than 500 acres under cultivation, duty in respect of additional production will be charged at the rate of 75 per cent of the normal rate. The new tea gardens as well as expansion of the existing gardens will, in addition, continue to be treated as industrial undertakings for tax-holiday purposes.

"The honourable members will remember that in my last Budget speech, I had announced the Government's intention to simplify excise procedures. In selected industrial centres, resident excise staff was withdrawn from factories on an experimental basis and manufacturers were permitted to clear goods at their own convenience, assess the duty themselves and enter it in their accounts. This experiment has proved to be successful and it is now intended to extend it to more industrial centres.

"I also propose making further use of the basic idea underlying this experiment, though in a slightly different manner. In the case of cotton textiles, I propose that there should be an alternative method of compounding excise duty. Standard rates can be worked out on a per loom basis for each factory after taking into account its past production. Mills that adopt this option will pay this fixed rate throughout the financial year, irrespective of changes in production.

"In such cases, sales-tax would also be merged with the excise duty. This measure will further eliminate the physical presence of revenue staff on the premises of industrial undertakings. For factories which do not exercise this option, it is proposed that the specific rates which were applicable in 1962-63 should be restored. These were 31 paisa per square yard for fine fabrics, 19 paisa for medium fabrics and six paisa for coarse fabrics. Reduced rates would continue in respect of saris and Dhotis and Mazri will continue to be free.

"A similar experiment was made last year in respect of art silk factories which had up to 20 looms and they were given the option of paying excise duty on a per loom basis. Since this experiment has also proved successful I now propose that art silk factories with up to 50 looms may also exercise the option to pay excise duty on a loomage basis.

"Similarly, Vanaspati factories may exercise the option to pay excise duty and sales-tax on the basis of capacity is being worked out and would be announced shortly. Factories which do not exercise the option will continue to pay excise duty and sales-tax at the existing rates.

"I propose to raise additional excise revenue from cigarettes, as also from tobacco. A surcharge of 25 per cent is proposed on cigarette excise duty but it will not be levied on cheaper cigarettes which fall under the three lower duty scales.

"In other words, cigarettes which now sell at up to 30 paisa for a packet of ten should not be affected by the proposed surcharge. The increase proposed in the duty on tobacco, other than cigarette tobacco, is ten paisa per lb. which would raise the total duty to 60 per lb.

"Last year tobacco stalks were totally exempted from the excise duty. It has been found that stalks are being freely mixed with tobacco, thus leading to considerable tax evasion. It is now proposed that stalks so used should be taxed at the new standard rate of 60 paisa per lb.

"At present the excise duty rates have been prescribed only for cycle tyres and tubes and no rates have been determined for motor tyres and tubes. I, therefore, propose to impose excise duty on motor tyres and tubes at the rate of 30 per cent ad valorem while the existing rates on cycle tyres and tubes would remain unchanged.

"Tyres, other than motor tyres and cycle tyres, will pay excise duty at 15 per cent.

"At present there is no excise duty on unhydrogenated edible oils. As hydrogenated oils are liable to excise duty of Rs. 7 per cwt. and the same manufacturers usually produce both types the exemption is not logical and leads to certain undesirable practices. I, therefore, propose to impose a duty of Rs. 7 per cwt. on unhydrogenated edible oils also. The new duty will not, however, apply to such oil produced without the aid of power or produced on a cottage industry basis.

"I would now turn to duties of customs. The import of Bidi leaves which are at present subject to a customs duty of 8 per cent fetches a very high margin of profit. It is intended to absorb the excess profit by raising the duty to 150 per cent.

"The most effective rate of customs duty on coaltar dyes is 15 per cent. It is proposed to raise it to the full statutory level of 25 per cent.

"Vegetable oil is presently liable to 25 per cent. Customs duty through soyabean and cotton seed oils which are imported under US AID enjoy complete exemption. I now propose to raise the existing rate to 40 per cent. The distinction between modified and unmodified oils is also being simultaneously abolished so that both will be subject to the enhanced duty of 40 per cent. On soyabean oil and cotton seed oil, a duty of 20 per cent will be levied.

"I have earlier referred to the levy of excise duty on motor tyres and tubes. I also propose to increase the Customs duty on imported tyres and tubes from 40 per cent to 50 per cent.

"As mentioned by me a little while ago, the policy of liberalization of imports will also necessitate review of Customs duties on a number of items. Part of this review has been carried out and some of the items are hardware and ironmongery other than domestic, dyeing and tanning substances, cotton yarn of higher counts, raw rubber, accumulators and batteries and wood and timber. These will be subjected to increased duties, the increase generally being from 5 to 10 per cent, though in certain cases it will be higher.

"Side by side, I have not forgotten to provide relief in duties wherever such a measure is called for. It is proposed to abolish the existing duties on food for infants and invalids and on fountain pen nibs. The benefit of these exemptions should be passed on to the consumer for whom they are intended. Similarly, to assist educational institutions and to promote scientific research, it is proposed to grant complete exemption from duty on laboratory glassware, likewise, to encourage sports and help raising the standard of our players to the international level, it is proposed to abolish customs duty on such sports goods as are not indigenously manufactured like tennis balls, squash balls etc. I also propose to reduce the existing duty of 50 per cent on toys for children to 25 per cent.

"My proposals to grant exemption from customs duty extend to the major field of exports also. Both jute and cotton which are our principal cash crops and account for the bulk of our export earnings carry export duties. Cotton is subject to sales-tax also. The levy of export duty and sales-tax tends to adversely affect the interests of the grower. Since the grower must not be denied his due share in the fruits of his labour, it has been decided to reduce the duty by 50 per cent on both cotton and jute and to completely reduce the sales-tax on the former at a sacrifice of Rs. 375,00,000 on jute and Rs. 155,00,000 on cotton. This measure, I trust, will help the grower and promote production.

"The process of tariff rationalization has also continued and this too has resulted in certain reductions of duties.

"In addition to the abolition of sales-tax on cotton, I intend to give relief from this levy to a number of other cases. I propose to remove sales-tax from locally made furniture, sport seat sticks, tennis and table tennis balls, squash and golf balls and other sports goods not manufactured within the country, writing ink, pen holders, geometry boxes, paint and colour boxes used by students and laboratory glass equipment.

"I propose to maintain the status quo in respect of sales-tax on all other items except one. Fresh imported fruit is liable to sales-tax at the concessional rate of 2-1/8 per cent. This has adversely affected indigenous fruit production. I, therefore, propose to withdraw the concessional rate on fresh imported fruit and impose the standard rate.

"Leaving aside the effect of reduction in the export duties on cotton and jute, there would be a revenue loss of Rs. 35,00,000 on account of income-tax and wealth tax, a gain of Rs. 25,00,000 from sales-tax, a gain of Rs. 4.9 crores from excise duties and a gain of Rs. 3.85 crores from import duties. The net revenue yield from additional taxation other than the rehabilitation surcharge will thus amount to Rs. 8.65 crores. Of this, the Provincial share will be Rs. 1.35 crores, leaving a balance of Rs. 7.30 crores for the Centre. This will go to narrow down the gap of Rs. 10.27 crores between the estimated expenditure and the available resources to Rs. 2.97 crores. I intend to meet the remaining gap by utilization of the cash balance to the extent of the exercise of powers to impose regulatory duties of customs and excise and sales-tax, for the assumption of which I am about to make a request, does not generate additional resources during the course of the year."

(*Dawn*, Karachi)

[Prev. ref. 5371:PAK:A]

B. "Aid-Pakistan" Consortium's Commitments For Second Plan: The Deputy Chairman of the Planning Commission, Mr. Said Hasan, announced in Rawalpindi on June 11 that the "Aid-Pakistan" Consortium would give $450 million for implementing the fifth year of the Second Five-Year Plan (1964-65).

Th Consortium had announced for 1963-64, the fourth year of the Plan, commitments totalling $430 million.

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Mr. Said Hasan told a news conference that the most important feature of the commitment made by the pre-Consortium meeting in Washington now was that the member-countries had agreed to provide Pakistan $200 million in the form of "Commodity Aid", unrelated to projects, to give Pakistan a free hand in importing her requirements of raw material, requirements for balancing equipment and other plant and machinery according to the country's needs.

He said Pakistan had asked for a total commitment of $500 million for the fifth year of the Plan, and the figure was endorsed by the World Bank. The Consortium members agreed to provide $450 million. All countries were expected to contribute about the same, but not less, amount which they provided for the fourth year of the Plan—1963-64.

He said that with the help of $200 million worth of aid which would be unrelated to projects, Pakistan would be in a position to make full utilization of the existing capacity in industrial and other sectors, besides its other advantages. The growth rate in the GNP could be maintained between six to seven per cent with a fuller capacity utilization.

He said the World Bank had also recommended to the Consortium members that Pakistan should be given commodity aid, unrelated to projects, on a "continuous basis." The World Bank had expressed "great satisfaction" with Pakistan's progress in development and these feelings were shared by Consortium members.

Replying to questions about individual shares of the members of "Aid-Pakistan" Club he said the United States was expected to contribute around $260 million—compared to 1963-64 figure of $212 million—the World Bank would give $80 million and other countries would provide "not less than last year's share."

He said the World Bank, supported by USA had asked members of the Consortium to soften the terms of loans for Pakistan. Some of the loans by members could not be utilized so far because they were of tied nature, and as soon as Pakistan went into their market for making purchases with the loan, the prices went up. "Because of this problem," he said, "we are going to be very selective in getting loans on competitive prices even if they are of tied nature."

Commitment made by Italy, Holland and France had not so far been utilized because of stiff terms. Pakistan might use offers of loans from Belgium and Holland in 1965.

He said discussions had started in Karachi with a visiting Russian group for buying earth-moving machinery including tractors. The machinery would be purchased out of the proposed $10 million Soviet loan to Pakistan.

About the attitude of aid-giving nations, he said the World Bank, USA and the United Kingdom stood for Pakistan because they thought this country could be described as "a model for other developing nations—and a country where foreign assistance was well used." These countries thought that having brought Pakistan to her present stage of development, they wanted to take her to the stage of a self-sustaining growth.

Pakistan could make rapid progress, he said, because of the foreign assistance matched by her domestic effort. The country had been contributing over Rs. 30 crores a year in foreign exchange for this purpose, and this was "an unexpected contribution."

With the fresh commitment of $450 million for 1964-65, the actual amount available would be around $600 million after adding the carry-over of $150 million from the current fiscal year.

Talking about the resources which would be available for the Third Plan, he estimated that around $1,000 million would be coming out of the "pipeline" which was being rapidly enlarged.

Members of the Consortium had made the following commitments for the year 1963-64 (the amount is in dollars):

Belgium 10 million; Canada 19 million; France 10 million; West Germany 27.5 million; Italy 10 million; Japan 30 million; Holland 8.8 million; United Kingdom 23.2 million; United States 212.5 million; and the World Bank and International Development Association 80 million.

(*Dawn*, Karachi)

[Prev. ref. 5889:PAK:B]

C. Constitution (Second Amendment) Bill Passed: After week-long stormy proceedings, the National Assembly approved on June 11 the Constitution (Second Amendment) Bill by 106 votes to 26.

The Bill, among other things, advances the President's election by five months and fixes the life of the electoral college at five years.

The President's election will now be held in February to enable him to assume office on March 23—the day when 24 years ago the Pakistan resolution was adopted at Lahore in 1940.

The most controversial provision that attracted bitter criticism from the Opposition pertained to continuation of the President in office until his successor assumed office. Opposition members alleged that this was being done "to perpetuate the present incumbent in the Presidential chair till eternity". This, they said, would deprive an East Pakistani from becoming the President.

Originally, the Constitution provided for the President to remain in office for five years and 60 days. If elections were not complete by that time, the Speaker of the National Assembly would assume Presidentship as a stop-gap arrangement.

Under the Constitution, amendments can be carried only by a two-thirds majority in a House of 156. The ruling Party managed to secure 103 votes (against the minimum of 104). The passage of the Bill was, however, possible only after nine Opposition members crossed the floor.

Earlier, speaking on the Bill, Mr. Yusuf Khattak, leader of the Opposition, declared that his party would continue the struggle against the Bill.

Winding up the general debate, the Law Minister, Mr. Khursheed Ahmed, dealt with the Opposition criticism point by point. He said the Assembly was fully competent to amend the Constitution to any length. Those who had taken the oath had no right to doubt the representative character of the Assembly. "This will not be permissible."

He said all those who could convince public opinion had a right to bring their partymen in the House. He knew of no Constitution which debarred a chief executive from contesting election while in office. "If you can trust him while in office, why not during the elections?" he asked.

Parliamentary Secretary Resigns:

Mr. Ziaul Amin sprang a surprise among Treasury benches on June 8 by announcing his resignation both from the post of Parliamentary Secretary for Communications and from membership of the Muslim League Parliamentary Party.

He said: "Parliamentary Secretaries have no function, nor do they deserve facilities and privileges allowed to them."

He sent his resignation to the President and simultaneously released it to the Press to make his defection complete and final.

Just as the Government Party moved for closure on general discussion of the Constitution (Second Amendment) Bill, he rose in his seat, pulled out a folded paper from his pocket and waving it in the air announced his decision to leave the Party and go over to the Opposition. He said after resigning from Parliamentary Secretaryship: "I do not deserve to occupy these benches" and went to the Opposition where he was very warmly received amidst thundering applause and "zindabad" slogans.

The ruling Party members were taken aback by this unexpected defection from their ranks.

Mr. Ziaul Amin in his resignation letter recalled his role in formation of Cabinet in 1962 and formation of Muslim League Parliamentary Party. "This I did because I thought the country will benefit by our leadership."

"It is also not unknown to different members of the Assembly how much trouble I had to undergo to get Khan A. Sabur elected as Leader of the House. Now I find Lal Mian is the actual leader and Mr. Sabur is there only in name.

"My experience of these two years as Parliamentary Secretary and as member has led me to realise that I was not on many occasions doing justice to my conscience with regard to the interest of my country, particularly East Pakistan.

"I am grateful to you that you appointed me as one of your Parliamentary Secretaries. But it is a fact that Parliamentary Secretaries practically have no function, nor do they deserve facilities and privileges allowed by you. What I wanted is to have more responsibility by which I could do more service to the people of my country. But under the present system it is not possible.

"Many Bills have been introduced by the Law Minister without previous discussion and approval of the Parliamentary Party and ultimately we had to accede to these only for consideration of your prestige. Many changes have been made in the Muslim League constitution without our knowledge. The Muslim League has been formed in different places about which many of us were not consulted or made part of the same.

"The greatest bottle-neck for me to continue as your Parliamentary Secretary has now become this present second amendment of the Constitution. For the last few nights I could not sleep at all to think what I am to do. Ultimately I got a reply only last afternoon when I was slumbering in East Pakistan House. I am convinced that I should not vote for this Bill. In my opinion this will be a death knell for people of this country. I could not in any way reconcile the Government policies particularly of this Bill with my morality. So I beg to apologise to you that I cannot support this Bill, though I have the highest regard for you. I know my abstaining may not stop getting through of this Bill but I am undone.

"I will cherish the highest regard for you as I think that you are the fittest person at present to hold this office of President of the country. By my resignation I am not going to join Opposition. I shall still be willing to be in Government Parliamentary Party if you allow and shall co-operate with the right cause of the country the Government brings forth in the Assembly. I am a Muslim Leaguer since the beginning of my political career and shall remain so."

(*Dawn*, Karachi)

[Prev. ref. 5659:PAK:A]

D. Combined CENTO Exercises: According to an Inter-Services Press release in Rawalpindi on June 11, a combined CENTO exercise "Ittehad-4", designed to test the effectiveness

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of the military communications system connecting the capital cities of the Pact countries, was run jointly by their respective military planners recently.

Army and Air Force Commanders and staff officers met in a jointly established headquarters and worked in close support and co-ordination with each other.

A continuous flow of operational messages provided valuable opportunity to the Signal Corps personnel who were manning the high-powered radio equipment and teleprinters and communicating the messages with great urgency and speed.

(*Dawn*, Karachi)

[Prev. ref. 5593:PAK:A]

E. Cultural Agreement With USSR: The official Soviet news agency *Tass* reported on June 12 that an Agreement on cultural and scientific co-operation between the Soviet Union and Pakistan had been signed at Rawalpindi.

It provides for contacts in the sphere of culture, science, education and sports.

(*Tass*)

[Prev. ref. 5444:PAK:D, 5541:PAK:G]

F. Air Pact With Syria: Pakistan and Syria signed on June 13 an Air Pact enabling the Syrian Arab Airlines to operate two services a week between Karachi and Damascus.

The new arrangements were agreed upon after a four-day meeting between the air delegations of Pakistan and the *Syrian Arab Republic. The two delegations reviewed the existing Air Services* Agreement between the two countries.

An official spokesman later said "the talks were cordial and friendly and complete accord was reached on all points".

Mr. Umeni Doumlog, Director-General of Civil Aviation, led the Syrian Arab air delegation. Pakistan's delegation was led by his counterpart, Air Commodore B. K. Dass.

(*Dawn*, Karachi)

[Prev. ref. 5853:PAK:D]

G. Sir Solomon Hochoy's Visit: The Governor-General of Trinidad and Tobago, Sir Solomon Hochoy, arrived in Karachi on June 11 on a four-day visit.

He was accompanied by Lady Hochoy.

While in Karachi, he met the Pakistan President, F-M Mohammed Ayub Khan.

He visited a silk mill, an optical company, the Bank of Pakistan, the Security Printing Press and Korangi township.

He said in Karachi on June 14 that he had "wonderful talks" with President Ayub Khan on the night of June 13.

In an airport interview to Radio Pakistan before his departure for New Delhi he said that he was very greatly honoured to have been received in Karachi by President Ayub Khan and invited to a dinner. "We had wonderful talks and were happy together."

He commended the efforts of Pakistan Government in fostering the cottage industry. He said that he was fascinated by the work done in the City by the cottage industry.

He said that he was also impressed by the lay-outs of the exhibits and the Design Centre of Handicrafts. The cottage industry had to play a great part in the economic life of a country.

(*Dawn*, Karachi)

H. West Pakistan Budget For 1964-65: The West Pakistan Finance Minister, Mr. Masud Sadiq, presented on June 11 the Provincial Budget for 1964-65, showing a surplus of Rs. 9.96 crores.

Revenue receipts are estimated at Rs. 164.72 crores, while expenditure charged to revenue is estimated at Rs. 154.76 crores.

Although the revenue account shows a surplus of about Rs. 10 crores, the overall Budget based on capital account shows a deficit of Rs. 5 crores. The surplus in the revenue account will be transferred to capital account and the net deficit of Rs. 5 crores will be met by additional taxation amounting to Rs. 77,00,000 and prospective increase in Provincial share in the Central taxation. A sum of Rs. 210.45 crores is to be spent on development programme during the next year.

The total provision made for education and training in the next year, both development and non-development sectors is Rs. 42.17 crores as against the current year's revised estimate of Rs. 35.94 crores.

The University of Karachi has been allowed a grant of Rs. 74,00,000 which is substantially higher than the pre-merger period. The University has also been allocated a capital grant of Rs. 43,50,000 as against the current year's figure of Rs. 36,00,000.

In the health sector Rs. 14.49 crores have been provided both for development and non-development sectors as compared to Rs. 10.79 crores utilized during the current year.

The Rural Work programme gets 50 per cent increase—from Rs. 10 crores to Rs. 15 crores.

In his Budget speech Mr. Sadiq referred to higher allocation for the development of under-developed areas of the Province. "The allocation made for regional schemes in the Budget under consideration reflected Government's determination to step up by the maximum extent practicable the pace of development in the relatively less developed regions."

Th position with regard to region-wise allocation is as follows:

Former N-WFP—Rs. 9.15 crores as against the previous year's Budget estimate of Rs. 7.98 crores; former Punjab—Rs. 111.63 crores as against Rs. 37.85 crores; former Bahawalpur—Rs. 4.46 crores against the previous year's Rs. 3.47 crores; former Sind—Rs. 34.68 crores as against Rs. 32.45 crores; and Baluchistan—Rs. 6.52 crores as against Rs. 5.70 crores.

According to Mr. Sadiq, in Karachi region the expenditure reached in 1963-64 will be maintained in the next financial year. During the next year, for the development schemes of the region a sum of Rs. 11.69 crores is being provided as against Rs. 11.70 crores provided this year.

Excluding development grants amounting to Rs. 30.26 crores, the receipts from taxes and other sources of income are expected to improve by Rs. 8 crores.

The assignments from Central taxes will increase to Rs. 46.42 crores next year from Rs. 43.57 crores in the current year.

The growth in the Provincial tax receipts will increase to Rs. 37.66 crores from Rs. 34.76 crores.

The miscellaneous receipts will improve from Rs. 39.28 crores to Rs. 41.13 crores.

The principal increase in revenue expenditure is on account of development expenditure included in the revenue Budget; the expenditure on development, debited to revenues, will rise from Rs. 33.83 crores in the revised estimates to Rs. 46.15 crores in the Budget for the next financial year.

The debt charges on loans incurred for development are expected to go up by Rs. 3 crores next year; the public debt on the Province is expected to rise from Rs. 225.74 crores at the commencement of the Plan period to Rs. 450.20 crores by the end of the next financial year.

The percentage of expenditure connected with development is 74 per cent of the total revenue expenditure while the provision for administrative expenditure is 26 per cent.

The capital receipts during the next financial year, including the surplus in revenue account, are estimated at Rs. 152.36 crores; as compared to the current year the revenue surplus is estimated to be Rs. 9.96 crores as against Rs. 22.65 crores in the revised estimates.

Loans from the Central Government are estimated at Rs. 100.46 crores as compared to Rs. 108.63 crores in the revised estimates.

A sum of over Rs. 40,64,000 has been provided for grants-in-aid to various social welfare and literary organizations in West Pakistan for 1964-65.

Mr. Sadiq claimed that for the first time the growth rate of national income had outstripped the growth rate of population in the Province.

He said the national income had risen by an average of 4.2 per cent as against the increase of 2.7 per cent in the population during the same period. He said greater emphasis had been laid on the development of communications, irrigation, power, agriculture, industries and housing and settlement and for the reclamation of water-logged and salinity-affected lands.

The sector-wise break-down of the total Development Programme of Rs. 210.45 crores is as follows:

(Figure in Crores of Rupees).

Agriculture—31.98; Water and Power—72.78; Industries—11.03; Transport and Communications—36.00; Housing and Settlement—19.60; Education and Training—15.16; Health—7.28; Man-power and Social Welfare—72; Works Programme—15.00.

Total Plan Allocation (West Pakistan): Rs. 623.00 crores.

On the basis of the above figures, next year's Development Programme shows an increase of nearly 41 per cent as compared to the Revised Estimates of the current year.

Water and Power: The highest allocation made in the Development Programme is to the Water and Power Sector—(Rs. 72.78 crores).

Besides, the above, Rs. 500,00,000 has been provided for general investigation. The purpose of these operations is the development of additional water resources, generation of power, control of water-logging and salinity etc. Studies are being made for construction of Pilot Wind Mills for pumping water and generation of electricity; Rs. 108,90,000 has been provided for WAPDA House.

Agriculture: In the year 1964-65 Rs. 498,06,000 has been allocated for Agricultural Mechanization.

Rural Water Supply Schemes: More and more emphasis has been laid on Rural Water Supply and Drainage (Rs. 346,78,000 has been provided in the year 1964-65). On the other hand, Rs. 274,24,000 has been provided for Urban Water Supply Schemes (48 on-going schemes, and ten new schemes).

Communications: An amount of Rs. 11.19 crores has been provided for the construction and improvement of roads and bridges during the next financial year.

Supplementary Budget:

The West Pakistan Finance Minister, Sheikh Masud Sadiq, presented on June 9 a Supplementary Provin-

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cial Budget providing for Rs. 65,35,22,780.

Out of this amount, Rs. 29,05,24,800 is charged amount while Rs. 21,85,74,360 is non-recurring new expenditure and Rs. 14,44,23,620 is recurring expenditure.

Public debt accounts for a major portion of the Supplementary Budget, i.e. Rs. 27,81,87,500. But this entire amount is charged.

Of the new expenditure, the biggest chunk is claimed by advances not bearing interest i.e. advances repayable and loans and advances by the Provincial Government. The demand under this head amounts to Rs. 20,39,70,100. The entire amount is non-recurring.

The amount also includes a loan of Rs. 6,63,35,000 to West Pakistan WAPDA for excess expenditures on Rawal Dam, general investigations, West Pakistan high tension grid, Sukkur thermal scheme, Hyderabad thermal scheme, Chichoki hydel project, Gujranwala hydel project, Shadicoal hydel project, Multan Natural Gas Power Station and Quetta thermal scheme.

The amount also includes a loan of Rs. 1 crore to Karachi Development Authority for the Greater Karachi resettlement programme, a loan of Rs. 11,02,100 to Karachi Milk Supply Board and a loan of Rs. 20,65,08,000 to West Pakistan Railway for renewal and replacement project.

The demand for capital outlay on Provincial schemes of State trading amounts to Rs. 14,40,08,720.

An additional appropriation under the above head amounting to Rs. 13,95,85,430 (recurring) is asked for to meet the cost of additional purchase of 20,000 tons of indigenous wheat and 155,000 tons of imported wheat to build up a revolving reserve of 300,000 tons of wheat in the Province.

(*Dawn*, Karachi)

[Prev. ref. 5361:PAK:O]

I. East Pakistan Budget For 1964-65: The East Pakistan Finance Minister, Mr. Hafizur Rahman, presented in the Provincial Assembly on June 10 the Civil Budget for 1964-65, showing a surplus of Rs. 16.63 crores which will be utilized for financing the development programme.

Revenue receipts have been shown at Rs. 91.85 crores. The total revenue expenditure is estimated at Rs. 75.22 crores (inclusive of a contingency provision of Rs. 5 crores).

Presenting the Budget, Mr. Rahman said the revenue receipts for 1964-65 showed a rise of about Rs. 3.42 crores over the current year's (1963-64) revised estimate of Rs. 88.43 crores.

He announced that for the year 1964-65 a sum of Rs. 205 crores (gross) had been earmarked for the development programme in the Province. This included an element of shortfall to the tune of Rs. 40 crores and the net expenditure was proposed to the tune of Rs. 165 crores. The programme would be financed in the following manner: (a) Central assistance including foreign aid—Rs. 128 crores; (b) contribution from Provincial resources in the form of revenue surplus, capital receipts, market loan and recoveries from schemes Rs. 37 crores.

The Budget, however, did not make any proposal for fresh taxation.

He said, the World Bank has also remade calamities, the East Pakistan economy recorded considerable growth during 1963-64. Production of agricultural commodities and industrial goods increased substantially. The average annual investment in all the sectors (including the private sector) during the Second Plan period was likely to be of the order of Rs. 174 crores as against the average of Rs. 57 crores during the First Plan period.

Industrial production in 1963-64 increased by 10 per cent over that of the year 1962-63. This was mainly due to the higher growth rate in large-scale industries, where the increase was about 17 per cent over the previous year's production. In the agriculture sector there had been an increase of 3.7 per cent in the acreage under the rice crop and 17.8 per cent in the total yield.

Referring to the payment of compensation according to the provisions of the East Pakistan Estate Acquisition and Tenancy Act, cash was payable only to those whose compensation did not exceed Rs. 500. It was decided in December, 1963 that all rent receivers should be paid in cash, in the course of five years commencing from 1963-64 irrespective of the amount of compensation due to each.

A total of Rs. 35 crores had been assessed as final compensation to be paid under the Estate Acquisition and Tenancy Act for the whole Province. Deducting from it the compensation payable to non-resident rent receivers and the amount already paid in cash, it was estimated that a sum of Rs. 20 crores would be required to be paid during the five years starting from the current financial year. A sum of Rs. 4 crores had been provided in this year's Budget for this purpose. Considerable provision had also been made in the next year's Budget to meet the obligation. In order to channel this money to productive use, the Government had been doing its best to help the rent receivers to receive these sums in profitable securities.

He then dealt with sector-wise allocations. He said that an amount of Rs. 15.15 crores had been provided in the next year's Budget for the improvement of general and technical education indicating a rise of 14 per cent. The money will be distributed in the following spheres:

Primary education—Rs. 2.23 crores; secondary education—Rs. 2.38 crores; teacher education—Rs. 48,00,000; college education—Rs. 54,00,000; other institutions, scholarships and special projects—Rs. 1.56 crores; technical education—Rs. 5.78 crores; university education—Rs. 2.63 crores; survey and studies for Third Plan Rs. 15,00,000.

He pointed out that a sum of Rs. 2 crores had been earmarked for the development of the Dacca and Rajshahi University. A provision had also been made for a residential university at Faizabad near Dacca.

Referring to Health and Social Welfare sector, he said it was proposed to spend a sum of Rs. 7.10 crores on the health sector and Rs. 60,00,000 for the social welfare sector, making a total of about Rs. 7.70 crores. Proper and adequate stress had been laid on both the preventive and curative sides. In 1962-63 a batch of 55 doctors was sent abroad under the Provincial training programme. In the current year also a similar number of doctors was being sent abroad for post-graduate training and degrees.

He said a sum of Rs. 56.08 crores for the development of water and power resources of the Province had been allocated. A sum of Rs. 34.68 crores was earmarked for water development as against Rs. 29.40 crores. Among the new schemes to be taken up next year in this sector were small electric pump irrigation, Gumti flood control and irrigation project, Southern—Rajshahi irrigation, Manu river and Brahmaputra flood control survey.

For the power sector, a sum of Rs. 21.40 crores had been allocated and the total provision, about Rs. 20 crores would be spent on on-going schemes and the balance on new schemes. Important projects on power generation are (A) 120-M.W. Ashuganj thermal plant, (B) Siddhirganj 50-MW thermal plant and (C) the emergency power scheme for which a provision of about Rs. 50,00,000 has been kept in the next year.

He said that an amount of Rs. 31 crores had been provided in the Budget for the next financial year for the East Pakistan Industrial Development Corporation as against Rs. 20.57 crores in the current year's revised Budget. Of this amount Rs. 24 crores roughly would be spent on on-going schemes and Rs. 7 crores roughly on new schemes.

Regarding the works programme, he said that the programme had achieved satisfactory results and hence a sum of Rs. 25 crores had been allocated to the works programme during the coming financial year.

A sum of Rs. 21.03 crores had been provided for the agriculture sector. This included expenditure on agriculture (including work under the operational activities of the Agricultural Development Corporation, fisheries, forest, livestock, co-operation and agricultural marketing.)

A sum of Rs. 14.03 crores had been provided in the next year's Budget for the continuance of the schemes now under implementation by the Agricultural Development Corporation. These included, besides procurement and distribution of seeds, fertilizers etc., operation of mechanised cultivation and power pump irrigation as also the running of selected farms for improved seed multiplication. Under the scheme for mechanized cultivation and power pump irrigation, satisfactory progress had been achieved, he added, and said the cultivators had realised the utility of power pump, particularly for Winter crops, and the demand for such pumps on hire had considerably increased. Up to the end of April, 1964, 2,550 power pumps and 160 tractors were placed in the fields.

(*Dawn*, Karachi)

[Prev. ref. 5361:PAK:A]

J. Eastern Railway Budget For 1964-65: The East Pakistan Railway Minister, Khwaja Hassan Askari, presented in the Provincial Assembly in Dacca on June 8 a Rs. 25,30,00,000 Budget for 1964-65 for the Eastern Railway.

The Budget, which provides an estimated expenditure of Rs. 21,31,00,000, leaves a net surplus of Rs. 33,00,000 after meeting obligations to the Central and Provincial Governments amounting to Rs. 3,66,00,000.

The development programme, which accounts for more than Rs. 20 crores expenditure, includes a new feature of opening a railway line to the district of Barisal for the first time.

Khwaja Askari said that the budgeted expenditure had been increased by Rs. 86,00,000 over 1963-64 provisions due to normal increments of the staff, increase of cost of stores, implementation of Government orders on Pay and Services Commission's recommendations in respect of Gazetted officers and creation of a larger number of new posts to cope with extra traffic.

He said the tempo of progress in the implementation of the development plan of the Railways continued unabated. This would be evident from the fact that development expenditure during the entire First Plan period was only Rs. 18,16,00,000. Revised estimates for 1964-65 alone showed a development expenditure of Rs. 18,49,00,000. Similarly the proposed expenditure on development during 1964-65 amounted to Rs. 20,20,00,000.

On the earning side, he added, it was a matter of gratification to note that 1963-64 was likely to close with a net surplus of Rs. 2,60,000 despite the fact that an extra expenditure of Rs. 63,00,000 during the year was anticipated on account of increased excise duty on fuel, sales-tax on consumable stores, increase in price of Indian coal and repair of damage caused by cyclones and floods in the Chittagong area.

He told the House that traffic and engineering surveys of four new lines had been completed. These are: Santahar-

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Rohanpur, 77 miles; Ishurdi-Nagar Bari, 45 miles; Aricha Tangi-Dacca, 58 miles; and Kurigram-Bhurangamarid, 30 miles. The preliminary reconnaissance surveys had also been undertaken in respect of (1) Chatak Sunamgunj-Akergahat, 40 miles; and (2) Feni Harjigunj, 75 miles.

He said a sum of Rs. 1,20,000 had been provided in the budget estimates for 1964-65 for new surveys to be carried out during the coming year.

He said it was proposed to provide amenities during the coming financial year. These included platform sheds at 13 stations, over bridges at Daulatpur and Mahimagunj, sitting benches in Third Class waiting halls at 50 railway stations, electrification of 14 stations, installation of water coolers at 15 stations, Inter and Third class waiting rooms for ladies and gents at 70 stations and opening of new stations at four places.

For the welfare of the staff, 100 semi-pucca quarters for Class III staff and and 2,000 semi-pucca quarters for Class IV staff would be constructed. Besides, water taps would be provided in Class III and Class IV staff quarters.

(*Dawn*, Karachi)

[Prev. ref. 5362:PAK:P]

K. Western Railway Budget For 1964-65: The Western Railway Budget for 1964-65 was presented in the West Pakistan Assembly on June 9. It showed a surplus of Rs. 6.65 crores, with revenue receipts estimated at Rs. 58.5 crores and expenditure at Rs. 51.85 crores.

Presenting the Budget, the Railway Minister, Mr. Mohammed Khan Junejo, said that after paying interest on the Central and Provincial investments which would amount to Rs. 5.17 crores, the net profit or surplus would stand at Rs. 1.48 crores.

He announced an increase in passenger fares at the rate of 5 per cent in the case of lower class (Third and Inter) and 7½ per cent and 10 per cent in the case of Second and First Class respectively. These increases, which had become necessary in view of the additional expenditure caused by taxes on fuel oils and wage increases allowed to the non-gazetted staff, would yield an additional income of Rs. 1.5 crores. Similarly, increase in freight rates which originally was to be enforced from January, 1964, but would now come into force from July 1, 1964, would yield another Rs. 1.5 crores.

The revenue estimates for 1964-65 showed an improvement of Rs. 4.5 crores over the revised estimates for the current year. This increase was expected as a result of normal increase in traffic at the rate of 3 per cent which was expected to yield Rs. 1.5 crores. The remaining Rs. 3 crores would be earned by way of increase in freight rates and passenger fares.

The revised estimates on the revenue side for 1963-64 showed an increase of Rs. 4.24 crores over the original budgeted figures—the total income is Rs. 54 crores as against the budgeted figure of Rs. 49.76 crores. Similarly, the revised estimates of expenditure were placed at Rs. 48.33 crores against the budgeted figure of Rs. 43.32 crores, showing an increase of Rs. 5.01 crores.

The excess expenditure was mainly on account of excise duty of fuel oil which alone resulted in an increase of Rs. 3 crores. On the other hand, the increase in the income was mainly due to heavier goods traffic which brought to the Railway exchequer Rs. 3.10 crores.

The bulk of development expenditure will go towards providing more amenities to the passengers and railway staff. The expenditure on amenities to the passengers during the next year will cost Rs. 21,00,000, while the cost of new schemes of staff welfare to be started in 1965 will be Rs. 162,00,000, of which the expenditure to be incurred during the next year will be Rs. 25,00,000.

Dealing with the development programmes, Mr. Junejo said that under the engineering and structural works programme the main emphasis was being placed on modernization of signalling, while improvement and expansion of line capacity works were designed to enhance operational efficiency. There was also a programme for the rehabilitation and expansion of workshop facilities.

He said the track renewal programme envisaged 324 miles of rail renewals and 490 miles of sleeper renewals. This included the work of renewal and strengthening of track between Karachi and Lalamusa by providing 100-lb rails in place of 90-lb rails.

He said a scheme for the installation of a factory for the manufacture of prestressed concrete sleepers, which was initiated in 1962, and which had recently been finally allocated to the Railways, was progressing. This factory was expected to be installed by the middle of 1965, with technical assistance from West Germany and would be capable of producing 200,000 sleepers per year.

He said the new scheme of passenger amenities which would be taken up during the next year would cost Rs. 46,00,000 out of which the expenditure to be incurred during the next year would be Rs. 21,00,000. The amenities included shelters on station platforms, waiting halls and rooms, electric fans and flush type latrines at certain stations.

The revised expenditure for development expenditure stands at Rs. 23.70 crores, showing an increase of Rs. 2,00,00,000 on the budget etimates of Rs. 21.70 crores.

The increased expenditure is mainly on account of rolling stock and engineering and structural works partly offset by short-fall due to less expenditure on plant and machinery and bridge works.

The budget estimates for the next year provide for an outlay of Rs. 25 crores out of which about Rs. 23 crores would be spent on the schemes under execution.

The new development expenditure includes new constructions (Rs. 1,21,000); rolling stock (Rs. 13,14,000); engineering and structural works (Rs. 2,96,000); plant and machinery (Rs. 78,00,000); bridge works (Rs. 76,00,000); track renewals (Rs. 4,14,000); passenger and other public amenities (Rs. 43,00,000); staff welfare works (Rs. 95,00,000); and unremunerative works (Rs. 63,00,000).

Under the new construction Rs. 60,00,000 would be spent on Karachi Circular Railway; Rs. 30,00,000 on each of the two other schemes under execution -(a) Kot Addu-Dera Ghazi Khan railway line, and (b) Hyderabad-Mirpurkhas conversions from metre-gauge to broad-gauge.

A sum of Rs. 1,00,000 will also be spent on the old scheme—Jacobabad-Kashmore railway conversion from metre-gauge to broad-gauge.

Under the rolling stock programme five new shunting locomotives, 196 new coaches, and 1,650 wagons will be procured. Among 196 new coaches, 70 will be third class coaches having three berths for providing sleeping accommodation.

(*Dawn*, Karachi)

[Prev. ref. 5362:PAK:P]

L. Nationalization Of Trade In Burma—Effect On Pakistan Nationals: The Foreign Minister, Mr. Z. A. Bhutto, said in the National Assembly in Rawalpindi on June 6 that about 4,000 Pakistani nationals had been affected by the Burmese Government's policy of socialism and nationalization of trade.

He assured that the Pakistan Government was providing all facilities for repatriation of its nationals. Besides the scheduled PIA service, a Super-Constellation will regularly fly to Rangoon to pick up Pakistanis who want to migrate.

During question hour, he had to face a barrage of supplementaries from the Opposition Members who expressed concern about the future of Pakistanis affected in Burma.

Mr. Bhutto said some 500 shops run by Pakistanis had so far been nationalized in Burma. He said it was difficult at this stage to give the exact figure invested by Pakistanis involved in nationalization because the Burmese Government had not yet completed stock-taking. The amount may run into about Rs. 2 crores, but the figure had yet to be verified.

He assured the Government's best efforts to assist Pakistanis with the "friendly co-operation" of the Burmese Government for evaluation of their assets, payment of compensation and provision of necessary foreign exchange for repatriation of capital.

He said that at present on an average 50 Pakistanis were leaving Burma by air every week. A rush, however, was anticipated from June when the Burmese Government would start clearing 200 to 300 applications of foreigners daily.

The number of Pakistanis in Burma was estimated to be in the vicinity of 75,000.

Mr. Bhutto said Burmese law of nationalization was not discriminatory as it affected everyone, including Indians and Britons.

He said the Pakistan Embassy had taken all possible steps for repatriation of investment by Pakistanis. But, he added, "we cannot interfere in implementation of Burmese objectives."

He said negotiations on the issue were in progress.

(*Dawn*, Karachi)

[Prev. ref. 5807:BUR:A]

M. Curbs On Foreign Firms: The Minister of Commerce, Mr. Wahiduzzaman, announced in Rawalpindi on May 19 that foreign commercial importers would be eliminated within a few years and import facilities in future would be confined to foreign firms having industries and interests in Pakistan.

He said that the process of elimination had already begun. The intention was that the foreign interests in commercial trade should be persuaded to invest earnings in the industrial sector.

The Government's decision will hit mainly those British businessmen who have been engaged in commercial imports for many years. The position of foreign oil companies exclusively engaged in commercial imports had not yet been examined in the context of this policy, but eventually, Pakistani interests would take precedence.

The Government did not in any manner intend to discourage foreign investments. The aim, he said, was for commercial trade to be undertaken as far as possible by Pakistanis. Foreign firms engaged in commercial business had earned substantial profits, and it was fair to expect them to participate in the industrial growth of the country.

(*The Times*, London)

N. Economic Survey Report For 1963-64: The Economic Survey report for 1963-64, released in Karachi on June 4, said that the year (April-March) had been remarkable for the economy of Pakistan.

In spite of a record increase in money supply and bank credit of Rs. 110.24 crores (14 per cent) and Rs. 104.08 crores

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(10 per cent) respectively in the course of the year, the increase in wholesale prices had been only marginal—0.9 per cent.

The following is the official summary of the report:

"The growth rate has been accelerated, exceeding the Plan's annual average of 4.8 per cent by 1.2 per cent. The index of industrial production (base: 1959-60) rose from 133.6 in 1962-63 to 156.3 during the second half of 1963 and still higher during the first half of 1964. The industries which recorded marked increases in production were sugar, jute manufactures, fertilizers, petroleum manufactures and cement.

"In the agricultural sector, the production index for all crops (base: average of 1949-50 to 1952-53=100) set a new record of 136 in 1963-64. The index of food crops rose to 134 in 1963-64 compared to 103 in 1958-59. The index for non-food crops, (which rose from 154 in 1961-62 to 172 in 1963-64), showed a still marked progress.

"The production of large and medium industries during the first three years of the Second Plan period increased by 34 per cent and that of small industries by 15 per cent against 60 per cent and 25 per cent respectively aimed at during the five-year Plan period. During these three years production of sugar increased by 67 per cent, cigarettes by 62 per cent, cotton cloth by 16 per cent, cement by 32 per cent, tyres and tubes by 58 per cent and fertilizers by 424 per cent.

"In absolute figures, the production of cotton yarn increased from 43.22 crores lbs in 1962 to 47.16 crores lbs in 1963, jute manufactures from 2,86,000 tons to 3,15,000 tons, sugar from 1,91,000 tons to 2,43,000 tons, hydrogenated vegetable oil from 62,700 tons to 77,100 tons, cigarettes from 1,370 crores to 1,617 crores and fertilizers from 1,56,000 tons to 2,54,000 tons.

"The private sector over-fulfilled its targets. The Investment Schedule of Rs. 284 crores, laid down in 1960 for the Second Plan period, having been over-implemented by Rs. 123 crores by the end of 1962, a revised schedule of Rs. 153 crores was announced in February, 1963. Sanctions for Rs. 62.3 crores under the revised schedule have already been obtained and it is expected that during the next financial year, last year of the Plan, the amount would be exhausted, the private sector thus achieving almost 100 per cent over-fulfilment.

"In the public sector, the Industrial Development Corporation continued to make significant contribution to industrial development. The goods produced in 1963-64 by projects under the management of the two Corporations were valued at Rs. 56.9 crores. The capital outlay of the West Pakistan Industrial Development Corporation (WPIDC) in its 34 completed projects now stands at Rs. 80.3 crores. The East Pakistan Industrial Development Corporation (EPIDC) completed four projects at a cost of Rs. 6.85 crores and Rs. 28 crores with an estimated cost of Rs. 64.18 crores are under different stages of execution. The two Corporations have now started working on projects involving establishment of heavy industrial complexes.

"In addition, the Department of Investment Promotion and Supplies accorded sanction to 313 industrial units, involving a total investment of Rs. 88.93 crores of which Rs. 39.15 crores involves foreign private capital. This is apart from foreign loans amounting to Rs. 43.26 crores which were associated with foreign equity capital.

"In the field of agriculture, some of the major crops such as rice, sugarcane and cotton set new production records and exceeded the Plan targets by significant margins a year ahead of schedule. Tea which had received a major setback in 1962-63 recovered some of the ground lost during 1963-64.

"The sugarcane crop which was only 141,10,000 tons in 1959-60 rose to 229,00,000 tons in 1962-63, an increase of 62.3 per cent in three years. The cotton crop, having remained stagnant around 17,00,000 bales for a number of years, achieved a break-through in 1961-62 when production rose to 18,40,000 bales. Production increased still more in 1962-63 to 20,76,000 bales —an increase of 21.3 per cent over 1960-61.

"Although final crop estimates for 1963-64 are not yet available, preliminary estimates suggest bumper crops in rice, sugar-cane and cotton. There is shortfall in the production of jute mainly because of the down-swing in raw jute prices received by the growers during the 1962-63 season.

"The rice crop during the last five years has increased very rapidly. From 79,00,000 tons in 1958-59, it rose sharply to 105,30,000 tons in 1960-61, 105,80,000 tons in 1961-62 and 116,00,000 tons in 1963-64. There was a slight setback in 1962-63 due to bad weather conditions when the production had fallen to 98,10,000 tons.

"Production of wheat during 1962-63 was estimated at 41,50,000 tons against 40,00,000 tons in 1961-62 and 37,90,000 tons in 1960-61. The increase was, however, largely the result of increased acreage. During the period 1960-61 to 1962-63, while the acreage increased by 8.5 per cent, production was higher by 9.5 per cent.

"In the field of water and power development, significant progress continued to be achieved. The index of power generation in terms of capacity rose from 103.5 in 1958 (base: 1957-100) to 257.3 in 1961 and to 313.8 in 1962; 1963 will reveal a more impressive picture when data are available.

"The generation of power by EPWAPDA rose from 74,000 kw in 1959-60 to 185,000 kw by February, 1964 and the number of consumers rose during the same period from 38,600 to 79,247. In West Pakistan the installed capacity had risen to 604,000 kw as against 119,000 kw in 1958-59. Revenues of WPWAPDA almost doubled in three years from Rs. 9.3 crores in 1960-61 to Rs. 17.4 crores in 1963-64 (estimates).

"Apart from tapping the conventional sources of energy the Government have taken steps to develop nuclear power. Construction of one nuclear plant for each Province is under way and by the end of 1968 both of them are expected to be in operation. The East Pakistan nuclear station with an installed capacity of 70 megawatt will be located at Roopur in Pabna and that of West Pakistan with an installed capacity of 132 mw at Karachi.

"Large volumes of development expenditure necessarily give rise to inflationary pressure which operate from more than one direction. Their complete elimination is neither practicable nor desirable, but to keep them in check and use them only as lever to higher production is the objective of sound economic policies. In Pakistan, the Government, through financial and fiscal devices has succeeded in maintaining reasonable stability in price level and the increase has been much less than in many other developing countries. Over the last five years the index number of wholesale prices has shown an average annual increase of only 1.9 points. While the price of rice showed a considerable decline during 1963-64, the price of wheat has been generally high in comparison with the previous season.

"On the whole, prices of manufactured consumers goods tended to rise. The increase was more marked for imported consumer goods than for local manufactured goods.

"Development in the social sector has been quite impressive. In the field of education, 4,000 new primary schools and 400 new secondary schools were established. The number of engineering and agricultural universities has risen from six to ten. The number of polytechnics is being raised from 16 in 1962-63 to 35 by the end of 1965—17 in East Pakistan and 18 in West Pakistan. New engineering colleges are also being established at Rajshahi and Hyderabad.

"Three new medical colleges have been established, one each at Dacca, Sylhet and Mymensingh. Increase in the number of doctors has exceeded the Plan target while increase in the number of nurses was about 50 per cent. The number of lady health visitors increased to 600 of family planning centres to 1970. Seventy-two rural health centres and 32 school health clinics were set up. The number of hospital beds rose to 32,000 as against the Plan target of 38,000.

"The year 1963 witnessed an unprecedented expansion in money supply and bank credit, touching a new peak at Rs. 748.95 crores and Rs. 416.10 crores respectively and showing increases of Rs. 95.74 crores and Rs. 79.05 crores over 1962.

"The expansive trend continued during the first quarter of 1964. At the end of March, 1964, money supply stood at Rs. 786.10 crores compared to Rs. 676.10 crores in March, 1963—a rise of Rs. 110 crores.

"The most important measure in the field of bank credit is the opening of the People's Credit Department by the National Bank of Pakistan which caters for the financial requirements of small business and industry.

"The branches of the Scheduled banks continued to increase. In the course of the year 299 new branches were opened and reached a total of 1,130 as against 831 at the end of 1962."

(*Dawn*, Karachi)

[Prev. ref. 5853:PAK:E]

C. Agricultural Plans For East Wing: A sum of Rs. 295.44 million has been allocated in the agricultural sector for a total of 150 schemes in the East Pakistan Budget for 1964-65 presented in the Provincial Assembly on June 10.

On the total 150 schemes, the number of on-going schemes is 142 costing Rs. 288.34 million. Eight new schemes would cost Rs. 7.10 million.

Most of the schemes in the agriculture sector relate to the research and training programme which had been already undertaken.

One major new scheme is to cover 20 Thana of Comilla district in integrated rural development, initiated by the Academy for Rural Development to awaken rural enthusiasm.

The Agricultural Development Corporation's development programme costing Rs. 14.3 crores aims at distribution 1,63,000 tons of fertilizers, operation of about 4,117 power pumps to irrigate an area of 3,81,000 acres, introduction of 200 power tillers, procurement of exotic seeds and multiplication farms.

The livestock programme in the Budget covered completion of on-going schemes, like veterinary hospitals, artificial insemination centres, milk toning plant and veterinary research centres.

The programme for raising output of fish, in addition to the completion of on-going schemes, aims at setting up a Fisheries Development Corporation.

By the end of 1965, five new fish seed farms will be completed, bringing the total of such farms to 51. In addition, 5,000 acres of derelict fisheries will be reclaimed and stocked with quality fish.

A scheme for plantation and regeneration of forests over an area of 19,000 acres had been taken up in the next year's afforestation programme.

The programme of the Food Department aims at completion of the schemes for providing storage facilities which had already been undertaken.

The schemes executed in the agricultural sector in the last four years of the Second Plan period had made a good impact in achieving the physical targets in major fields.

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To-date rice production in East Pakistan is about 104,00,000 tons against the Plan target of 86,65,000 tons; wheat 32,000 tons against 22,000 tons, oil seeds 1,95,000 tons against the Second Plan target of 1,77,000 tons.

The present sugarcane output is 50,60,000 tons against the target of 54,60,000 tons, tobacco 29,000 tons against 14,000 tons, jute 60,00,000 bales against the target of 73,90,000 bales, cotton 17,000 bales against 70,000 bales.

The present fish output of East Pakistan is 13,60,000 tons against the Second Plan target of 2,60,000 tons; fertilizer output is 1,15,000 tons against the target of 8,46,000 tons; irrigated area is 1,40,000 acres against the Plan target of 3,60,000 acres including WAPDA programme; and timber extraction 230,00,000 tons against the Plan target of 504,00,000 tons.

The necessary infrastructure for achieving increased agricultural output are being built up. For this a number of research and experiment institutes had been set up.

(*Dawn*, Karachi)

[Prev. ref. 5203:PAK:A]

P. **Factories To Make Railway Wagons For East Wing:** Mr. Abdul Rahman, Parliamentary Secretary for Railways, said on June 10 that it was proposed to set up a factory on the Pakistan Eastern Railway for the manufacture of carriages and wagons, and tenders had been invited from reputed firms for a feasibility report.

He was replying to a question from Mr. Abdul Mannan on the floor of the East Pakistan Assembly.

In his original question, Mr. Abdul Mannan wanted to know if there was *any wagon manufacturing workshop in East Pakistan.*

Replying in the negative, Mr. Rahman said that certain facilities had been developed in mechanical workshops for undertaking assembly of wagons which were being received in knock-down condition from foreign countries. Daily capacity for assembly of such wagons was eight units for for Pahartali shops and four units for Saidpur shops.

(*Dawn*, Karachi)

[Prev. ref. 4690:PAK:G]

SYRIA

A. **Arab Union—Government's Policy Statement:** The Prime Minister, Mr. Salah Bitar, pledged on May 24 that his newly-formed Government would renew efforts to bring about union among Arab countries with revolutionary *regimes.*

Outlining the policies of his Baathist Government, he said it would strive to create a clear atmosphere with Arab countries in a bid to create better chances for the realization of a union among countries which are conditioned to join such a union.

He did not name these Arab countries, but left no doubt that he meant the United Arab Republic, Iraq, Algeria and Yemen.

Among the first moves by the Syrian Government to this end, he announced that he had called off Syria's current "war of radios" with UAR and Iraq.

He pledged to steer Syria in a moderate course between the extreme Right and the fanatical Left on a basis of "phased socialization".

He said his Government set its ultimate objective in striving for Arab unity, bringing about socialism as the only solution for Syria's economic difficulties and ensuring public freedom.

He pledged to speed up the formation of Syria's National Assembly which will exercise legislative authority in the country under the recently announced interim Constitution.

He said various sections of the people would be represented in the Assembly, but 50 per cent of its seats would go to representatives of the peasantry.

Mr. Bitar formed the new Government—a coalition Cabinet composed of 19 Ministers, equally divided between the Arab Socialist Baath Party and Independents—on May 13.

Also a five-man Presidential Council had been set up under the chairmanship of General Amin Al Hafez. It will act as the highest executive authority in Syria.

These changes were brought about within the frame-work of the new "Provisional" Constitution of the country.

(*Damascus Radio* and *The Statesman*, Calcutta)

[Prev. ref. 5876:SYR:A and D]

TURKEY

A. **Consortium Aid For Development Programme:** A despatch on June 5 said that Prof. Jan Tinbergen, the Dutch economist who has been Chief Adviser to the State Planning Organization since its foundation, had begun studies in connexion with the development programme for 1965 and the drawing up of the Second Five-Year Plan (1968-73).

After examining the results of the 1963 programme Professor Tinbergen decided that an annual growth rate of 7 per cent should remain the target throughout the period of the present Plan. He stressed that the effectiveness of future programmes will depend on the fiscal reforms which the Government is now attempting to accomplish in order to raise the necessary internal revenue to meet budget commitments.

He confirmed reports that some members of the "Aid-Turkey Consortium" had stipulated that further aid should be suspended until all fiscal legislation has been passed, but his own view was that Consortium aid should continue at all costs. In order to fulfil the present Plan, estimated to cost $6,000 million, Turkey needs some $300 million a year in foreign aid. At the last Consortium meeting on May 12, the member-countries studied a report on Turkey's economy drawn up by Professor Berrill of Cambridge University and a further meeting was to take place in the first half of June when Turkey's request for $250 million for the current year was to be considered. Of this sum, $124 million has so far been agreed upon, as to USA $70 million, UK $10.8 million, Denmark $0.5 million, Sweden $1 million, the International Monetary Fund $21.5 million and the OECD $20 million. The West German contribution of $40 million is expected to be passed by the Government shortly.

A further measure aimed at increasing revenue came into force in Turkey on May 25 with the introduction of a new customs tariff designed to raise an additional £T240 million this year and to protect local industries. A wide range of goods was said to be affected by the increased duties, which average over 30 per cent, and the concessions applicable to "most-favoured-nations" have been drastically reduced. The list of goods subject to the new tariff has not yet been published, but a Government spokesman said that motor cars were not involved.

A decree authorizing the payment of duty, turn-over tax, municipal tax and wharf dues in instalments over a period of up to five years is expected to be issued by the Cabinet in the near future. This method of payment will apply only to goods and equipment needed for the implementation of investment projects.

(*Middle East Economic Digest*, London)

[Prev. ref. 5388:TUR:A]

VIET-NAM (RVN)

A. **Mr. Ngo Dinh Can Executed:** Mr. Ngo Dinh Can, brother of former President Ngo Dinh Diem, was executed by firing squad in a Saigon prison on May 9.

The execution followed the rejection of his appeal for clemency by the acting Chief of State, Major-General Duong Van Minh.

Gen. Minh's decision to go ahead with the execution was taken despite requests by Catholic and Buddhist leaders and by the United States Government for a reprieve.

(*The New York Times*)

[Prev. ref. 5589:RVN:A]

YEMEN

A. **President A. Sallal's Visit To China:** The President, Field-Marshal Abdullah Sallal, arrived in Peking on June 1 on a State visit at the invitation of President Liu Shao-chi and the Premier, Mr. Chou En-lai.

A 21-gun salute was fired and full military honours were accorded to him at the airport.

On June 2, Dr. Liu Shao-chi gave a banquet in honour of President Sallal.

In a speech on the occasion, Dr. Liu Shao-chi praised the Yemeni people for their love of freedom. The Chinese people consistently supported the Arab people in their struggle to win and safeguard national independence.

He said: "We strongly condemn the US scheme of instigating Israel to provoke the Arab countries. We support the legitimate demand of the Palestine people to recover their proper rights and return to their homeland. We support the people of Aden and South Yemen in their struggle against colonialism. We support the stand of the Arab countries in demanding the dismantling of all the foreign military bases."

President Sallal praised the Chinese Government and people for consistently supporting the Arab people's cause and legitimate demands and their fight against "the imperialist schemes and aggression against Arab countries."

Referring to the speedy recognition of the Republic of Yemen by the Chinese Government, he said: "In giving such support, the Chinese Government has faithfully implemented its policy towards the struggle of the Arab people who are striving to shake off the shackles imposed by the reactionaries and various forms of colonial rule."

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He said that his Government had proclaimed a policy of positive neutrality and non-alignment, devotion to the solidarity of the Arab and Asian-African peoples' opposition to old and new colonialism and sincere and selfless support to all people who devote themselves to world peace, liberation of peoples and peaceful co-existence.

He added that together with other Arab countries, Yemen supported China's legitimate right to its seat in United Nations.

On June 3, Mr. Chou En-lai gave a banquet in honour of President Sallal and on June 4 a rally was held in Peking to welcome the Yemeni President.

In Hanchow:

President Sallal arrived in Hanchow from Peking on June 6.

In the evening the Governor of the Province gave a banquet in his honour. Mr. Chou En-lai and the Vice-Premier, Marshal Chen Yi, who were accompanying President Sallal, attended the banquet.

On June 7, President Sallal arrived in Shanghai, where he received a big welcome.

President A. Sallal's Banquet To Chinese Leaders:

On June 10, President Sallal gave a banquet in honour of the Chinese leaders.

Present at the banquet were Dr. Liu Shao-chi, Vice-Chairman Tung Pi Wu, Marshal Chu Teh of the National People's Congress Standing Committee and Mr. Chou En-lai.

President Sallal and Mr. Chou En-lai warmly greeted the signing of the Sino-Yemeni Treaty of Friendship and the new development of the friendly relations between the two countries.

President Sallal spoke highly of the spectacular developments in China following the Revolution. As he put it, the Chinese people had created many miracles within the short span of a few years. He added that China was making its contribution together with all other peoples of the world for the promotion of human wellbeing and the civilization of the East based on the right of all peoples for freedom.

In his speech, Mr. Chou En-lai said that President Sallal's visit had made an important contribution to the relations of friendship and co-operation between the two countries.

Treaty Of Friendship Signed:

It was announced on June 15 that Yemen and China had signed a 10-year Treaty of Friendship with the desire "to consolidate and further develop the profound friendship" between the two countries.

The Treaty was signed by President Sallal and President Liu Shao-chi in Peking on June 9.

It will replace the old Treaty of Friendship signed on January 12, 1958.

The two countries also signed an Economic and Technical Co-operation Agreement and a Cultural Co-operation Agreement, but no details were disclosed.

Joint Communique:

A joint *communique* was also signed on June 9.

It said that the two parties "had a full exchange of views on international questions of common interest and on the question of further strengthening relations of friendship between China and Yemen, and identical views were reached on all the questions discussed."

In relation to Arab issues, it said: "The two parties strongly condemned the imperialist policy of aggression against Arab countries and expressed resolute opposition to the imperialists' criminal activities in instigating and using Israel to harm the Arab national interests.

"The two parties expressed firm support for the Arab peoples in their just struggle for the dismantling of all foreign military bases on Arab territory.

"The two parties expressed firm support for the Arab people of Palestine in their just struggle for the recovery of the legitimate rights and for a return to their homeland.

"The two parties strongly condemned the fresh crimes of military aggression committed by imperialists in Aden, the other occupied areas of South Yemen and Oman."

On the South-East Asian situation it said: "The two parties condemned imperialism for its recent creation of renewed tension in Indo-China and its execution of war plots there. They agreed that it is necessary quickly to convene a conference of the participants of the Geneva Agreements in order to save this region from the ominous situation and to preserve peace in Asia and the world."

(Peking Radio)

[Prev. ref. 1846:CHI:E]

ASIA OUTSIDE ASIA

A. Disarmament Conference: The 17-nation Disarmament Conference in Geneva adjourned on April 28 to meet again on June 9. In this series of discussions, no appreciable progress was made, but outside the Conference, USA and USSR announced further cuts in their production of fissile materials.

On February 18, the Soviet delegate, Mr. S. Tsarapkin, warned in the Disarmament Conference that there could be no progress on general disarmament until USA accepted the principle that all nuclear missiles should be destroyed.

He said: "We would be ready to sit down with the Americans immediately—today if necessary—to work out an agreement if they first accept as the first stage disarmament the principle of eliminating all nuclear vehicles."

He added that the US proposal for percentage cuts of nuclear vehicles "would only lead us into a stalemate".

The main problem of the Conference was to eliminate the threat of thermonuclear war as soon as possible. He said this was the basis of the Russian proposals. "The concern of States for their security would be covered by the balanced limited nuclear deterrent that both sides would maintain until the final stage of disarmament was completed."

British Proposals:

The British Foreign Secretary, Mr. R. A. Butler, on February 25 outlined six points upon which East and West should build if the Conference was to make any practical progress.

He also suggested three further points worthy of special attention and study, including proposals for streamlining the efficiency of conference procedures, new proposals in the field of inspection and verification, and new ideas for building up the peace-keeping effectiveness of United Nations.

He said that although earlier disarmament negotiations had not been fruitful, the world was now entering a new era in which nuclear war could not be contemplated.

He said that his Government had made a contribution to the agreements reached in 1963. "But general and complete disarmament cannot be easily or quickly achieved." Progress in this field must be matched by progress in other fields towards reducing tension. Disarmament was inextricably intertwined with foreign policy, and the general policies of all Governments were the key to success.

He listed six "cardinal points upon which we should try to reach agreement if we are to make practical progress":

(1) An agreement on observation posts in the NATO and Warsaw Pact areas. Even in advance of agreement there were many technical details which had to be settled, and these should be explored. Britain was discussing with her NATO allies proposals which might be put to the Conference.

(2) A comprehensive nuclear test ban Treaty. A very small and "really quite painless" degree of inspection was required.

(3) An agreement to ban the further dissemination of nuclear weapons or knowledge. "We should be able to do it now." Nothing in the proposed NATO multilateral force was contrary to the principle, and the existence of a formal agreement on non-dissemination would ensure that a multilateral force could not be set up in a form which permitted of dissemination of nuclear weapons.

(4) The increased use of nuclear energy for peaceful purposes. This would be a valuable step towards non-dissemination. Britain welcomed the new US proposals, including submission by the nuclear Powers of some of their peaceful nuclear activities to the "same inspection that we recommend for other States".

(5) A "freeze" of strategic nuclear delivery vehicles. Britain welcomed this new American proposal. It was perhaps the most important of all.

(6) The early physical destruction of some armaments. Britain had frequently urged this, particularly in regard to nuclear delivery vehicles. Mr. Butler warmly welcomed the "bomber bonfire" proposals and was encouraged by Soviet interest. Once the first step had been taken, he hoped that substantial destruction might follow. A second round might include tanks and some of the more modern delivery vehicles—missiles as well as bombers. Looking ahead, it might be advisable to consider how it would be possible to counter-balance certain categories of weapons in which one side had superiority against those in which the other had a lead. Britain would want to contribute on an appropriate scale.

He then outlined three other fresh proposals which he considered worthy of study:

(1) An improved procedure for the Disarmament Conference. Less time should be spent on principles and general discussions, more on details. A proliferation of disarmament plans could easily become a substitute for constructive work. Hard, factual examination of individual measures was needed. The British delegation was prepared to provide working papers to the Conference and to any committees or study groups it might set up, for example, on observation posts.

(2) New proposals for verification. Similarly, the problems of verification should be subjected to detailed study now. The principle should be agreed that as disarmament advances, the degree of inspection advances hand-in-hand with it.

If this principle could be applied to the first stage of general disarmament, it might be worthwhile approaching the problem from new angles—for example, on a "functional" rather than a "regional" (inspection zones) basis.

(3) Proposals for international peace-keeping. It was essential to build up the peace-keeping role and capabilities of United Nations. At Geneva, Britain was prepared to discuss the problems of building up international peace-keeping

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forces in the second and third stages of disarmament. This might be for the more distant future. In the immediate future, much could be done to help United Nations. Mr. Butler enumerated three principles:

(i) The collective responsibility of all members to contribute to all UN activities, including peace-keeping operations;

(ii) The need to take account of any excessive burden which the costs of an expensive operation might impose on the economies of the developing countries; and

(iii) The special position of the larger countries and permanent members of the Security Council.

On the military side, Britain was encouraging the UN Secretary-General to build up his headquarters staff, to digest the experiences of Congo and other peace-keeping operations, to draw on the expertise of national forces, and thus to plan ahead.

Britain was also ready to discuss these ideas, or others designed for the same end, with all those who were interested. The degree of support for such peace-keeping arrangements was a good measure of the true desire of States to adhere to general disarmament.

Soviet Rejection:

Russia rejected on February 25 the British proposal to strengthen the UN peace-keeping machinery.

The Soviet delegate, Mr. Semyon Tsarapkin, said that such a force would only "create difficulties and complications".

He said that Russia had already proposed an international peace-keeping machinery as part of its disarmament plan.

Mr. Butler said Britain was ready to look ahead and discuss the problems of building up international peace-keeping forces in the second and third stages of disarmament.

Mr. William C. Foster, the US delegate, describing the speech as an "important contribution to the work of the Conference", welcomed Mr. Butler's support for President Johnson's proposed "freeze" of the numbers and characteristics of strategic nuclear delivery vehicles.

Failure To Agree On Agenda:

East-West disagreement on the agenda for collateral measures—those to ease tension and clear the way for general disarmament—came into the open on February 27.

The US delegate, Mr. W. Foster, announced that he and the Russian delegate, Mr. S. Tsarapkin, had been unable to reach accord on what the agenda should include.

The United States, he said, believed that progress could be be made by selecting subjects "which are possible of agreement" but so far he and Mr. Tsarapkin had been unable in their private meetings to identify a topic or a group of topics which both regarded as "offering sufficient prospect for early agreement to warrant their being placed in an agenda to the exclusion of other topics".

Mr. Tsarapkin said that in many of these meetings the Soviet Union had put forward two items—a 10 to 15 per cent cut in military budgets and measures to secure the non-dissemination of nuclear weapons. Mr. Foster said the Russian budget proposal as it now stood was not conducive to agreement.

Creation Of Special Development Fund—India Supports Brazilian Proposal:

On February 27, the Indian delegate, Mr. R. K. Nehru, supported a Brazilian proposal for creating a special development fund from the money saved from reduction of armaments.

He also suggested that developing countries should cut down their own expenditure on armaments and contribute the savings to the special fund.

He called for a spirit of accommodation from USA and the Soviet Union in considering disarmament measures. He underlined the need for an early agreement on a comprehensive treaty banning all nuclear tests. Nothing should be done about the disposition of existing nuclear weapons which would come in the way of an agreement on preventing the spread of nuclear armaments.

Seven Points Of Agreement:

Britain told the Conference on March 3 that there were seven points on which East and West seemed to agree.

They were: a balance of power of sorts exists, however unsatisfactorily, this balance helped maintain peace; it was in the interests of all to see that a stable balance was kept during the whole disarmament process; the level of the balance should be progressively reduced during disarmament; two methods could be used: first, by the retention of nuclear deterrents on both sides and, secondly, by effective peace-keeping machinery; both sides were closer regarding the situation that would obtain towards the end of disarmament when the nuclear deterrents would be removed and their place taken by the peace-keeping machinery and there must be some form of control of nuclear deterrents during the process of disarmament.

The British delegate said these points provided a basis for the Conference to get down to business, but added that the West awaited word from Russia regarding the size of the nuclear deterrent to be retained by both sides, and why nuclear vehicles such as submarines had been omitted from her proposal.

Reactor For Inspection—US Offer:

The USA announced on March 5 that it would place one of its largest nuclear power reactors under international inspection in the hope that other countries—particularly the Soviet Union—would follow suit.

The US delegate, Mr. Adrian Fisher, told the Conference that the huge Yankee reactor plant at Rowe, Massachusetts, would be placed under inspection of the International Atomic Energy Agency (IAEA).

He said USA hoped that this step would encourage the Soviet Union and other countries to join in a worldwide system to prevent the misuse of civil reactors for clandestine production of nuclear weapons. The IAEA would be invited to undertake permanent inspection of the Yankee reactor "whether or not other States reciprocate. But if they did reciprocate, it would be one of the most significant developments of the Conference."

Three smaller US reactors were already under IAEA inspection to help it develop its procedure to safeguard the peaceful uses of atomic energy.

The privately-owned Yankee reactor is the largest yet to come under IAEA surveillance. It is rated at a power level of 600,000 thermal kw and produced over one billion kw hours of electricity in 1963.

Soviet Plan For Retention Of Nuclear Umbrella—Indian Support:

On March 24, India supported in principle the disarmament plan put forward by the Soviet Foreign Minister, Mr. Andrei Gromyko, for the retention of a nuclear umbrella by both sides during the final stage of disarmament.

The Gromyko proposal envisages a substantial reduction of the existing nuclear arms potential in the world in the initial stage of the actual process of disarmament and the maintenance of a balance of nuclear security with the retention under control by USA and Russia of a strictly limited number of agreed types of missiles till the end of disarmament.

Indirectly referring to China's recent attack on India, the Indian delegate, Mr. V. C. Trivedi said the Conference should examine how the Gromyko plan could cover aggression by conventional arms as well as nuclear weapons.

He said the Conference's work would be facilitated if it accepted in principle the Soviet thesis of a nuclear umbrella. "It appears to me that our work could be speeded up significantly and without affecting any one's position if we could say that we view the nuclear umbrella proposal favourably in principle. We would then go on to a detailed examination of the plan."

He urged that all nations, especially all militarily powerful States, should adhere to a Treaty on general and complete disarmament and implement its provisions right from the start of the process of disarmament.

The US delegate, Mr. Adrian Fisher, told the Conference USA could not accept Mr. Gromyko's proposal as it stood and could not agree with Mr. Trivedi's views.

Russia Approves Poland's "Freeze" Plan:

For the first time, on March 26, the Soviet Union gave official approval to the plan by the Polish Prime Minister, Mr. Wladislaw Gomulka, for a "freeze" of nuclear weapons in Central Europe.

The Soviet delegate, Mr. Semyon Tsarapkin, stressed that the plan had a "particularly positive aspect" in that it would "prevent West Germany from getting atomic weapons".

He said the British paper on observation posts contained nothing new and that it "established control without disarmament" which was unacceptable to the Soviet Union.

But after the session, a British spokesman made it clear that Britain in no way excluded other steps, which, according to the Soviet Union, should accompany the creation of observation posts, such as the reduction of military strength in the zones where the posts were established.

The Canadian Minister for External Affairs, Mr. Paul Martin, said that despite objections to the Gomulka plan, there were points in them that were "worthy of study".

(*The Hindu*, Madras, *The Statesman*, Calcutta, *The Hindustan Times*, New Delhi and *The Times*, London)

[Prev. ref. 5490:AOA:B; 5621:AOA:A; 5686:AOA:C]

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ASIAN RECORDER

July 15—21, 1964

Regd. No. D-727

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BURMA

A. **Socialist Labour Corps:** With effect from May 1, an organization called the Socialist Labour Corps has been formed for the execution of the "Burmese Way" of socialism.

It will be para-military in nature. While it will devote itself to nation-building tasks in peace-time, it will turn into a defence force in times of war.

It has been formed with three main objectives in view:

(1) Better organization of workers now employed in various industries and establishments.

(2) Improved labour productivity through effective supervision of workers.

(3) Protection of workers from exploitation, and at the same time protection of public funds from wastage or leakage.

The principles to be observed by the Corps have also been laid down on the basis of the labour policy contained in the "Burmese way to socialism". One of these principles is that the remuneration of a worker must be commensurate with his work, that no remuneration can be claimed for no work, and that equal remuneration should be enjoyed by workers for equal work.

The main functions of the Corps are:

(1) To work for the success of the Burmese Way socialist programme and thereby help in the creation of a socialist society for workers;

(2) To carry out whatever nation-building tasks the Revolutionary Government might assign to them in co-operation with personnel of the Government Departments concerned; and

(3) To change itself quickly into a military force in times of war and take on the duty of defending the country against the enemy.

(*The Nation*, Rangoon)

[Prev. ref. 5328:BUR:D]

B. **Karen State Re-named:** With effect from April 3, Karen State has been re-named Kawthoolei.

A notification to this effect was issued on April 3 by the Chairman of the Revolutionary Council, Gen. Ne Win.

(*The Nation*, Rangoon)

[Prev. ref. 5759:BUR:B]

CEYLON

A. **New Minister Appointed:** The Governor-General, Sir William Gopallawa, has appointed Mr. R. S. Pelpola, former Speaker of the House of Representatives, to be Minister of Posts and Tele-communications.

The appointment followed the resignation of Mr. Mahanama Samaraweera, who was sworn-in as Minister of Posts and Tele-communications on June 4 with other members of the coalition Cabinet.

Mr. Pelpola resigned from the office of Speaker in January—two months after a vote of no-confidence in him was narrowly defeated.

(*The Times of Ceylon*, Colombo)

[Prev. ref. 5891:CEY:A]

CHINA

A. **Aid To East Africa:** Chinese assistance to East Africa now totals over £22 million. This includes £16 million of aid to the United Republic of Tanganyika and Zanzibar, announced on June 21.

Uganda is the only East African territory which has so far not received Chinese aid. Nevertheless even there, Peking, displacing India in 1963 became Uganda's biggest purchaser of cotton, the country's principal foreign exchange earner.

The offer to the United Republic comprises £10 million interest-free loan with "no conditions attached" for economic and technical assistance and £1 million as gift in addition to another interest-free loan of £5 million to Zanzibar which had been announced before the merger.

The details of the aid were announced in Dar-es-Salaam by the Vice-President, Mr. Rashidi Kawawa, who led a goodwill mission to China and described the agreement as "excellent."

The repayment of the £10 million loan will be in annual instalments from 1965 to 1984 in the form of exports or convertible sterling or any other currency agreed on by the two countries.

(*The Times of India*, Bombay)

[Prev. ref. 4141:CHI:C]

B. **Purchase Of Soviet Aircraft:** China has bought five Soviet Ilyushin-18 V airliners in preference to Caravelles, and may use them for flights to France.

The Chinese concluded the 10,500,000-rouble (£4,200,000) deal with the Soviet Union after negotiating with French representatives for Caravelles and then "changing their minds".

Both the Ilyushin-18 and the Caravelle jet are medium-range airliners.

Officials of Aviaeksport, the Russian selling firm, believed that the Soviet aircraft would be used for the new Peking-Paris and Peking-Havana routes.

The Chinese company also bought from Russia 30 aircraft engines worth 3,500,000 roubles (£1,400,000). China's civil air fleet already has two Ilyushin-18 and at least 20 Ilyushin-14 aircraft.

According to the Aeronautical Correspondent of **The Times** (London), China's selection of the turbo-prop engined Il-18 instead of the twin-jet Caravelle is interesting. It may be that in their present stage of development the Chinese airlines prefer to gain more operating experience with a propeller-turbine before embarking on their first jet airliner.

There are, however, certain advantages in buying more of a type that they already possess. It simplifies maintenance work on air frames and engines.

Although the Chinese intend to extend their international routes, they have made it clear that this will be done gradually. When they do, they will need jet airliners instead of the slower turbo-props, so that the possibility of buying Caravelles later for medium-range operations cannot be excluded.

(*The Times*, London)

[Prev. ref. 5063:CHI:B]

INDIA

SUMMARY: State Chief Ministers' Conference; Pakistan Firing Across Jammu Cease-fire Line; UNICEF Grant; Longest Road Bridge.

A. **Steps To Bring Down Food Prices—State Chief Ministers' Conference:** The Government announced on June 24 a series of short-term steps to bring down the prices of foodgrains and proposed the setting up of a Foodgrains Trading Corporation as one of the long-term measures to keep prices in check in future.

The immediate remedial action included the removal of all restrictions on the movement of rice from Madhya Pradesh to Maharashtra and Gujerat, discontinuance of Government-to-Government trading between these States, termination of the procurement and levy system in Andhra and Madras, withdrawal of restrictions on the movement of rice from Andhra and Madras to other States in the Southern Zone and arrangements for the import of rice from USA and Pakistan.

The Government's plan to meet the situation created by the rise in prices was placed before the State Chief Ministers' meeting in New Delhi on June 24 by the Prime Minister, Mr. Lal Bahadur Shastri, who inaugurated it and Mr. C. Subramaniam, the Central Food and Agriculture Minister.

[But, these steps were later modified as the result of discussions at the Conference, and new decisions were announced—*see below*.]

In his opening speech, Mr. Lal Bahadur Shastri stressed the importance of fixing a proper price for the producer as well as the maximum price that the consumer should be called upon to pay. He felt that there was no shortage of grain in the country and prices could be kept in check through a firm and judicious handling of the situation.

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Creation of buffer stocks should be a permanent policy of the Government, but procurement should be made without causing any hardship to the producer. He was not opposed to State trading in grain, but at the same time he felt that any major steps in this field should be taken only after adequate preparation.

He laid emphasis on increasing the production of grain and suggested that the Fourth Five-Year Plan should give greater emphasis to small industries and agriculture.

An important suggestion he made was that Ministers and officials should tour the villages and stay there for some time to come in direct contact with cultivators and their problems. On his part he would make it a point to spend a few days whenever possible in some villages. He would go there without the pomp and show that is attached to the office of Prime Minister.

The largest number of complaints from cultivators, he said, related to the Irrigation Department. Even when water was there it was not being properly utilized because officials had got into the habit of dealing with a problem "in a routine manner".

He stressed the need for greater attention to the package programme, which was to serve as a model to the rest of the country.

He also advised the Department of Community Development to devote its entire attention to agriculture for at least a year.

Explaining the proposal for the establishment of a Foodgrains Trading Corporation, Mr. Subramaniam said that it would buy from the producers at prices announced ahead of the season and sell to the retailers also at specified prices. To begin with it should deal only in rice. In the initial stages this Government-owned agency should take a licence like any other private food trader. The Government would reserve the right to call upon any wholesaler to hand over to the Corporation such portions of their stocks as might be necessary in the public interest but at prices which had already been declared and subject to allowed margins.

The demand for the abolition of wheat zones was referred to in his speech earlier by Mr. Subramaniam. He said that it would not be proper to disturb the zonal restrictions. The Government had adequate supplies to meet the demands of the States. The USA had agreed to step up the despatch of wheat considerably so that every month the country would be receiving more than 4,00,000 tonnes. The Government was confident that with these arrivals and with the stocks in hand, it should be possible to meet the demand for wheat.

He also stressed the importance of enforcing the licensing regulations recently introduced. He said that the Government would always be willing to review these controls if they should stand in the way of the smooth functioning of the trade. But subject to that, existing rules and regulations would have to be enforced strictly. For this purpose the Government would have to build up an adequate machinery. The Central Finance Minister had agreed to the Central Government sharing this cost with the State Governments.

Decisions:

The Chief Ministers' Conference, which ended on June 26, decided to set up immediately adequate machinery for the proper enforcement of control measures and to prevent profiteering, blackmarketing, hoarding and other anti-social practices.

It also agreed to sponsor a scientific study to fix the maximum prices of rice and wheat in different States.

Another important decision was to withdraw all restrictions, formal or informal, on the movement of coarse grains or pulses from one State to another or within a State.

The movement of gram from certain States, regulated with the approval of the Central Government, would, however, continue to be so regulated. Adequate quantities of imported wheat would be made available by the Centre to such States where coarse grains are grown to meet shortages caused by unusual movement of such grains to other States.

Addressing the concluding session the Prime Minister, Mr. Lal Bahadur Shastri, gave the assurance that for the next two months there would be absolutely no difficulty in the supply of wheat and rice to needy States.

He said that the quantities offered by the Central Food and Agriculture Minister to the Chief Ministers were generally acceptable to the latter. It was possible to be satisfied on this score because quick imports were expected.

A notable feature of his address was his appeal to traders to play fair coupled with the warning that misdeeds would be sternly dealt with.

The most important of the long-term measures, the setting up of a Food Trading Corporation proposed by Mr. Subramaniam on the opening day, did not find direct mention in any of the major speeches on June 26. Mr. Shastri merely said that apart from the short-term measures, "we will be failing in our duty if we do not take long-term measures at the earliest possible time."

Mr. Subramaniam appeared to have the proposal for a Corporation in mind when he observed: "We hope to draw up a detailed programme for food trading with reference to the public sector and the private sector and I hope by these methods it will be possible for us to control the trade in such a way that it gives satisfaction to producers and at the same time the consumers are enabled to get the grains at reasonable prices."

The Conference took the following other decisions:

(1) Procurement of rice in Andhra Pradesh and Madras would be stopped immediately and all restrictions on the movement of rice and paddy within the Southern Zone would be withdrawn forthwith.

(2) Maximum control prices and distribution of foodgrains in West Bengal would continue as at present.

(3) Wheat zones as constituted at present would be maintained. The Central Government would, however, make arrangements for supply of adequate stocks of wheat to deficit States.

(*The Times of India* and *The Statesman*, New Delhi)

[Prev. ref. 5872:INI:I]

B. Pakistan Firing Across Cease-fire Line In Jammu And Kashmir: Pakistani raiders fired at Indian troops in four sectors of the cease-fire line in Jammu and Kashmir on June 21.

The raiders withdrew after sustaining casualties in the clashes with Indian troops.

A foreign news agency message from Rawalpindi that Indian troops had suffered more than 100 casualties was contradicted by an official spokesman in New Delhi.

It was officially stated that in the early hours of June 21, Pakistani troops fired at Indian posts in the Uri, Naushera, Poonch and Mendhar sectors. The fire was returned by Indian troops.

"In the Uri sector, Pakistani troops withdrew, leaving the body of a soldier, two sten magazines, some cartridges and one loaded bren magazine. Subsequently marks of bodies having been dragged were observed, indicating that the raiders must have suffered more casualties."

Two constables of the Central Reserve Police were killed in the Poonch sector while two other CRP constables were wounded in the Mendhar sector.

"Cease-fire violation complaints have been lodged with the UN Observers by the Government of India."

There was further firing by Pakistan troops across the cease-fire line on June 23 and on subsequent days.

(*The Times of India*, New Delhi)

[Prev. ref. 5870:INI:B]

C. West German Loan: West Germany gave on June 26 a further DM40 million (about £3,600,000) development aid loan to India.

The loan is tied to purchases of some 25 commodities, mainly industrial machinery, from West German firms.

An Indian Embassy spokesman in Bonn said the loan was the first agreed under the total of DM308 million promised by West Germany for India's Third Five-Year Plan.

Negotiations for allocation of the rest of this sum committed to the third year of the Plan will begin shortly.

(*The Financial Express*, Bombay)

[Prev. ref. 5235:INI:P, 5835:INI:E]

D. UNICEF Grant For Indian Schemes: The Executive Board of UNICEF approved on June 24 fresh commitments to a number of Indian schemes in the fields of education, nutrition help and disease control.

Of the total commitment of nearly $30,000,000 sanctioned by the Board, over $7,000,000 is for the Indian schemes. The largest of these is a fresh commitment of $3,700,000 for improving the nutrition of rural households and $1,890,000 for help in establishing and expanding a comprehensive scheme of rural health service.

Besides the new commitments, two projects which were approved in 1963 and for which commitments were sanctioned, have received allocations for this year. The Ludhiana Milk Scheme gets $200,000 and the pre-vocational training scheme $178,000.

(*The Times of India*, Bombay and *The New York Times*)

[Prev. ref. 2682:AOA:I]

E. Shipyard At Cochin—Agreement With Japanese Firm: The Mitsubishi Heavy Industries announced on June 22 that it had signed an Agreement with the Indian Government for the building of a shipyard at Cochin, as a joint concern.

Details of investment and technical aid by Mitsubishi will be decided in future negotiations with the Indian Government.

The shipyard will be built as part of India's Third Five-Year Plan and will comprise among other things a dock of 30,000 deadweight tons and a slipway of 15,000 deadweight tons.

The cost of the project is estimated at about $18,000,000 (about Rs. 85 million).

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The Agreement was signed in Tokyo on June 21 between the visiting Indian Vice-Minister of Transport, Mr. Nagendra Singh, and Mr. Itsuo Matsoshita, Managing Director of the Mitsubishi firm.

(*The Japan Times*, Tokyo)

[Prev. ref. 4827:INI:E]

F. **Tele-communications Agreement With Nepal:** A Tele-communications Agreement between India and Nepal was signed in New Delhi on June 25.

The Agreement provides for the opening of a direct wireless circuit between Delhi and Khatmandu and a direct radio-telephone circuit between Calcutta and Khatmandu.

The equipment for operating the circuits has been supplied by USA under the Tripartite Agreement between the Governments of India, Nepal and USA, which was signed in 1958.

Under the Agreement, India will provide full transit facilities for telegrams and telephone calls between Nepal and all other countries.

The Agreement was signed by Mr. S. K. Kanpilal, Member, Posts and Telegraphs Board on behalf of India and by Mr. H. P. Upadhyaya, Nepal's Chief Engineer (Tele-communications) signed it on behalf of the Nepal Government.

The Indian Minister for Communications, Mr. Satya Narayan Sinha, speaking at the ceremony, thanked the Nepalese delegation and said the Agreement was another example of the co-operative endeavours of the two countries.

Reciprocating the sentiment, Mr. Upadhyaya said the Agreement would strengthen relations between India and Nepal.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5552:NEP:A]

G. **Longest Road Bridge Opened:** The Central Minister for Steel and Mines, Mr. N. Sanjiva Reddi, opened on June 28 a road bridge—the longest so far in the country—over the Mahanadi River.

A vital link in the Calcutta-Madras national highway, the bridge is about 1.5 miles long. It has 45 main spans and two end spans. The roadway is 24 feet wide with a five-feet-wide footpath on either side.

Along with it was opened a bridge across the Birupa—a tributary of the Mahanadi. It is 1,800 feet long and has 15 spans.

The entire project, comprising these two bridges and approach roads, cost Rs. 3 crores. The Mahanadi bridge cost Rs. 1.65 crores. It was financed with credit from the International Development Association and built by the Hindustan Construction Company.

With the construction of the new bridges, the State Capital has been connected by all-weather roads to the western districts which hitherto were inaccessible for nearly six months every year.

Mr. Reddi, in a brief speech at the ceremony, said the bridge had a "national purpose and importance" because all eastern States, including West Bengal, Orissa, Andhra and Madras, would benefit from it. He disagreed with those who singled out Orissa as a backward State because many States were in the "same boat." Industrially developed States were deficit in food but Orissa was among those States which had the good fortune to produce enough food not only for its own requirements but also to spare some for its neighbours.

He said the Central Government had assigned top priority to food production because it wanted to dispense with food imports in four or five years from now.

The Orissa Governor, Dr. A. N. Khosla, while stressing the importance of this bridge on the Calcutta-Madras national highway, also stressed the importance of navigational canals "which provide the cheapest means of transport in coastal areas".

He said the Calcutta-Madras and Calcutta-Bombay national highways passed through Orissa and these two were connected through a number of State highways and district roads. All these taken together, even after all the streams had been bridged, would provide relatively poor road coverage in Orissa, leaving vast areas still without communication facilities.

He added: "Despite its immense resources, Orissa continues to be about the most backward State in India in respect of communications and mainly, therefore, in respect of all aspects of development. It has close to 50 per cent of the mineral wealth of India and 10 per cent of its water wealth.

"Of the total 38 million acres area in the State, about 14 million acres are cultivated and more areas can be brought under cultivation. Most of them are potentially rich and fertile, but the present yields per acre are about the lowest in India."

(*The Times of India*, New Delhi)

[Prev. ref. 4933:INI:H]

H. **Nehru Memorial To Be Set Up:** The Prime Minister, Mr. Lal Bahadur Shastri, announced in New Delhi on June 27 that the Teen Murti house of the late Mr. Nehru would be converted into a memorial to the departed leader.

All available material connected with Mr. Nehru's life and activities—letters, manuscripts, photographs and other personalia—would be exhibited in the house to enable the visitors to have a full glimpse of his personality.

Mr. Nehru, he said, had lived in this house for 16 years and it had come to be identified with his life and work.

"Panditji, however, had wide contacts and had travelled widely. In order that all facets of his rich life may find full expression in this memorial, I appeal to all persons in India and abroad to send to Mrs. Indira Gandhi at Teen Murti House, New Delhi, any letters received by them from Panditji or any special photographs that they may have in their possession. Many people must have such mementos with them.

"People may also wish to recount anecdotes relating to Panditji which reveal something characteristic or significant about him. Anything, indeed, which would enrich the memorial and give it a living quality would be most welcome. Newspapers, periodicals and journals, as well as professional photographers would also have valuable material with them and their generosity in this matter would be highly appreciated.

"All contributions would be gratefully acknowledged."

He issued this appeal on behalf of the Steering Committee set up to co-ordinate action to commemorate the memory of Mr. Nehru.

(*The Times of India*, New Delhi)

[Prev. ref. 5879:INI:A]

[Owing to an editorial error, the West German President's tribute to the late Indian Prime Minister, Mr. Nehru was overlooked in the article on page 5880 of **Asian Recorder** on Mr. Nehru's passing away. We sincerely regret the error—**The Editor.**

The following is the telegram of condolences sent by the West German President, Dr. Heinrich Luebke to Dr. Radhakrishnan: "It is with the greatest dismay that I have learned of the sudden passing away of Mr. Jawaharlal Nehru. With his death, India and the whole of mankind have lost an eminent statesman who was held in high esteem throughout the world as a leader in the struggle for peace and international understanding. His sincere personality and the ideals he stood for will never be forgotten in Germany. On behalf of the German people as well as on my own behalf I convey to you and to the Indian people my profound sympathy."]

INDONESIA

A. **Five New Ministers Installed:** President Sukarno installed on June 4 five new Cabinet Ministers.

They are:

Estates—Mr. Frans Seda;

Forestry—Mr. Suudjarwo;

Fisheries—Commodore Hamzah Atmohandojo;

Agrarian Affairs—Mr. Rudolf Hermansee; and

State Revenue, Financing and Auditing Affairs—Hadji Mohammad Hassan.

(*The Times*, London)

[Prev. ref. 5584:IND:A]

IRAQ

A. **Cabinet Changes:** A new Cabinet was formed on June 18 by Lt.-Gen. Taher Yahya.

Lt.-Col. Subhi Abdul Hamid and Brig. Rashid Musleh retained their posts of Foreign Minister and Minister of the Interior respectively.

Baghdad Radio said that General Yahya had also been appointed acting Minister of Defence.

The Radio said that General Yahya had resigned the previous day and was asked by President A. S. Arif to form a new Cabinet, which involved some changes from the outgoing one formed on March 15 this year. It quoted General Yahya as stating that the new Cabinet would continue along the lines of the November 18 Revolution.

He was also reported as saying that the Government would be bound by the agreement concluded with the United Arab Republic in May.

In the new Government there are five Ministers holding portfolios for the first time. They are:

Industry—Dr. Abdul-Hassan Zalzala;

Communications—Brigadier Muhsen Husain al-Habib;

Municipal and Rural Affairs—Major-General Ismail Mustafa;

Education—Brigadier Abdul Majid Said; and

Minister of State—Mr. Massoud Muhammad.

The other Ministers of the old Cabinet retained their portfolios.

(*The Times*, London)

[Prev. ref. 5681:IRQ:A, 5863:IRQ:A]

B. **Oil Projects:** The Oil Minister, Dr. Abdel Aziz al Wattari, announced on June 10 that 13 new oil projects would be constructed this year at a cost of 7,200,000 dinars (par with sterling).

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The most important of the projects is a new 4,000,000-dinar refinery at Aldorah with a capacity of 36,000 tons per annum.

(*The Egyptian Gazette*, Cairo)

[Prev. ref. 5692:IRQ:C, 5706:IRQ:A]

ISRAEL

A. De-salination Project: It was reported on June 19 that the US-Israeli Agreement to embark on a joint water de-salination project is to be implemented in four stages.

They are: a joint technological, hydrological, agricultural and economic study by a panel of three Israeli and three American specialists to be concluded in six weeks; the construction of scale models of the reactor and still by both Israeli and American engineers; invitation to tender for the full-scale plant; and the actual construction of the plant.

The International Atomic Energy Agency is to be invited to participate in the programme from the outset and knowledge and experience obtained from the implementation of the project will be made available to all countries with water deficiencies.

A preliminary report puts the optimum size of a still at 200 million cubic metres a year but suggests linking several in a series with a 1,500-megawatt capacity reactor to produce 1,000 million cubic metres a year, which is about Israel's present total water consumption. The development of a single still is estimated to take 10 to 15 years and cost $70 million. The cost of water from a large reactor linked with several stills is estimated at about *6d a cubic metre, which is competitive with present costs of irrigation in several parts of Israel.* This, however, is simply the cost of producing the sweet water and does not take into account the cost of conveying it to where it is needed.

(*Middle East Economic Digest*, London)

[Prev. ref. 5754:ISR:B]

JAPAN

A. Mr. R. A. Butler's Visit: The British Foreign Secretary, Mr. Richard A. Butler, visited Tokyo in the first week of May when he had discussions with Japanese leaders.

The discussions covered a wide range of topics, with particular reference to the Federation of Malaysia, Indonesia, Viet-Nam, Laos, Cambodia and developments with regard to China.

A *communique* issued on May 4 noted a close similarity of views and understanding of each other's position during the talks.

The communique said: "The Rt. Hon. Mr. R. A. Butler, British Foreign Secretary, accompanied by Mrs. Butler, visited Japan from May 1 to 5 for the second round of the regular Anglo-Japanese consultations agreed between the two Governments following the visit to Tokyo of Sir Alec Douglas-Home in the Spring of 1963. The first of these consultations was held when Mr. Masayoshi Ohira, Foreign Minister of Japan, visited Britain in September, 1963.

"Mr. Butler and Mr. Ohira had talks on a wide range of topics including South-East Asian questions with particular reference to the Federation of Malaysia, Indonesia, Viet-Nam, Laos and Cambodia, and developments with regard to China. These subjects were also discussed when Mr. Butler called on Mr. Hayato Ikeda, Prime Minister of Japan. Other topics, including East-West relations, disarmament, events in Cyprus and economic questions were taken up between Mr. Butler and Mr. Ohira.

"These exchanges promoted the understanding of each other's position on all problems of mutual interest and confirmed that a close similarity of view on various questions existed between the two Governments. They also re-emphasized the value of these regular consultations for the maintenance and further development of good relations between Britain and Japan.

"Mr. Butler and Mr. Ohira signed today the Consular Convention between Britain and Japan.

"It was agreed that the next round of regular consultations should take place in London some time towards the end of this year."

(*The Japan Times*, Tokyo)

[Prev. ref. 5251:JAP:A, 5455:JAP:A]

B. Earthquake: Earth tremors shook several parts of northern Japan on June 16, leaving at least 25 dead and vast areas desolate.

The worst hit area was Niigata, on the north-west of Honshu island. One-third of Niigata city, which has a population of 290,000, was damaged and firemen and troops throughout northern Japan were mobilized to take part in the emergency rescue and evacuation operations.

The earthquake, which lasted just over two minutes took place soon after 1 p.m. and was felt throughout northern Honshu from Kanazawa on the coast of the Sea of Japan to Tokyo, where great buildings shuddered for an uncomfortably long time.

In Niigata, however, the earthquake brought terror. Wide breaches appeared in the streets, buildings lurched, bridges collapsed, oil tanks ignited spectacularly, and the River Shinano flooded the lower town. Frightened people flocked to the open space of the university campus.

Gas and electricity supplies were immediately switched off, which probably averted a greater disaster, as most of the water mains burst. Four spans of a long road bridge, completed only a week before, collapsed into the river, and another fell across and stopped all traffic beyond a 90-mile arc north-west of Tokyo.

(*The Times*, London)

[Prev. ref. 4228:JAP:E]

C. Conspirators Sentenced: The trial of 12 men accused of plotting a *coup d'etat* in Japan, the first of its kind uncovered since the War, has ended after nearly two years.

The Tokyo district court has passed prison sentences on three extreme Right-wing conspirators and suspended sentences on five others.

All the accused were arrested in December, 1961, just before the plot was due to be put into effect. The plan, it was alleged, was to assassinate Ministers and members of the Diet in order to seize power and install a Government of Sammu, an organization which is pledged to a creed of three noes—no taxes, no war, no unemployment—and which would be a safeguard against a Japanese communist revolution.

The ringleader, Toyosaku Kawanami (62), former president of Kawanami shipbuilding company, was sentenced to two years' imprisonment; Eigo Shinoda (41), chairman of the Japan Reformist Student Association, and Kazuomi Koike (37), director of the extremist Kokushikai (Japanese History Association) and former Military Academy cadet, were both given 18 months. Five others, three of whom were in their twenties, were given eight months' suspended sentences. Four were acquitted. Ten other suspects, including prominent former members of the Imperial Army, had been released in 1963.

Police said they stumbled on the plot after seizing a fishing boat in which Kawanami was alleged to be attempting to smuggle weapons from South Korea. Weapons, helmets, and gas masks were subsequently seized.

(*The Times*, London and *The Japan Times*, Tokyo)

JORDAN

A. Budget For 1964-65: The Director of the Budget Department, Mr. Said Al-Dajani, announced on June 9 the Budget estimates for the current financial year which began on April 1.

Total expenditure was estimated at JD47,547,902, compared with JD43,500,000 in 1963-64. Revenue was estimated at JD45,614,255 compared with JD37,600,000 the previous year.

This year's deficit is to be met by "an expected increase in receipts and economy in expenditure".

Revenue includes JD18,559,645 from customs duties and taxes, the remainder being derived from foreign grants and loans comprising JD12,100,000 from USA, JD1,500,000 from UK, JD2,617,535 worth of economic and technical equipment from USA and West Germany and JD10,837,075 from international loans, including JD5,000,000 from Kuwait.

The largest item of expenditure is for defence and public security—JD21,065,000—followed by JD8,956,915 for the Development Board's projects.

(*Middle East Economic Digest*, London)

[Prev. ref. 5348:JOR:A]

B. Trade Deficit In 1963: According to figures available on June 19, Jordan's trade deficit in 1963 amounted to JD44,000,000—an increase of JD3,400,000 over the 1962 deficit.

In 1963, imports into Jordan were worth JD50,925,200 and exports worth JD6,558,900—an increase of JD1,600,000 over the previous year's figure. (Jordan dinar equals £).

(*Middle East Economic Digest*, London)

C. UAR Arabic Programmes For Jordan TV: An Agreement was reached on June 8 for the UAR TV Service to supply Arabic programmes to the Jordan TV station for a period of three years.

Jordan has also agreed to buy 25,000 TV sets made in the UAR, during the next three years, and to have the Jordanian Television station act as agent for the sale of the UAR-made records in Jordan.

The contract involves the expenditure of £8 million. The training of Jordanian technicians in Cairo is among other provisions of the contract.

Dr. Abdul Kader Hatem, Deputy Prime Minister for Culture and National Guidance, had a meeting on June 7 with Mr. Abdul Ghany Kura and Mr. Said Shaheen.

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Jordan's representatives, with whom an agreement was reached.

(*The Egyptian Gazette*, Cairo)

KOREA (South)

A. Dismissal Of Corrupt Officials: Addressing his first news conference since Martial Law was imposed in Seoul, the Prime Minister, Mr. Ching Il Kwon, announced on June 8 that 576 Government officials including at least one Deputy Minister would be dismissed for misbehaviour and corruption.

[The Martial Law was imposed on June 3 to combat student rioting.]

Mr. Chung, the former Foreign Minister who formed a new Government only a month before, said that to combat official dishonesty, all higher Government officials would be asked voluntarily to declare all properties and holdings.

He opened his news conference by reading a message to public officials appealing for harder work and more discipline. Widespread alleged official misdeeds had been the prime target for the wrath of discontented students and other members of the public.

President Park Chung Hee ordered the publication of the names of all persons arrested under Martial Law conditions, together with details of charges against them, to counter rumours circulating through the Capital. The arrests of prominent journalists and teachers, including the publisher of the leading opposition newspaper, have deeply disturbed many Koreans and foreign observers.

On June 23, the Cabinet approved a draft Bill to authorize the Martial Law Commander to censor the Press under "precautionary Martial Law." This was interpreted as an indication that the Government was planning to replace the present emergency Martial Law—including Press censorship—imposed in Seoul on June 3 following anti-Government student demonstrations, with precautionary Martial Law, which has less restrictions, and at present excludes censorship.

(*The Times*, London and *Republic of Korea*, Seoul)

[Prev. ref. 5912:KRS:A]

MALAYSIA

A. Collapse Of "Summit" Talks: It was officially announced in Kuala Lumpur on May 30, that agreement had been reached between Malaysia, Indonesia and the Philippines to hold fresh "summit" discussions in Tokyo.

The "summit" meeting was to be preceded by a meeting of Foreign Ministers.

Agreement to such discussions was reached at the initiative of the Philippine Foreign Minister, Mr. Salvador Lopez.

The official statement said that Indonesia had accepted the principle of withdrawal of its forces, both regular and irregular, from Sabah (North Borneo) and Sarawak. Their removal would be simultaneous with the meeting of the Foreign Ministers. The Thai Government would be asked to send observers to verify the withdrawal. As soon as this was confirmed and the agenda agreed upon, the three Heads of State would meet.

to arrange another "summit" almost failed over the question of withdrawal.

The Prime Minister, Tengku Abdul Rehman, would not budge from his stand that he could not negotiate so long as foreign troops were on Malaysian soil, as the nation's dignity and sovereignty were involved. President Sukarno proposed a token withdrawal, but this was rejected.

The second meeting of the Heads of Indonesia, Malaysia and Philippines was held in Tokyo on June 20. The conference failed to produce any results. [For earlier "summit" meeting please see page 5426].

Though an agreement of kinds was reached to establish an Afro-Asian Conciliation Commission to recommend solutions for existing problems, this was no more than a polite parting gesture to the Philippine efforts. In the present deadlock the Commission could not be formed.

Tengku Abdul Rehman accepted the principle of a Commission on the proviso that all acts of hostility against Malaysia should cease forthwith. President Su-

The attempts since May 12 by Mr. Lopez karno, while agreeing to establish a Commission and abide by its recommendations, refused to give any such undertaking.

From the start, according to participants, President Sukarno, or more precisely his Foreign Minister, Dr. Subandrio insisted that Indonesia had never accepted the existence of "this Malaysia". The Indonesians maintained that the procedure of its formation had violated last year's Manila accord.

The Indonesian stand was: Back to the position before the formation of Malaysia and remove the humiliation and insult inflicted on Indonesia by Britain.

The Tengku and Tun Abdul Razak, his Foreign Minister, retorted that the Manila accord had been fully implemented. Confrontation, aggression, and interference in their internal affairs must cease before the Commission discussed political matters.

The Malaysians said in effect: "You may oppose our formation, but you cannot justify military action against us, either under the United Nations Charter or the Bandung declaration. You may put your objections to the Commission, but there is no point in having it if you seek a settlement militarily."

To this the Indonesians retorted that they were not committing aggression, because they did not recognize Malaysia. The guerrillas were not fighting Malaysia but helping to liberate the peoples of those territories.

And so it went on with occasional Indonesian broadsides against Britain. President Sukarno was reported as saying that he was not blaming the Tengku, but when United Nations investigated Sabah and Sarawak last Autumn the British had humiliated Indonesia. It was not so much the result as the procedure which was important. Indonesia had since been made the laughing stock of the world. Malaysia had been imposed on them by British bayonets and the Federation would collapse when the bayonets were withdrawn.

Tun Abdul Razak contradicted, saying that Indonesia was fighting against a sovereign, independent Asian country and was aiding dissidents.

Dr. Subandrio then accused Britain of thinking that she could undertake military action whenever she wanted. Indonesia did not want a sudden British attack. Indonesia had British documents showing that the British planned surprise attacks in Sumatra, but Indonesia would be no walk-over.

The final deadlock came when the Philippines suggested that the Commission should begin work anyway. The Malaysians, however, were not to be moved.

President Sukarno stuck by phased withdrawal.

In an interview later, Dr. Subandrio took a more flexible line. He said in a reference to the United Nations survey of opinion in the Borneo territories: "How can we think that the assessment of opinion for Malaysia in North Kalimantan could be made in nine days? Implementation of the agreement was a farce. How can you expect people to say what they are for in front of a microphone and surrounded by soldiers? I am deeply impressed by the few who said they were against.

"And what about the detainees and absentees who are the real leaders of the people? How can you say this was a democratic process? It was tearing down the Manila Agreement."

Asked whether Indonesia thought that the Commission's team should include a further review of opinion in the Borneo territories and if Indonesia would accept a conclusion favourable to Malaysia, he said: "Yes, we have agreed to abide by their decision, but we do not know yet what their terms of reference will be."

He thought that perhaps the Commission would have some better idea than a new review. Dr. Subandrio, asked what he thought of United Nations sponsorship of the Commission, replied: "I don't know that the United Nations should be involved at this time. The United Nations has already been involved and once you get to the Security Council it will become Big Power politics."

On relations with Britain, he replied: "It depends. We have all to restrain ourselves and try to preserve as much as possible of our normal relationship."

Supposing there were an eventual agreement, would Indonesia be happy to see Malaysia keep her defence agreement with Britain in connexion with her bases? Dr. Subandrio replied: "We are not so far yet. The bases are there and we want to coexist with them. We get the impression however that the British bases are there against Indonesia and not against communism."

Asked about a deadline for crushing Malysia, he replied: "We did not say 'crush'; we said there would be a solution by 1965. You see Ganjang Malaysia is not so harsh as the English 'Crush Malaysia'. It really means no more than 'confront'. We have no desire to swallow up Malaysia. We have no claim, no territorial claim. We feel ourselves humiliated by the formation of Malaysia."

The talks broke down, the Tengku said, because of Indonesia's refusal. It was the least he could ask Indonesia. "I have given in a lot, but they must not expect me to give in any more. The meeting has shown beyond any doubt President Sukarno's attitude towards us and towards peace in this region. Acceptance of the proposed Commission is tantamount to a compromise on our sovereignty." Yet Malaysia was prepared to accept if only Indonesia ceased hostilities and honoured pledges to withdraw guerrillas.

Further Recruitment Of Armed Forces:

Earlier, on June 4, the Malaysian Government, which has already expanded its armed forces to meet Indonesian confrontation, announced that between 12,000 and 15,000 men aged between 21 and 29 would be called up for military or civil defence training.

A Government statement said that more than 400,000 people in Malaya and more than 77,000 in Singapore aged between 21 and 29 had registered for national service.

Those called up for military service would be given full training, after which they would be either posted to regular units of the Royal Malaysian Army or placed on a five-year reserve list. During the reserve period they would train with

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the Regular Army for a fortnight every year.

The statement said that those called up for civil defence would perform part-time duties for the present. It was stated that conscription would be extended to Singapore, Sarawak and Sabah (North Borneo).

Mr. R. A. Butler's Statement In House Of Commons:

The British Foreign Secretary, Mr. R. A. Butler, re-affirmed on June 25 that Britain was in close touch with the Malaysian Government over Indonesia's campaign of hostility. However, it was for the Malaysian Government to decide whether the matter should be brought before United Nations.

He was replying to a Parliamentary question asking if he would instruct the British Representative at United Nations to bring the present situation to the attention of the Security Council as a threat to world peace.

In a written answer, he said: "The Indonesian guerrillas are operating on Malaysian territory. It is therefore for Malaysia to take the decision and the initiative over action in the United Nations.

"We are naturally in close touch with the Malaysian Government on this as on all other aspects of the situation arising from Indonesia's hostility, which has obliged us to commit our forces under our defence agreement."

(*The Times*, London, *The Statesman*, Calcutta and *The Japan Times*, Tokyo)

[Prev. ref. 5852: MAL: A]

MALDIVES

A. Talks On Independence: The British Secretary of State for Commonwealth Relations and the Colonies, Mr. Duncan Sandys, announced in the House of Commons on June 23 that negotiations between the British and Maldivian Governments were taking place on the revision of the Agreement of 1960 so as "to enable the Maldive Islands to become a fully independent, sovereign State."

He was replying to a question by Mr. Arthur Bottomley, who had asked whether he would make a statement on the future of Britain's relations with the Maldives.

In a written reply, Mr. Sandys said: "When I visited Male last September the Maldivian Prime Minister expressed the desire that the Agreement of 1960 between his Government and the British Government should be revised so as to enable the Maldive Islands to become a fully independent, sovereign State, on the understanding that the rights and facilities enjoyed at present by the British Government in Addu Atoll would be confirmed, and that no military rights and facilities would be accorded in the Maldives to any other country.

"The British Government have informed the Government of the Maldive Islands that they are willing to revise the agreement on the lines proposed. Detailed negotiations are now proceeding."

(*UK High Commission*, New Delhi)

[Prev. ref. 5816: MLD: A]

PAKISTAN

A. President Ayub Khan Criticises US Policy On India And China: In an interview with the British paper *Daily Mail* on June 23, President Ayub Khan spoke of "lavish US aid to India" and said that in contrast to the Dulles-Eisenhower era, "now the Americans do not hesitate to let down their friends".

He said of the new attitude of the US Administration: "Today their policy is based on opportunism and is devoid of moral quality."

Referring to what he called the "confrontation" in the Far East between USA and China, he warned that "this American agglomeration of power on the periphery of China increases the risk of another Korean-type war".

He opposed the military build-up in India against Chinese or other penetration. "Now American, Soviet and British policy regarding India is virtually the same—to build up that nation against the Chinese or other penetration. This is a fallacy. No nation in its senses would try to occupy India. It just can't be done. But the effect of giving arms to India will be to enable her to threaten her neighbours, of whom Pakistan is top on the list."

According to the interviewer, Mr. Mair, F-M Ayub Khan "calmly ripped US foreign policy apart" in what was probably his most outspoken criticism so far of the "lavish US aid to India."

Complaining that America's "lavish aid to India was not merely injustice to Pakistan, but was also based on misconception of Chinese intentions" he declared: "China has no intention of invading the sub-continent and never had. The situation could have been avoided had India negotiated a border settlement after China occupied Tibet.

"Instead India increased her military budget by 300 per cent. This resulted in increased prices for food and clothing." In a vast country where so many people are already hungry the effect actually was to promote communism.

He also criticised the present polarisation of world power between Washington and Moscow. Arguing as to "why should the developing countries be dependent on either Power bloc", he called for "the creation of an economic and cultural group taking in Islam, Western Europe, Britain and the Commonwealth."

Adjournment Motion In National Assembly On US Aid To India Talked Out:

A motion in the National Assembly which sought adjournment of the House to discuss the situation arising out of the US decision to provide long-term military assistance to India and the impending visit of the Indian Defence Minister to UK and USSR to negotiate further arms aid was talked out on June 22.

Winding up the debate on the motion, the Foreign Minister, Mr. Z. A. Bhutto said: "The time has come for Pakistan to undertake a re-appraisal of its foreign policy and review her political and military commitments."

These commitments, he said, were made under a particular situation which had now changed with the Washington decision to give "massive" long-term aid to India.

He told the House that his Government had made every endeavour to express concern over aid to India at the highest level. The direct consequences of the American decision were pointed out but without the desired effect. Consequently, the time had come for a re-appraisal of the country's foreign policy.

He said there was a basic difference in concept of the American aid to India and Pakistan. Pakistan, he said, received arms in lieu of certain commitments and obligations she had undertaken. India had no such commitment or obligation. This made a fundamental difference in the situation.

If American aid was guided by her global interests she must also take into consideration the interests of her allies.

The Western Powers' decision to give long-term aid to the tune of about $100 million annually to India, he pointed out, had made the solution of Kashmir more delicate and difficult. Kashmir, was most fundamental for Pakistan. "We have to look afresh on our responsibilities in view of the changed conditions."

He said at the time when the solution of disputes with India looked possible, the American decision on massive aid had complicated the issue. Arms aid to India was bound to "retard our efforts to ameliorate the lot of our masses economically and cause further tension in Asia at large. It is bound to aggravate the situation further."

Briefly recounting Pakistan's efforts to settle differences with New Delhi, he said there were elements in India which had not yet reconciled to partition of the subcontinent. They were still trying for reunification. "We have to contain such elements."

(*Dawn*, Karachi and *The Pakistan Times*, Lahore)

[Prev. ref. 5884: INI: C]

B. US Loan For Reclamation Of Land: The US acting Director of AID, Mr. Maurice J. Williams, announced in Karachi on June 26 a US loan of $18,100,000 to help reclaim 1,300,000 acres of the Chaj Doab in West Pakistan.

This brings the total of US loans for reclamation projects in the Province to more than $44.8 million and the total of US economic assistance to Pakistan to $2.93 billion.

American loans for reclamation are financing the construction of more than 3,800 tubewells and the desalinization, drainage and irrigation of more than 3 million acres of the upper Indus plain.

An AID loan of $15.2 million has already helped reclaim nearly 1.2 million acres in the Rechna Doab and a subsequent AID loan of $10.8 million is now assisting in the reclamation of an additional 6,23,000 acres in the Chaj Doab.

In announcing the loan, Mr. Williams noted that the terms were the most generous of any lending country to any borrowing country. This loan is repayable in US dollars in 40 years, including a 10-year grace period, during which no repayment is required. Interest on the loan is at a rate of three quarters of 1 per cent per year during the first 10 years and 2 per cent per annum thereafter.

(*Dawn*, Karachi)

[Prev. ref. 5874: PAK: B]

C. Russian Credit: An Agreement between Pakistan and the Soviet Union was signed in Karachi on June 17 providing for $11,000,000 credit for purchase of earth-moving machinery, rotary drilling machines and other accessories from Russia.

The machinery is to be used exclusively for land development of three projects pertaining to the Ghulam Mohammed Barrage, Guddu Barrage and Soan Valley. The total area covers over 9,000,000 acres.

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The credit Agreement was reached after five days of intensive negotiations. Repayment is to be made within five years after the receipt of the first consignment, which is expected within three months. A two-year grace has been allowed for the repayment of the first instalment. Interest is at 3 per cent.

About two dozen young engineers, technicians, electricians, and field supervisors will be sent to Russia for training in handling Soviet-made machinery.

(*The Times*, London)

[Prev. ref. 4999:PAK:F]

D. Accord With USSR On Radio Programmes: According to a Press release from the Soviet Embassy in Karachi on June 18, Pakistan and USSR will exchange radio programmes on cultural and scientific subjects and musical compositions under the Cultural and Scientific Exchange Programme signed at Rawalpindi.

The Exchange Agreement, the Press release said, was "bound to bring the people of the two countries still closer to each other." In continuation of their efforts to further develop closer cultural and scientific co-operation between the two countries, an agreement on Cultural and Scientific Exchange Programme for 1964 was signed between Pakistan and USSR at Rawalpindi on June 11.

"Relations between Pakistan and USSR are improving with each passing day. A number of Pakistani post-graduates are already studying in Soviet universities and institutes and several scientists and specialists from USSR have participated in scientific conferences in Pakistan.

"Last October, a delegation of Pakistani film and radio artistes won the hearts of Soviet lovers of art in many Soviet cities and were highly praised everywhere in USSR.

"The new Agreement is bound to bring the people of the two countries still nearer to each other as many exchanges in the fields of science, culture and education are envisaged under the Agreement.

"The Pakistani public would get acquainted with the Soviet stage artistes and a Soviet film festival will also be organized in Karachi. Moscow citizens will in return get an opportunity of enjoying the premiere of a Pakistani film.

"The Programme signed at Rawalpindi includes the exchange of scientists working in the fields of science vital for both the countries. Steps will also be taken to establish scientific contacts between Tashkent State University and a Pakistani university. A team of Pakistani specialists will also leave for the Soviet Union to study the Soviet system of public education.

"The two countries will also exchange radio programmes on cultural and scientific subjects and musical recordings.

"The first of its kind, the Agreement of goodwill between Pakistan and the Soviet Union will surely help our peoples to better understand each other and to strengthen good neighbourly relations."

(*Dawn*, Karachi)

[Prev. ref. 5853:PAK:D]

VIET-NAM (DR)

A. Cultural Agreement With UAR: A Cultural Agreement between Viet-Nam (DR) and UAR was signed in Cairo on June 10.

The Agreement, valid for five years, is renewable for another five years. It provides for an exchange of cultural, arts, sports and scientific delegations, scholarships and publications.

(*Consulate-General of the Democratic Republic of Viet-Nam*, New Delhi)

VIET-NAM (RVN)

A. General Maxwell Taylor Appointed US Ambassador—US Policy In S-E Asia: President L. B. Johnson of USA announced on June 23 that General Maxwell Taylor, Chairman of the US Joint Chiefs of Staff, would succeed Mr. Henry Cabot Lodge as US Ambassador to South Viet-Nam. Mr. Lodge had resigned for personal reasons.

The appointment of General Taylor, the country's most senior officer, is a further indication of the Administration's determination to defend South-East Asia against communist incursions.

General Taylor will be assisted by Mr. Alexis Johnson, the Deputy Under-Secretary of State for Political Affairs, who has been appointed Deputy Ambassador. He is the fourth in seniority of the State Department officials and is a career officer.

General Taylor's appointment was considered more significant after President Johnson spoke at an impromptu news conference of his policy in South-East Asia.

This policy, he said, could still be summarized in four simple propositions which he gave on June 2:

"(1) America keeps her word.

"(2) The issue is the future of South-East Asia as a whole.

"(3) Our purpose is peace.

"(4) This is not just a jungle war but a struggle for freedom on every front of human activity."

At that news conference he had re-affirmed his country's determinatios to stand by its commitments to help defend South-East Asia against communist encroachment, but said that he knew of no plans being made to carry the war into North Viet-Nam.

He declined to say that the dispatch of American troops to Thailand was being considered, but his remarks indicated that the increased apprehension which led to the Honolulu conference had not yet persuaded him that communist encroachment could be stopped only by force.

He sought the bipartisan support by saying that the present commitment was no less and no more than that made by President D. D. Eisenhower in 1954 to South Viet-Nam—a commitment to help people help themselves. "But we are concerned for a whole great geographic area, not simply for specific complex problems in specific countries. We have one single central purpose in all that we do in South-East Asia, and that is to help build a stable peace.

"It is others and not we who have brought terror to small countries and peaceful peasants...who have preached and practised the use of force to establish dictatorial control over their neighbours ...who have refused to honour international agreements that aim at reasonable settlement of deep-seated differences.

"The United States cannot fail to do its full share to meet the challenge which is posed by those who disturb the peace of South-East Asia, but the purpose of America will not change. We stand for peace."

He said that American soldiers were doing great work in South Viet-Nam, but it was only part of the job to be done. The issues were political as well as military, economic as well as strategic.

He recalled that more than half of the recent extra appropriations for South Viet-Nam was for economic help, and said that the Honolulu conference was concerned with plans for progress as well as programmes against terror. "It is others who make war, and we who seek peace."

He said: "I have said before that there is danger in South-East Asia. It is a danger brought on by the terrorism and aggression so clearly, if secretly, directed from Hanoi. The United States intends no rashness, and seeks no wider war. But the United States is determined to use its strength to help those who are defending themselves against terror and aggression. We are a people of peace, but not of weakness and timidity.

"I repeat again that our purpose is peace. Our people in South Viet-Nam are helping to protect people against terror; they are also helping—and they will help more—in increasing agricultural production, in expanding medical help and building a sense of hope.

"They are helping—and they will help more—to give confidence to those who seek to help themselves, and modern equipment to those who can use it, and friendly counsel to those who are giving leadership. These are proud people, and the task of building their peace and progress is their own—but they can count on our help for as long as they need and want it."

He also felt that the American position was now well understood by North Viet-Nam and China. "I think I would say we believe they are aware of our attitude and they have no doubt about our policy or position."

General Taylor has been closely connected with South Viet-Nam since the late President Kennedy decided to fight communist insurgency with similar weapons. Indeed, he was a party to that decision and has frequently visited the country with Mr. Robert McNamara, the Secretary of Defence. In recent Congressional evidence he said that the war could be won with the necessary determination and effort.

(*The New York Times*)

[Prev. ref. 5766:RVN:A, 5854:RVN:A]

B. Council Of Notables Dissolved: It was officially announced in Saigon on April 5 that the Government had decided to dissolve immediately the Council of Notables.

A new group of law-makers would be chosen by the people in four to six months to draw up a new Constitution.

It was further announced that all men between the ages of 20 and 45 who were not members of the armed forces would be required to serve in a "Civil Defence Service". They would be organized for such tasks as self-defence against Viet-Cong guerrillas and emergency work against natural disasters.

The announcement of these decisions was made by General Do Mau, Vice-Premier in charge of social and cultural questions.

The Council of Notables was an advisory body created after the overthrow of the late President Ngo Dinh Diem in November, 1963.

(*The Statesman*, Calcutta)

[Prev. ref. 5590:RVN:A]

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YEMEN

A. Telephone Link With World: Yemen established a long-distance telephone link with the rest of the world on June 7. A radio-telephone connexion with Cairo is to operate for two hours a day.

To inaugurate the service, the Prime Minister, Mr. Hamud El Jaefy phoned his two children at school in Cairo.

The Ministry of Communications also announced that an East German firm had signed a contract to double the number of telephones in the Capital of Sanaa from 500 to 1,000.

The Ministry said that West Germany, too, had offered to increase telephone facilities in the southern city of Taez, where a US aid programme is installing telephone lines to the seaport of Mocha.

(*The Egyptian Gazette*, Cairo)

ASIA OUTSIDE ASIA

SUMMARY: Kennedy Round Of Trade Negotiations; ITU Administrative Council Meeting; Expansion Of UN Security Council; Blue Streak Rocket Launched.

A. "Kennedy Round" Of Negotiations To Reduce Trade Barriers: The "Kennedy Round" of negotiations to reduce trade barriers began in Geneva on May 4. Ministers and delegates of 37 countries of the General Agreement on Tariffs and Trade (GATT) took part in the negotiations.

The United States representative, Mr. C. Herter, read a message to the conference from President Lyndon B. Johnson. It said that USA looked upon the negotiations as an important development for a better world. All countries of the world had a right to expect success from the endeavours.

The British representative, Mr. E. Heath, said his country was ready to negotiate the proposed 50 per cent tariff cuts over a wide field.

The Japanese delegate said that continued trade discrimination would prevent his country from offering tariff reductions.

The discord among the leading countries in the Kennedy Round came into the open again on May 5. Differences between the European Common Market and USA on the terms of the communique, though they were described by officials as largely semantic, somewhat soured the ministerial meeting.

The intention of the communique, which had been agreed by the United States, Britain, and other members of GATT, was to set the negotiations on a new and more intensive course. The Common Market accepted this general idea but had, on French insistence, tabled various alterations to the text. In particular it did not accept that an offer of a 50 per cent tariff cut was the goal of the negotiations, but regarded it only as a working hypothesis.

A report in the London Times said that in practice what the "Six" were maintaining was that a 50 per cent cut was only one aspect of the Kennedy Round, to be weighed in conjunction with the other elements such as the treatment for disparities, removal of non-tariff obstacles to trade, and the inclusion of agricultural products. The second main point on which the Common Market differed from USA was on fixing a firm date for exchanging exceptions lists, that is, items excluded from the linear tariff cut.

The Common Market wanted September 10 to be agreed as the final date, in order to ensure that countries did not hold back their exceptions while waiting to see what happened on disparities. Britain was ready to table her exceptions list in July, but there were evidently fears that USA might delay its own offer because of the proximity of the Presidential election.

"We must know what the exceptions will be before we can bind ourselves on disparities", Mr. Rey, for the Brussels Commission, said on May 5. "Provided there is satisfaction on this and other points, we shall work in the hope that a 50 per cent cut will be a reality in the end."

Statement Of Principles And Procedures:

The talks ended on May 6 with the adoption of a Statement of Principles and Procedures which was generally regarded as a victory for the French and Common Market point of view.

The negotiations were proposed by the late US President, Mr. J. F. Kennedy with the aim of halving industrial customs duties among the members of the GATT organization who between them handle four-fifths of the world trade. But there is already a feeling among officials and others that the hoped-for "across the board" cut of 50 per cent will never materialise.

The main issue during the previous few days in Geneva had been whether, as the Americans wanted, the GATT nations should formally accept the 50 per cent reduction as the target to be aimed at—even though the final agreed figure may be considerably less.

This proposal was firmly, and successfully, opposed by the French who insisted that the 50 per cent cut should only be treated as a "working hypothesis", not as any sort of commitment, and that definite decisions could only be reached later in the light of various other considerations.

The French argument was that a simple agreement to slash tariffs by a uniform percentage when the tariffs themselves stand at different levels would be of unequal benefit to different countries.

In order to secure balanced advantage to all, the French maintained that other relevant factors should also be taken into account—such as the exceptions that will be claimed, the proposals for agriculture, the discrepancies in existing tariff rates, and measures for dealing with non-tariff barriers to trade in the form of taxes and quotas.

In short, the French and their Common Market partners made it plain that the tariff-cut proposal could only be discussed in the context of other complex trade problems, and they would not make up their minds finally until they were able to see the "package" as a whole.

This approach has had to be accepted by the others, but they have done so with considerable reluctance and in the hope that the talks will go more smoothly in the future.

French spokesmen are confident that the "package" can be worked out by the middle of 1965, but the view in British and American circles is that the negotiations will take much longer, and perhaps drag on into 1966, "especially if the French insist on having their own way at every stage."

(*The Times*, London and *The Hindustan Times*, New Delhi)

[Prev. ref. 4800:AOA:E]

B. ITU Administrative Council Meeting: The 19th session of the Administrative Council of the International Tele-communications Union (ITU) met in May under the chairmanship of Mr. Mohammed Mili at ITU headquarters in Geneva.

Apart from its normal functions of supervising administration and approving the ITU's annual budget, the Council took several decisions affecting the Union's immediate future. In particular, it discussed the plans for the celebration of the ITU Centenary in 1965 in a special Centenary Working Party under the chairmanship of Mr. Alfred Langenberger of Switzerland.

It was decided to ask ITU member-administrations to contribute to a centenary gift, which would take the form of some decorative monument to be set up on the north face of the Union's headquarters building or close to it (facing towards the Palais des Nations), the cost of which was estimated at about 300,000 Swiss francs.

In view of the fact that the original Convention creating the ITU was signed on May 17, 1865 at the Quai d'Orsay in Paris, the possibility of holding a special commemorative ceremony in the same room on May 17, 1965 was discussed, and Mr. Gustave Terras, the French representative, said that the matter would be studied by the French Ministry of Posts and Tele-communications. Other aspects of the centenary celebrations, including the publication of the ITU's centenary book and the issue of commemorative postage stamps were discussed by the Council, which also welcomed offers of participation by United Nations and its specialized agencies in the form of special publications, films, and radio and television programmes.

One of the most important features of the ITU's centenary year will be the holding of a Plenipotentiary Conference, the Union's supreme authority, which meets at intervals of normally not less than five years. In view of the invitation by the Swiss Government for the 1965 Conference to meet in Switzerland, it was agreed that it should be held in Montreux for a period of nine weeks from September 14, 1965.

Decisions were also taken concerning two other conferences.

First, on a proposal by the Council, the members of the Union in the European and African broadcasting areas agreed that the African LF|MF Broadcasting Conference should open in Geneva on October 12, 1964, with a maximum duration of four weeks and with the following agenda:

(1) Preparation of an up-to-date broadcasting plan for the band 525-1605 kc/s for the African countries outside the European broadcasting area, taking into account the increase already recorded in the Master International Frequency Register and on the basis of the technical parameters and planning methods recommended by the Preparatory Meeting of Experts held in Geneva in January-February, 1964;

(2) Examination of the existing situation in the bands 150-285 kc/s and 525-1605 kc/s for the African countries which are included in the European broadcasting area;

(3) Determination of all measures, bearing in mind Article 9 of the Radio Regulations, which might prove essential in the light of this examination but which would not involve revision of the Copenhagen Plan, 1948.

Secondly, for reasons of economy the Council also obtained the approval of the majority of ITU member-countries to the postponement of the second and main session of the Aeronautical Conference originally envisaged for 1965, to early 1966.

(*UN Newsletter*)

[Prev. ref. 3724:INI:D]

C. UN Expanded Programme Of Technical Assistance For 1963: A UN Press release on June 19 said

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that 122 countries and territories had received assistance amounting to $47,600,000 during 1963 under the UN Expanded Programme of Technical Assistance (EPTA).

The number of expert assignments during the year, according to the annual report of the Technical Assistance Board to the Technical Assistance Committee for 1963 reached 3,037, compared to 2,894 in 1962 and 2,443 in 1961.

In addition to experts serving under the Expanded Programme, the UN Special Fund as of March 31, 1964 had 1,300 experts in the field.

The technical assistance experts, sent at the request of developing nations for periods ranging from a few weeks to one year or more, represented 79 different nationalities. However, more than half the total were recruited from eight countries: the United Kingdom, which supplied 426 experts; France, 329; the United States 246; India, 136; USSR, 123; the Netherlands, 121; West Germany, 95; and Canada, 90.

At the same time, the Expanded Programme during the year awarded some 2,545 fellowships for study and training to the nationals of 126 developing countries and territories.

The report was prepared by the Technical Assistance Board for submission to the Technical Assistance Committee of the Economic and Social Council, which was to meet in Vienna from June 22 to July 3. The Technical Assistance Board is composed of the executive heads, or their representatives, of the 10 international organizations participating in the Expanded Programme.

Participating organizations are United Nations, the International Labour Organization, the Food and Agriculture Organization, the UN Educational, Scientific and Cultural Organization, the International Civil Aviation Organization, the World Health Organization, the International Tele-communications Union, the World Meteorological Organization, the International Atomic Energy Agency and the Universal Postal Union.

Because the years 1963-64 form the second two-year programming period for the Expanded Programme, the report, as explained in an introductory note, was in the nature of an interim report on progress made in a period not yet completed. To commemorate 15 years of UN technical assistance—the Expanded Programme was brought into existence under the terms of an Economic and Social Council resolution of August 15, 1949—the next annual report is expected to include a review of the whole life of the programme, as well as a detailed survey of the present two-year programme period.

The introduction noted that the Programme, modest in its beginnings, had expanded over the years "to provide a technical service, unique in its professional range and multilateral comprehensiveness, to over 100 countries and territories throughout the developing world". Its expenditures had grown from $6.5 million in 1950 to almost $48 million in 1963, and its work was re-inforced with the establishment, five years ago, of the UN Special Fund. The combined income of the two programmes of technical co-operation had risen to a total of $140 million in 1964.

In addition, a world-wide net-work of 52 field offices had been established to serve the two programmes, as well as other UN undertakings, such as the World Food Programme, which share their common purpose. In 1963, new field offices were established in Algeria, Kenya, the Republic of Korea and Uganda. The experience gained in both operations and administration, "has already established a sound basis for whatever structural changes Governments may decide to suggest in the relationships of the two programmes".

More than 26 per cent of the 1963 programme was devoted to basic surveys, administration services, power, transport and communications—important items of the basic infra-structure for development. There was heavy expenditure, amounting to 9.3 per cent of all assistance given, on basic surveys and administrative services in Africa. This was almost exactly 25 per cent of the total programme for the region.

Another large part of the programme for the year, 21.2 per cent, was in the form of assistance to agriculture, again with a high figure for Africa, at 7.1 per cent. Health services accounted for 17.4 per cent of the field expenditure with Africa benefiting from the largest share at 6.1 per cent of the total.

Of the services rendered the countries of Asia and the Far East, 15.8 per cent went to education. The proportion in Africa was the same, although the absolute figure was higher, while in Latin America 12.4 per cent of the programme in that region was devoted to education.

As for the distribution of field programme expenditures among the various participating organizations, FAO accounted for the largest share with a total expenditure of $10.4 million, or 26.4 per cent of the total programme. Next was United Nations itself, with expenditures of $8.1 million, or 20.7 per cent of the total; WHO, $7.0 million or 17.9 per cent; and UNESCO, $5.9 million or 15.1 per cent.

Contributions, local costs assessments and total resources available for the financing of programmes were all at record high levels in 1963. Contributions pledged by 105 Governments crossed the $50 million mark for the first time, and the actual resources available for the 1963 programme, including local costs assessments, totalled $57,083,000. There was also improvements in the level of payments by host Governments towards the cost of the Technical Assistance Board|Special Fund field officers, in the percentage of contribution which was fully or partially convertible, in the utilization of currencies and in the collection of local costs assessments.

Against these encouraging indicators, however, "little or no progress was made in 1963 towards the solution of the persisting difficulties of timely collection of pledged contributions and, in fact, a somewhat lower percentage of current pledges had been paid at the end of the year than at the end of 1962".

Special Fund Approves Aid For 50 Projects:

The UN Special Fund Council, which had been meeting since June 15 at Schenveningue near The Hague, approved 50 development projects concerning 39 developing countries and representing a total value of $85,200,000.

Of the $85.2 million, $39.9 million will be covered by the Fund and $45.3 million by the beneficiary countries.

In the past five years, the Fund had approved 421 development projects in favour of developing countries. The total cost reached $919 million including $374 million supplied by the Fund.

For 1965 the Fund expects a demand of $140 million, and taking into account the regular increase, it can be estimated that in 1970 the Fund's development budget will reach $1,000 million.

The 50 projects approved by the Special Fund Council break down as follows: Africa 26, Asia 11, South and Central America 8, Europe 3 and West Asia one.

Among the beneficiary countries are: Afghanistan and India 2 projects each; Nepal, Pakistan, Philippines, Thailand, Ceylon and Cambodia one each.

The Council also approved three projects with a regional character; one concerns Cambodia and South Viet-Nam and deals with the study of the Mekong River region, the two others concern African countries.

The projects approved by the Council are divided into four main categories: (1) Preliminary study of the soil and subsoil resources (including fishing). (2) Training of specialists. (3) Research in the fields of culture and industry. (4) Plans for demographic development, including territory equipping and town planning.

(*The Times of India*, Bombay)

[Prev. ref. 5491:AOA:C]

D. Expansion Of UN Security Council: Informed sources at UN Headquarters said on June 11 that the Soviet Union had agreed to increase the number of members of the UN Security Council from 11 to 15, according to a resolution which was approved by the UN General Assembly in December, 1963 following Afro-Asian initiative.

This change in the San Francisco Charter for UN cannot come into effect, however, before being approved by two-thirds of the member-States of UN including the five Powers—USSR, USA, Britain, France and Formosa.

The USSR, which informed the Secretary-General, U Thant, about its decision, was the first of the five permanent members of the Council to announce a decision.

African countries played a leading part in the move to enlarge the Council, in view of the large number of African States which have entered UN since it was formed.

The amendments to the Charter were approved by the General Assembly over Soviet objections, and circulated to the 112 member-nations for ratification.

Under the proposed plan, the 11-nation Council would be expanded to 15 members and the 18-nation Economic and Social Council to 27 members. The purpose is to give wider representation to the newly independent Asian and African countries admitted to the world Organization in recent years.

In the December vote France voted with 10 Communist countries against the amendments, while USA and Britain were among the four abstainers.

Countries which already have deposited their formal ratifications with UN are Jamaica, Thailand, Algeria, Ghana and Tunisia. There was no doubt, however, that the amendments would get the necessary two-thirds majority since 97 countries voted for the plan in the Assembly.

(*The Times of India*, Bombay)

[Prev. ref. 5671:AOA:A]

E. Southern Rhodesia And Commonwealth Prime Ministers' Conference—Sir Alec Douglas-Home's Statement: The British Prime Minister, Sir Alec Douglas-Home, told the House of Commons on June 9 that nearly all the Commonwealth Prime Ministers had agreed that their joint conferences in future should be confined to representatives of fully independent States.

He was replying to Mr. Arthur Bottomley (Labour), who asked for a statement about the discussion Sir Alec had with Commonwealth Prime Ministers on whether an invitation to the forthcoming London Conference should be extended to Southern Rhodesia, and if he would give details of the communication he had sent to the Southern Rhodesian Prime Minister, Mr. Ian Smith.

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Sir Alec said: "I have now completed my consultations with other Commonwealth Governments on whether the Premier of Southern Rhodesia should be invited to attend our meeting next month. I have informed Mr. Ian Smith that the consensus of opinion is conclusive that, in view of the size of the modern Commonwealth, the meetings of Prime Ministers should be confined in future to the representatives of fully independent States."

He added that he had told Mr. Smith he would welcome a general talk with him in London before or after the Conference. "Mr. Smith has thanked me for this invitation, but has asked that it should be left over pending further correspondence between us."

Answering a supplementary question, he said: "I used my phrase 'consensus of opinion is conclusive', and I think Mr. Bottomley would be right, therefore, in assuming this was the feeling of the very large majority—indeed nearly all."

Mr. Robin Turton (Conservative) asked Sir Alec to repeat the assurance he had given the House on April 30 that it would not be the practice of a Commonwealth Prime Ministers' Conference to discuss the internal affairs of Southern Rhodesia at any formal meeting.

Sir Alec replied: "I never disclose to anybody the agenda of a Commonwealth Prime Ministers' Conference, but I affirm that we do not discuss each others' internal affairs at formal meetings. But of course, there are many occasions on which these matters are discussed outside."

Mr. Jo Grimond, leader of the Liberal Party, said Mr. Smith had alleged this was a breach of precedent and Southern Rhodesia had some right to be present. Could the Prime Minister, he asked, say this was not so, and that the consultations he had with the other Prime Ministers *raised a new precedent but not a contradictory one.*

Sir Alec replied: "Yes. I can confirm that."

Replying to a suggestion that the exclusion of Southern Rhodesia might lead to a growing intolerance in the Commonwealth which would endanger its survival, Sir Alec said: "I hope there will be no evidence of intolerance when the Prime Ministers meet—in fact, I am sure there will not be."

South Rhodesian Reaction:

In a despatch from Salisbury (South Rhodesia) on June 7, *The Times*, London said that the political situation in Southern Rhodesia appeared to be boiling up to yet another crisis—this time over independence—with news at the weekend that the country had not been invited to the Commonwealth Prime Ministers' Conference.

The news, although expected, had caused Mr. Ian Smith, the Prime Minister, to react violently.

In two statements at the weekend he gave vent to his annoyance. The first was a considered official statement issued on receipt of Sir Alec Douglas-Home's letter informing him of the refusal. The second was an outburst delivered at a banquet of the Sons of England Society (a typical settler organization, mainly Right-wing).

In the first statement, Mr. Smith said: "I have been informed I am not to be invited to the Commonwealth Prime Ministers' talks and I am naturally extremely disappointed. This country has always been proud of its British heritage and has given of its best in support of British ideals in two World Wars and in Commonwealth defence since 1945. If any country deserves to be called a loyal member of the Commonwealth I think I am entitled to say that Southern Rhodesia does. Our position in the Commonwealth has been recognized for well over 30 years, and our Prime Minister and subsequently the Prime Minister of the Federation attended Commonwealth Prime Ministers' Conferences from their inception.

"We are excluded now not because we are no longer loyal to the Crown or to the ideals on which the Commonwealth was founded. Nor was our case judged on its merits. We are excluded because the Commonwealth has outgrown itself and there is no room for us amongst the motley of small countries which have recently acceded to independence and have been admitted to the Commonwealth without regard to their adherence to the ideals and concepts on which it was founded.

"Another reason is that one of the standards of judgment today in this sort of thing appears to be that of expediency. I, as all Rhodesians will regret this move against us and I dare say that there are far beyond the borders of our country great numbers of people who will share our feelings of disgust."

He refused to comment further, but later he electrified the Sons of England banquet in Salisbury with an attack on Britain, including a reference to the Queen. In blunt language he said precisely what he thought, and the Sons of England (more than 100 strong) rose to their feet and cheered him to the echo.

Mr. Smith began by congratulating the Sons of England on obtaining their "freedom" from the rest of Africa by inaugurating the Grand Lodge of Southern Rhodesia at the banquet. "I was always brought up to be a good sport and always taught to concede when someone beat me", he said. "But I would say we won't be far behind." There were cries of "Shame!" and "Not to worry, Smittie" when he told them of Sir Alec Douglas-Home's letter. Mr. Smith said it was a sad day for Southern Rhodesia. "It might be a happy day for some other members of the Commonwealth... Southern Rhodesia has had to take a step backwards.

"I wondered—I don't think ever before in my life I wondered as seriously as I did this afternoon—if we are really wanted in the Commonwealth any longer and if we can serve any purpose by remaining in the Commonwealth any longer. We have to consider whether the Union Jack and the Queen mean the same to us today as they have meant to us in the past."

He said people at public meetings had asked him why Southern Rhodesia continued to keep the Union Jack in the Rhodesian flag in view of the behaviour of people overseas. "My reply has been that I have very pleasant memories of the Union Jack and always associated it with very high standards and fine principles.

"I would go so far as to say that if because other people have let their principles fall and have gone back on their word and have reneged on their promises and as a result of this we find ourselves no longer in the Commonwealth we should continue to have the Union Jack in our flag and others should relinquish it."

He said that so far as the Queen was concerned he still had tremendous respect, admiration, loyalty, and love for her, but, he added: "Of course, she is no longer Queen as we used to know her in the past. We have to come to earth and realize this. She can no longer speak in her own right. The Queen of Great Britain today is the mouthpiece of party politicians and can't speak her own mind and heart—only what the party politicians wish her to speak. And if the Government changes tomorrow to some other type of Government she will have to speak their words and even if the Government went so far as to be for example, communist, she would still have to speak their words."

To ask to move up the Commonwealth table and make room for a new member would be reasonable, "but because there are some members who have been responsible for a couple of years and because some have been responsible for only a couple of months we have been told to go back to the nursery and make room for these people."

Southern Rhodesia had to face the fact that it would not get any respect if it were prepared to lie down and let people trample over it. "We will only lose if half get cold feet and decide to have out. The rest will be left holding the baby."

He said that Australia was now coming under the eyes of the Afro-Asian bloc, and he described how Sir Learie Constantine, the West Indian cricketer, was "beamed upon" there until he suggested that the "white-Australia" policy should be relaxed. "As far as we are concerned", he said, "if any one thinks they can interfere in our affairs and tell us how to run our country and how to lower our standards to appease outside opinion and the Afro-Asian bloc, then I will say—that will be the bloody day."

(*UK High Commission*, New Delhi and *The Times*, London)

[Prev. ref. 5671: AOA: A]

F. Britain's "Blue Streak" Rocket Launched: Britain's *Blue Streak* rocket successfully completed its first test flight on June 5 at the Woomera range in South Australia.

Launched in the morning, it travelled 1,000 miles (1,600 kilometres) across the Australian interior, reaching a height of 150 miles (230 kilometres) and a speed of 8,500 miles per hour (12,000 kph) before burning up on re-entering the atmosphere near the north-west coast.

The rocket's two Rolls-Royce engines gave it a total thrust of 270,000 lbs at blast off. **Blue Streak** carried 85 tons of liquid oxygen and kerosene fuel; it used up half-a-ton of fuel every second. Nine minutes after launching it was announced that the rocket's telemetry signals had stopped.

Blue Streak is the first stage of the first European satellite-launching rocket, **Europa**, whose second stage is being built by France while West Germany builds the third and final stage. **Europa**, which is to develop a total thrust of 166 tons, is to be operational in 1966 or 1967.

Blue Streak was conceived by the British Government originally as a military rocket. The military plan was dropped and it was decided to develop the rocket for peaceful purposes in co-operation with the European centre for the construction of space vehicle launchers, which is in charge of the **Europa** project.

In the meantime, work on the second stage is said to be going ahead according to schedule, and its first firing trial, at Colomb-Bechar in Algeria, is planned for the end of 1965. It will first be fired on its own, and later together with the third stage.

Blue Streak is being fired by itself in its three tests this year. In 1965, however, there will be three firings in which it will be given dummy upper stages, to see how it operates under more realistic conditions.

The European Launcher Development Organization (ELDO) is concentrating on its plans for a complete launch at the moment. It does, however, have plans for further development when that has been achieved. It has decided that alterations to the upper stages are likely to be the most productive, and one idea is to incorporate a fourth stage, which would give a higher orbit. **Blue Streak** is seen as a fairly conventional first stage, but the Organization is emphasizing that it is efficient, and far from being obsolete.

Mr. Julian Amery, British Minister of Aviation, announced in the House of Commons that **Blue Streak** was launched successfully at 09.14 local time (00.44

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British time). The weather conditions were ideal. The count-down proceeded smoothly, without any hold-up or malfunction in the vehicle or the range equipment, and led to a textbook launching.

"So far as we know", he said, "all systems operated as planned, but thrust was terminated after 147 seconds, that is, six seconds earlier than intended. The reason for this should be established in the course of detailed analysis of the telemetry records. As a result of thrust ending six seconds early, the maximum velocity was somewhat less than intended and the point of impact was about 625 statute miles from the launching site, instead of 950 miles. The maximum height reached was about 110 miles. The maximum speed attained was 6,400 mpa.

"The trajectory was on the centre line of the range corridor but slightly higher in angle than planned. Telemetry, radar, and other range equipment worked successfully. They have given a mass of useful information which will now be analysed.

"A team is flying to the impact point to effect recovery. Technically the launching was a success and the trial's objectives were achieved.

"Further tests will be necessary before the launcher can be regarded as fully proven. This trial, however, has demonstrated the soundness of the Hawker Siddeley structural design, the Rolls Royce propulsion system and the many sub-systems. We have thus confirmed that Britain and Australia can meet their obligations under the first ELDO programme. The way is now open for us and our partners in ELDO to embark on the exploration and exploitation of space."

(*The Times*, London)

[Prev. ref. 2598:AOA:A]

G. **Russia Launches "Cosmos XXXI":** The official Soviet news agency *Tass* reported on June 6 that the Soviet Union had launched its *Cosmos XXXI* satellite.

The Agency said that the satellite contained equipment designed to continue the space exploration programme announced by the Soviet Government on March 16, 1962.

"Cosmos XXXII" Launched:

The Soviet Union launched on June 10 a new unmanned satellite—*Cosmos XXXII*.

It carried scientific apparatus to probe conditions in outer space.

(*Tass*)

[Prev. ref. 5902:AOA:I]

H. **US Unmanned Moon-ship Launched:** An unmanned model of America's *Apollo* Moon-ship was launched into space for the first time on May 28 on top of a giant Saturn I rocket from Cape Kennedy (Florida).

The 8½-ton **Apollo** space-craft, called "Boiler Plate 13", was a simplified model of the spaceship in which three American astronauts are to be launched to the Moon by the end of the decade, perhaps in 1969.

Consisting of a cone-shaped command module and a cylinder-shaped service module, the spacecraft headed towards an orbit 110 to 140 miles out in space.

The temperature was in the 90's and officials had a clear view as the rocket climbed into a clear, blue sky, spewing fire from its eight engines. As it met the cold layers of the upper atmosphere, a white contrail formed behind it. After two minutes officials announced that the engines of the second stage had ignited as planned.

The Moon-craft went into orbit about 10½ minutes after lift-off.

One of the primary missions of the flight test was to check how well the design of the **Apollo** spacecraft held up under the severe pressures placed upon it. Another objective was to see how the escape system performed.

Breaks Up:

The US Space Agency said on June 1 that the *Apollo* Moon-ship fell back into the atmosphere and disintegrated on its 50th orbit.

The Agency also disclosed that the film ejected from the Saturn launch vehicle after the lift-off showed that one of the eight engines in the rocket's main stage shut down 24 seconds early during the Cape Kennedy launching.

Nevertheless, the National Aeronautics and Space Administration said, the spacecraft's performance was so close to plan that engineers at first questioned indications of an early engine cutoff.

The 80-foot long, 37,300-lb satellite—an unmanned model of the **Apollo** Moon-ship with the burned-out second stage of the Saturn still attached—re-entered the Earth's atmosphere over the Western Pacific.

(*The Statesman*, Calcutta)

[Prev. ref. 5697:AOA:I]

I. **US Nuclear-Powered Merchant Ship Crosses Atlantic:** The world's first nuclear-powered merchant vessel, the *Savannah* (13,599 tons), entered New York harbour on June 2.

She sailed again on her maiden trans-Atlantic voyage on June 8, visited West Germany, Ireland and Britain before returning to New York.

The **Savannah**, a sleek, white passenger cargo ship with the lines of a yacht, called at Bremerhaven, Hamburg and Dublin before arriving at Southampton on July 7. She spent five days at Southampton and was open to the public.

Included in the ship's complement of 110 (many of whom are nuclear engineers) were four former Britons who used to work for the Cunard Line, and are now in the ship's catering department.

On her first Atlantic voyage the **Savannah** carried her full quota of 36 passengers who had paid fares ranging from $450 (£161) each.

Launched in 1959, the **Savannah** cruised between American ports on the east and west coasts, passing through the Panama Canal, before she was immobilized in 1963 by labour troubles, when the crew demanded a 25 per cent increase on their basic wages for the extra risk involved in serving on a nuclear vessel.

An entirely new crew had to be recruited and trained, and after being laid up for nearly a year, the ship is now in commission again, operated by American Export Isbrandtsen Lines. To date she has cost a total of $83 million (£29,643,000), of which $50 million (£17,857,000) went on building and fitting out, and the rest on operating expenses.

(*The Times*, London)

[Prev. ref. 3838:AOA:O]

J. **US Satellite Disintegrates:** The US Atomic Energy Commission revealed in Washington on May 23 that a satellite carrying one kilogram of radio-active plutonium, launched in April, had disintegrated off the west coast of Africa after failing to go into orbit.

A spokesman for the Commission said the satellite had probably disintegrated on re-entering the atmosphere and that the plutonium had dispersed in tiny particles at an altitude of 36,000 metres.

He added that the particles would not fall back to Earth for several years and, in the meantime, would lose their radio-activity.

The satellite was launched in April from the US air base at Vandenberg, California.

(*The New York Times*)

[Prev. ref. 5830:AOA:M]

K. **EEC Annual Report:** According to its annual report released in Brussels on June 5, the six-nation European Common Market is meeting serious economic difficulties for the first time since it was set up in 1958.

The report, issued by the Common Market Executive Commission, added that the situation might well get "perilously" worse in 1964 if energetic counter-measures were not taken.

Economies of the "Six" began in 1963 to diverge appreciably, with the balanced growth of the West German economy contrasting with heavy inflationary pressure in Italy, France and the Netherlands.

The Commission said that it believed the strict application this year of anti-inflationary recommendations, already adopted by the Common Market's Ministerial Council, was a vital factor for recovery.

Any faltering in the determination of the member-States primarily affected might have the most serious political and economic consequences for the whole Community.

It was true that the European Economic Community had already withstood more than one political crisis, but now for the first time it had to take the strain of major economic disequilibrium.

Among other important internal tasks facing the Common Market in the coming year were decisions by the Council on a single turn-over tax system and common measures in transport policy.

The Commission said that progress towards a common commercial policy had not so far been satisfactory, and that policy decisions must now be taken in this field.

It said that in most member-countries, it had proved impossible to maintain stable prices during 1963. They had risen by varying degrees, from 2.2 per cent in Belgium to six per cent in France and 7.4 per cent in Italy.

The Community's balance of payments had deteriorated again in the same year, though it still showed a slight surplus. The trade balance deficit had increased by $1,300 million to a total of $3,000 million.

In a preface to the annual report, the Commission said the economic integration of the "Six" necessitated a decision on European political unity as well.

Mr. Emile Noel, Executive Secretary of EEC, said that the detailed summary of European accomplishments in 1963 was also, to a certain extent, the last will and testament of the Hallstein Committee, for as soon as the merger of the European executives was completed, this Committee would hand over its powers to the single Community executive which would control the destiny of the three present European organizations—the European Common Market, Euratom and the Coal and Steel Community.

(*The Financial Express*, Bombay)

[Prev. ref. 5582:INI:F]

L. **Mr. Francois Duvalier Elected President For Life In Haiti:** Mr. Francois Duvalier was elected in Port-au-Prince on June 14 President of Haiti for life.

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He said: "I will rule with all the firmness necessary."

The vote actually came on a referendum to approve a provision in the new Constitution relating to Mr. Duvalier remaining in office for life.

His election was practically automatic. There was no opposition. All the ballots were marked "yes" in answer to the query whether the voter wanted Mr. Duvalier to remain in office permanently.

(*The Times of India*, Bombay)

M. **President F. D. Roosevelt And Sir Winston Churchill's Views On President de Gaulle—War-time Correspondence:** President Franklin D. Roosevelt of USA scathingly referred to General Charles de Gaulle of France as "the bride" with a "Messianic complex" in war-time correspondence with Sir Winston Churchill, released in Washington on June 12.

He also suggested that they should break with the French leader.

During the squabble over control of the French interests in North Africa under a national committee, the American President told Sir Winston on July 17, 1943: "I am fed up with de Gaulle.... I am absolutely convinced that he has been and is now injuring our war effort and that he is a very dangerous threat to us.

"I agree with you that he likes neither the British nor the Americans... I agree with you that the time has arrived when we must break with him."

On June 21, 1942, Sir Winston Churchill told President Roosevelt: "As you know I have always taken the view that de Gaulle should be made to settle down to *honest teamwork. I am no more enamoured of him than you are but I would rather have him on the committee than* strutting about as a combination Joan of Arc and Clemenceau."

The frank and outspoken exchange of views between President Roosevelt and Sir Winston on the then leader of the Free French Forces in London, now President of France, were contained in official documents made public by the State Department under the title: "Foreign Relations of the United States, 1943 Volume 11 Europe."

Publication is part of a continuing process of releasing official papers.

The documents included a memorandum from President Roosevelt to the then British Prime Minister on May 8, 1943, saying: "I am sorry, but it seems to me the conduct of the bride (identified as General de Gaulle) continues to be more and more aggravated. His course and attitude is well nigh intolerable.

"The war in North Africa has terminated successfully without any material aid from de Gaulle and the civil situation with all its dangers seems to be working out well. I think that Macmillan (Mr. Harold Macmillan, then British Minister of State) concurs in this.

"However, de Gaulle is without question taking his vicious propaganda staff down to Algiers to stir up strife between the various elements, including the Arabs and Jews. He is expanding his present group of agitators who are working up counter demonstrations and even riots.

"Unfortunately, too many people are catching on to the fact that these disturbances are being financed in whole or in part by British Government funds.

"De Gaulle may be an honest fellow but he has the Messianic complex. Further he has the idea that the people of France itself are strongly behind him personally. This I doubt. I think that the people of France are behind the Free French Movement, that they do not know de Gaulle and that their loyalty is to the fine objectives of the Movement when it was started and to the larger phase of it which looks to the restoration of France."

President Roosevelt added: "I am inclined to think that when we get into France itself we will have to regard it as a military occupation run by British and American Generals.

"I think that this may be necessary for six months or even a year after we get into France, thus giving time to build up for an election and a new form of government....

"I think we might talk over the formation of an entirely new French committee subject in its membership to the approval of you and me. Giraud should be made the Commander-in-Chief of the French Army and Navy... I do not know what to do with de Gaule. Possibly you would like to make him Governor of Madagascar."

[General Henri Giraud, who died in 1949, went to Algiers after escaping from occupied France. He in fact became Commander-in-Chief of all French forces and Joint President with General de Gaulle of the French Committee of National Liberation, but in 1944 he was dropped from the Committee and General de Gaulle became head of the French Forces.]

On June 18, 1943, Sir Winston telegraphed President Roosevelt: "I agree with you that no confidence can be placed in de Gaulle's friendship for the Allies."

Sir Winston, however, advised President Roosevelt that some of his Cabinet colleagues questioned whether the time had arrived to break with General de Gaulle.

A memorandum by Mr. Cordell Hull, US Secretary of State, following a talk with Sir Winston Churchill in Washington on May 13, 1943, remarked: "The Prime Minister said that he and Eden found de Gaulle terrible to get on with... he personally was utterly disgusted with de Gaulle."

President Roosevelt told Sir Winston in a telegram on June 10 that he considered it impossible to consider any "de Gaulle domination of French West Africa. This is so serious that I should have to consider sending several regiments to Dakar and also naval vessels if there were any sign that de Gaulle proposed to take things over in French West Africa."

(*The Egyptian Gazette*, Cairo and *The New York Times*)

N. **New Space Theory By American Scientists:** Two American scientists offered a new explanation on April 28 for nine enormously powerful quasi-stellar radiation sources which are the most distant objects ever observed by man.

Dr. Louis Gold and Dr. John Moffat of the Research Institute for Advanced Studies suggested that these mysterious objects were neither colliding galaxies nor chains of exploding stars, but vast aggregations of hot, electrically charged gas, which might or might not be in a state of gravitational collapse.

The objects had been identified in the past 13 months and appear to be between 12,000 million and 60,000 million miles away. They are unlike anything previously observed and are probably "the most enormous source of energy in the universe". They are about 1,000 times as dense as the Milky Way galaxy and radiate at a rate about 100 times as great. Yet their diameter is apparently much smaller. Their total mass is equal to that of about 100 million suns.

Offering the American Physical Society their mathematical model of the mysterious objects, which they said was consistent with known physical laws, Dr. Gold and Dr. Moffat proposed that further study be made. One thing was certain. The light and radio waves from these incredibly distant objects must have originated in "a breathtakingly vast source of energy".

(*The Times*, London)

[Prev. ref. 5830:AOA:I]

O. **Al Biruni's "India" Published In Russian:** One of the greatest works of medieval historic-ethnographic literature—*India* by the great Khorezm scholar Adbureikhan Al Biruni (937-1048)—has been published in Russian for the first time.

A Tashkent message on June 26 said that the work, which consists of 80 chapters, provides a vast amount of information about the history and culture of India. In this work, Al Biruni emerges not only as an encyclopaedic scholar but also as a great humanist, a fighter against racial, religious and other social prejudices.

(*Tass*)

SPORT

A. **World Badminton Championship:** Indonesia retained the Thomas Cup, emblem of world badminton supremacy, when she defeated Denmark by five matches to four in the Challenge Round in Tokyo on May 22.

Indonesia won two of the three singles and took the first of the two doubles to clinch her victory. The two countries had started the day on level terms, each having won two of the previous day's four matches.

Scuffles broke out among spectators during the deciding doubles match between Tan King Gwan and Unang of Indonesia and the Danes, Erland Kops and Henning Borch. Play was held up for a quarter of an hour while officials, assisted by a policeman, restored order.

The trouble began when three Japanese officials went to warn Indonesian spectators in the Danish pair's line of vision not to sway in unison from side to side during play. The officials were jostled; Japanese spectators ran over, and the scuffle quickly became general.

The Indonesians chased Japanese Press cameramen who photographed the incident. When play continued the Indonesian spectators kept up a barrage of boos and cat-calls when the Danes scored and when they were serving.

(*The Japan Times*, Tokyo)

[Prev. ref. 4114:SPO:A]

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ASIAN RECORDER

July 22—28, 1964

Regd. No. D-727

Vol. X No. 30

CEYLON

A. Communist Support To Coalition Government: The Communist Party and the Mahajana Eksath Peramuna have declared that they will support the progressive measures of the coalition Government.

The two parties along with the Trotskyite Lanka Sama Samaj Party (LSSP) had formed the United Left Front (ULF). Following talks between the Prime Minister, Mrs. Sirimavo Bandaranaike, LSSP joined the Government to form a coalition with the Sri Lanka Freedom Party (see page 5891). Because of opposition from her party colleagues, Mrs. Bandaranaike could not take any Communist or MEP representatives in the coalition.

Though the two parties left out of the coalition initially criticized the LSSP, they later modified their stand.

While the Communist Party "cannot agree with the LSSP decision to join the Government on its own or with the manner in which it did so", it admits that within the new Cabinet the positions of the Left and the progressive forces of the Sri Lanka Freedom Party, who seek to co-operate with the Left, have been relatively strengthened.

The Communist Party said that it would, therefore, support and co-operate with the new Government "in order to see that the progressive measures set out in the one-year agreement on which this Government was formed are carried out properly before the term of the present Parliament ends."

The Party would, at the same time, continue to campaign for a re-orientation of national policies and for the inclusion in the Government of the other two parties of the ULF.

(*The Hindu*, Madras)

[Prev. ref. 5891:CEY:A]

INDIA

SUMMARY: Chinese Claim Over Bhutan Villages; Burmese Refugees In N-EFA; Trade With USA; IDA Loan; CPI Unity Talks Fail.

A. Chinese Claim Over Frontier Villages In Bhutan: It was reported from Shillong on July 4 that Assamese traders normally resident during Summer at Tashigang Dzong had left that town in north-eastern Bhutan following the circulation there of handbills stating that eight Bhutan frontier villages belong to Tibet.

The handbills were in Tibetan and the villages mentioned were Khangri, Tarcheng, Checkchar, Jangtong Tussu, Janghi, Dirafoo, Chakop and Kachar. The traders have returned to their homes in the plains near Rangiya, 28 miles north of Gauhati.

The villages mentioned in the handbills are all west of the Nyamjang Chu, the river along whose valley the Chinese invaded India in 1962.

Tashigang Dzong is a little above 4,000 feet in altitude and less than 40 miles by a well established trade route from Towang. It is about the same distance from Dhola, near the trijunction of the Bhutanese, Indian and Tibetan frontiers.

(*The Statesman*, Calcutta)

[Prev. ref. 5066:INI:B]

B. Burmese Refugees In N-EFA: According to an official spokesman in New Delhi on July 6, the number of people from Burma who had sought refuge in the Tirap frontier division of N-EFA during the past few weeks had swelled to about 3,000.

Most of these people were Burmese, the others being Indians who were living with their relations on the other side of the border. More were stated to be coming.

The Government had established refugee camps for them and assumed the responsibility to feed and clothe them. They are all tribal people.

Officials of the Burmese Embassy had gone to the Tirap division to study the problem and see what should be done for the refugees.

(*The Statesman*, Calcutta)

[Prev. ref. 5807:BUR:A]

C. Expansion Of Trade With USA—Mr. Manubhai Shah's Visit: Increased imports of cotton, soya beans and tallow under the PL 480 arrangements were among the results of the Central Commerce Minister, Mr. Manubhai Shah's recent talks in USA on the expansion of trade with that country.

The USA has agreed to export to India 300,000 bales of cotton worth about Rs. 12 crores ($40 million) and 100,000 tons of soya beans. The quality of tallow to be exported has still to be fixed.

Announcing this in New Delhi on July 4 at a news conference, Mr. Shah admitted, however, that his efforts to obtain a larger quota of sugar exports to USA had not yet borne fruit. Talks had shown that USA would treat the question with sympathy and this would be taken up again after about a month.

Mr. Shah returned to New Delhi after holding talks with US officials and business and trade interests. He went to USA after attending the UN Trade and Development Conference at Geneva, the result of which he described as even more satisfactory than he had anticipated.

He also expressed, during his talks in USA, India's dissatisfaction at the small quota given to India under the Textile Agreement. It was, however, pointed out that there were several varieties of textiles that were not subject to any restraints or partial restraints and he felt that exports of these could be substantially increased. If a proper study were made, he felt that such exports could be increased by $5 to $6 million annually.

Among other decisions taken to promote exports to the dollar areas was one to make an intensive commodity market survey in USA and Canada for every item which has an export potential of at least Rs. 30,00,000.

For the promotion of mica exports, it was decided to launch a sales promotion drive by the establishment of a Rs. 34,00,000 fund to be used for research into other possible uses of mica. Of this amount, Rs. 5,00,000 will be provided by Indian mica exporters and another Rs. 5,00,000 by US mica importers. The remaining Rs. 24,00,000 will be given by USAID.

A similar fund of Rs. 10,00,000, to which Indian exporters and US importers will contribute an equal share, will be set up for the promotion of Indian spices.

Among other commodities for which Mr. Shah expected larger export markets were manganese ore, shrimps, sardines and other fish.

(*The Statesman*, New Delhi)

[Prev. ref. 5234:INI:H]

D. US And British Credits For Automobile Industry: New British and US credits for the Indian automobile industry were announced on July 6 and 7.

Projects costing over £4 million which will increase the size of Leyland's factories and foundries in Madras and put new and more powerful Leyland trucks and buses on Indian roads were announced in London.

The announcement was made jointly by Dr. A. Ramaswami Mudaliar, Chairman of Ashok Leyland Ltd., and Mr. Donald G. Stokes, Managing Director of Leyland Motor Corporation.

Leyland's investment in the new projects will be £2.5 million in addition to £3 million already invested. It will take the form of special plant and machinery not available in India.

The £1.5 million Indian investment will finance new factory buildings and the purchase of Indian-made machinery.

The US Government authorized three credits totalling $37.8 million to help the Indian automobile industry expand and modernize its production facilities and to increase its heavy engineering capacity.

The credits will be used to purchase machinery to increase production. The machinery will be purchased in USA.

The loans extended by the US Agency for International Development include two credits of $23 million and $3 million for Hindustan Motors and $11.8 million for TELCO.

Previous US credits for TELCO, Hindustan Motors and Premier Automobiles (Bombay) total $40 million.

(*The Statesman*, New Delhi)

[Prev. ref. 5833:INI:F]

E. IDA Loan For Telephone Net-work: The International Development Association (IDA), an affiliate of the World Bank, on July

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6 agreed to grant a $33-million loan to help improve the Indian telephone net-work.

The credit would enable India to equip her telephone system to serve about 75 per cent more subscribers.

The new loan brought to $75 million the total loans approved by the IDA for India for this purpose. The IDA had given a $42-million credit in 1962.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5896:INI:C]

F. Canadian Envoy: The Canadian Prime Minister, Mr. Lester Pearson, on July 6 named Mr. Roland Michener, former Speaker of the House of Commons, as Canadian High Commissioner to India.

(*The Times of India*, Bombay)

[Prev. ref. 1307:INI:F]

G. Oil Agreement With USSR: Under an Agreement signed in Bombay on July 4, Russia is to supply 1.5 million tonnes more of oil products to India between this year and 1966, thus bringing its total supplies since 1960 to a little over three million tonnes.

The Agreement provides for the supply of petroleum products, including kerosene and high-speed diesel oil.

Under the first Agreement, 1,500,000 tonnes have been supplied, while part of the second Agreement for 50,000 tonnes of furnace oil still remain to be delivered.

The Agreement, between the Indian Oil Company and Sojuznefte Export of Moscow, was signed by Mr. P. A. Gopalakrishnan and Mr. B. F. Kosyrev on behalf of their respective concerns.

After signing the Agreement, Mr. Gopalakrishnan estimated the demand for petroleum products in India by 1966 at about 16 million tonnes, of which the public sector refineries were expected to supply about 50 per cent by the end of the Third Five-Year Plan period.

(*The Statesman*, New Delhi)

[Prev. ref. 4993:INI:G]

H. Expansion Of Bhilai Steel Plant—Agreement With USSR: An Agreement was signed in New Delhi on July 6 between the Governments of India and USSR providing for further Soviet assistance for the expansion of the Bhilai Steel Plant.

The expansion envisages the setting up of a sixth blast furnace complex with a capacity of 1,719 cubic metres. The blast furnace will produce foundry iron and pig-iron.

A portion of the equipment needed for this expansion will be manufactured at the heavy machine-building plant in Ranchi for which the required components will be supplied from the Soviet Union.

The main equipment and technical assistance in the establishment of the blast furnace and coke battery will be provided by the Soviet organizations under the Indo-Soviet Credit Agreement of 1961.

Three blast furnaces are at present working in Bhilai. Two more are under construction. When these are commissioned, the capacity of the Plant will be raised from the present one million tons to 2.5 million tons of steel ingots.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 4455:INI:D]

I. CPI Unity Talks Fail: Representatives of the Secretariat of the Communist Party of India and its dissident faction meeting in New Delhi on July 4 failed to reach an agreement on steps to re-unite the Party.

They met for 2½ hours, but merely reiterated their respective positions, in regard to their dispute. Mr. Harkishen Singh Surjeet, one of the dissident leaders, said after the meeting that as far as they were concerned, the unity talks were over.

Apart from Mr. Surjeet, Mr. Jyoti Basu and Mr. Promode Das Gupta participated in the meeting on behalf of the dissidents. The official leadership was represented by Dr. G. Adhikari, Mr. C. Rajeshwar Rao and Mr. Bhupesh Gupta.

Mr. Surjeet and his colleagues wanted dissolution of the present Secretariat, the appointment of a joint commission to prepare for the party Congress and expansion of the existing committee inquiring into the Dange letters by the inclusion of three or four of their men. These demands were not acceptable to the Secretariat members.

Mr. Jyoti Basu, the Bengal Centrist leader, who along with others was on his way to Tenali to attend the Leftist-sponsored conference beginning on July 7, said that he and his two colleagues would report to the conference on their talks in Delhi. It would be for the conference to decide the next step.

Asked whether in view of the failure of the Delhi talks the Tenali conference would formally announce the setting up of a rival Communist party, he said: "I do not know. It is always possible someone may have some bright idea."

Mr. Bhupesh Gupta, who had tendered his resignation from the Secretariat, is known to be politically in agreement with the official leadership but is closer to the Left on organizational matters.

During the talks, the dissident leaders pointed out that Mr. Dange's statement in Bombay in which he was reported to have described the dissidents as "Chinese agents" was not conducive to unity talks. The Secretariat members, according to Mr. Basu, told them that Mr. Dange had denied having made the statement.

They said that the Secretariat's latest statement that talks could be held only on the basis of the National Council resolution was not helpful.

The dissident leaders suggested that till the forthcoming seventh Congress of the CPI, the party should work on the basis of agreements and that goodwill should be the guiding factor. This, of course, did not mean there would be no majority decisions on anything. However, there would have to be agreement on certain points to enable the dissidents to go back to the National Council.

Mr. Basu said the Secretariat members thought that their emphasis on agreements would mean veto by the minority. They, however, said that at best "our views can be considered generously if we agree to go back to the Council and majority rule will prevail."

He also pointed out that if there could be agreement on certain points, there would be no rival units or rival discipline.

The Secretariat representatives also did not agree to other points raised by the dissidents including the restoration of the April, 1962 Secretariat which included Mr. E. M. S. Namboodiripad, Mr. Basu, Mr. Sundarayya and Mr. Surjeet.

The dissident leaders were told that this suggestion could not be accepted as, since the Leftist members resigned from the Secretariat, there had been a change of political views. "We must have a firm majority in the Secretariat even if we agree to make some changes in it," the Secretariat members said, according to Mr. Basu.

The Secretariat representatives told the dissident leaders that there was no point in demanding joint preparations for the Congress since both sides had prepared their documents. All the documents could be circulated to the members if the dissidents decided to go back to the National Council.

Asked whether Mr. Bhupesh Gupta agreed with the replies of the other two members of the Secretariat, Mr. Basu said his impression was that he did not on many of them.

Statements:

Two statements available on July 6 once again emphasized, though not directly, that there was no common ground for the rival factions in the CPI to come together.

These were from Mr. E. M. S. Namboodiripad and the CPI Secretariat. Mr. Namboodiripad was quite categorical in saying that from what he had gathered about the three Leftist leaders' talks with the Secretariat members, there was no scope for further unity talks.

He made it clear during a brief interview that he was with the Leftists only organizationally. Ideologically and politically, he added, he was probably equidistant from either faction.

He could not say how far his views on these issues would be accommodated by the Left but emphatically added: "There is no question of my going back to join hands with the present CPI leadership." He had the feeling that the failure of unity talks was mainly due to the obstinacy of the CPI's present leadership.

The Secretariat, on its part, explained point by point why, acting within the terms of the National Council resolution on party unity, its members could not accept the Leftist leaders' proposals mainly relating to the organization for the next party congress.

Besides re-iterating (as the Secretariat had done in a statement issued 46 hours before the talks) that the Leftists' proposals meant to put a veto on the majority without dissolving their rival party organization, the Secretariat made few points in its fairly long statement.

The statement ended by saying: "It is now up to the 32 members of the National Council and those who support them to adopt the Council's principled basis for unity, give up rival party activities and to seek the path of agreement and unity as suggested by the Council so that a united party congress can be held to solve the outstanding differences and achieve unity."

(*The Statesman* and *The Times of India*, New Delhi)

[Prev. ref. 5907:INI:B]

J. Two Central Loans: The Central Government announced on July 3 the issue of two loans for Rs. 150 crores.

The new floatation consists of a further issue of 4 per cent loan 1970 at Rs. 89 per cent and repayable at par on April 15, 1970 and 4¾ per cent loan 1989 at Rs. 100 per cent and repayable at par on April 15, 1989.

Subscriptions were received from July 13 to 15 in cash and by cheque. The Government, however, reserved the right to retain subscriptions up to 10 per cent in excess of Rs. 150 crores.

Interest on the new securities will accrue from July 13 and will be paid on October 15, 1964. Thereafter, payments will be made half-yearly on April 15 and October 15.

The interest will be liable to tax under the Income-tax Act.

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The Government had issued on March 20 two conversion loans—4 per cent 1970 at an issue price of Rs. 99 and 4½ per cent 1985 at par. Subscriptions to these conversion loans had amounted to Rs. 141.52 crores.

The second instalment of borrowing has been resorted to because the Budget for 1964-65 has taken credit for net market borrowing of Rs. 103 crores and maturing loans during the current year amount to Rs. 168.59 crores—3 per cent 1950-64 loan for Rs. 30.33 crores and 3½ per cent 1954-64 loan for Rs. 158.17 crores.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5191:INI:K]

K. Unit Trust Scheme Inaugurated: The Central Finance Minister, Mr. T. T. Krishnamachari, inaugurated in New Delhi on July 1 the Unit Trust of India, hailing it as one of the important devices to usher in socialism in the country.

He said the Scheme would enable the common man to have some control over means of production and help evolve an equitable system of distribution.

He said the Unit Trust Scheme would prove better than other savings schemes as it promised a higher return to the common man for his savings.

He said he had first suggested the Unit Scheme to the late Mr. Nehru about two years ago. The former Finance Minister, Mr. Morarji Desai, referred to the Scheme in his Budget speech in 1963 but it was not his privilege to start it.

Later, he purchased the first 10 units. The Trust has organized a net-work of 4,000 offices all over India for the sale of units. During July the units will be available at par in multiples of 10. Later the price will be fixed from day to day.

When the initial capital of Rs. 5 crores was returned to the Reserve Bank and other contributing agencies, workers, managements and social organizations would be associated with the Trust.

Mr. R. S. Bhatt, Chairman of the Board of Trustees, in his welcome speech said, that the basic objective of the Unit Trust was to afford both small and large investors a means of acquiring a share in "the widening prosperity of India." It combined the advantages of a reasonable return for one's investment with the minimum of risk.

He pointed out that the Unit Trust had been established under a parliamentary enactment. It was always ready to sell and buy its units at stated prices and so a unit holder was assured of the liquidity of his investments.

He said the Unit Trust would invest its funds in a "balanced and well-distributed portfolio of investments consisting of Government securities, industrial debentures, preference shares and equities."

The unit holder would receive a "steady income," which would be based on the average income of a balanced portfolio of investment.

The initial capital had enabled the Trust (which came into being on February 1 this year) "to build up a balanced portfolio of investments in sound securities of diverse types, giving an average yield of over 6 per cent." The Trust would continue to aim at earning an average yield of higher percentage on its future investments. "Valuable tax concessions" in regard to income-tax and super tax and been given to the Trust and the unit holders.

The income earned on the underlying securities after meeting expenses would be distributed to the unit holders each year soon after the making up of the annual accounts as on June 30. Under the Unit Trust of India Act, at least 90 per cent of the income less expenses, which are limited to 5 per cent of the gross income, should be distributed to the unit holders.

(*The Times of India*, New Delhi)

[Prev. ref. 5711:INI:A]

L. Foodgrain Prices In States: According to a survey, wheat prices have risen by 18 per cent to 120 per cent and those of rice by 9 per cent to 34 per cent in a year in most States.

The survey was based on a comparison of retail prices prevailing in May and June this year and May and June, 1963.

The prices of gram, jowar and bajra were also about 35 per cent to 40 per cent higher.

In Bombay, Madras and Calcutta, the prices of vegetables, frui tand meat shot up, in some cases the rise being Rs. 1.25 a kilogramme.

In Andhra Pradesh the price of rice rose by 10 per cent to 11 per cent from Rs. 56 and Rs. 62 to Rs. 62 and Rs. 69 per quintal. The price of wheat in the Hyderabad market stood at Rs. 41 a quintal in the third week of May, 1963. It was Rs. 91 per quintal in May this year.

The jowar and bajra prices rose by Rs. 4 to Rs. 11 per quintal.

Even in the "rice bowl" of Chhatisgarh in Madhya Pradesh the price of rice rose by 9 per cent—from Rs. 59 to Rs. 64 a quintal.

In Bihar rice, maize, wheat and gram were 10 per cent to 28 per cent costlier. The price of rice rose from Rs. 63 to Rs. 72 per quintal, maize from Rs. 38 to to Rs. 57 a quintal, wheat from Rs. 53 to Rs. 72 a quintal and gram from Rs. 50 to Rs. 63 a quintal.

Gujerat reported a rise of 25 per cent in the price of rice and 24 per cent for wheat. The rice price went up from Rs. 76.91 to Rs. 95.50 a quintal and wheat from Rs. 62.86 to Rs. 78.25.

In Kerala rice cost about 33 per cent more. The price of one variety rose from Rs. 60 to Rs. 80 and of another from Rs. 65.33 to Rs. 76.40.

Wheat which was quoted at Rs. 43 in the retail market at the end of May, 1963 was sold for Rs. 49 to Rs. 54 per quintal respectively in this year. The price of gram rose by Rs. 14 a quintal—an increase of 35 per cent.

Grain prices in Delhi rose by 40 per cent. The price of rice was up by 15 per cent and that of wheat by 16 per cent.

In Rajasthan, the price of rice rose by 33 per cent and that of wheat by 41 per cent. The prices of jowar, bajra, maize and gram rose by Rs. 10 to Rs. 23 per quintal.

A 34 per cent increase in price of rice and 47 per cent to 56 per cent in the price of wheat was reported from UP. Rice was sold for Rs. 75 to Rs. 82 against Rs. 59 to Rs. 66. The price of jowar rose from Rs. 29 to Rs. 43, that of bajra from Rs. 39 to Rs. 45, and of maize from Rs. 34 to Rs. 54. Wheat prices which ranged between Rs. 36 and Rs. 43 rose to Rs. 54 and Rs. 67. The price of grain went up from Rs. 41 to Rs. 61.

In Punjab, the price of wheat rose by 18 per cent. The price of jowar rose from Rs. 35 to Rs. 56 a quintal. Basmati rice cost Rs. 125 per quintal against Rs. 100 last year.

In Madras, the price of rice was up by 20 per cent to 23 per cent from Rs. 56.17 to Rs. 67.16 and Rs. 60.57 to Rs. 75. Jowar prices rose by Rs. 7 to Rs. 12 and that of gram from Rs. 55 to Rs. 75 a quintal.

In Maharashtra, the price of wheat rose by 46 per cent to 59 per cent and that of rice by 20 per cent. Rice which was selling in the Bombay market at Rs. 75 a quintal in the last week of May and early in June, 1963 was sold at Rs. 90 a quintal in May and June this year. The price of wheat increased from Rs. 65 to Rs. 95 a quintal in Bombay and Rs. 54 to Rs. 66 in the Nagpur market and that of gram from Rs 55 to Rs. 75 a quintal.

Mysore reported a 29 per cent increase in price of rice—from Rs. 58 to Rs. 75.50 a quintal. The price of jowar went up from Rs. 40.50 to Rs. 48.

The retail prices of rice in Orissa and Assam, however, fell—by Rs. 12 per quintal in Assam and Rs. 4 in Orissa. Since the rice prices in West Bengal in 1963 were unduly high, the 1964 prices were Rs. 4 to Rs. 10 per quintal lower.

The prices of vegetables have also risen in the country.

The price of peas rose by Rs. 1.25 per kg. in Madras and that of tomatoes by 12 to 13 Paise per kg. The price of potatoes in Calcutta and other metropolitan cities increased by 35 to 41 Paise per kg.

Fruit also costs more. Oranges were priced at Rs. 2.25 a dozen in Madras at the end of May, 1963 but were sold at Rs. 4 a dozen in June this year. In Bombay the price of oranges increased by Re. 1 per dozen. In Calcutta the increase was about 36 Paise a dozen.

The prices of bananas were up by 12 to 13 paise a dozen.

(*The Statesman*, New Delhi)

[Prev. ref. 5885:INI:H]

M. Mr. Ram Kishen Elected Punjab Chief Minister: Mr. Ram Kishen, the Congress High Command's choice as successor to Mr. Pratap Singh Kairon, was on June 30 unanimously elected leader of the Punjab Congress Legislature Party.

Dr. Gopichand Bhargava resigned as head of the "caretaker" Cabinet.

Mr. Ram Kishen, who is 51, is the youngest Chief Minister to assume office in Punjab. His unanimous election came as an anti-climax to a fortnight of intensive political manoeuvrings by the rival groups in the party led by Mr. Pratap Singh Kairon and Mr. Darbara Singh.

Mr. Ram Kishen's name was formally proposed by Mr. Darbara Singh at the meeting of the party and seconded by the interim party leader, Dr. Bhargava. The legislators expressed their unanimous approval with thunderous cheers.

Ministry Sworn-in:

The seven-man Punjab Ministry, headed by Mr. Ram Kishen, was sworn-in in Chandigarh on July 6.

The Council of Ministers includes, besides Mr. Ram Kishen, Mr. Darbara Singh, Mr. Prabodh Chandra, Mr. Kapur Singh, Mr. Harinder Singh, Mr. Rizak Ram, and Mr. Sunder Singh.

No representation has been given to the erstwhile PEPSU region, hilly areas and women in the present Ministry.

After the swearing-in ceremony, Mr. Ram Kishen said: "My immediate and unpleasant duty is to help complete quickly the follow-up of the Das Commission report. Some officials and others may suffer in the process, but I assure all concerned that whatever action becomes necessary will not be taken in a spirit of vindictiveness.

"Quick action on the Das report is absolutely essential to prepare ground for establishing a sound and clean administration which will inspire all-round confidence and eradicate fear which corrodes character. It must be recognized that steps will have to be urgently taken so that high standards of conduct are re-established both in the Services and in public life. Justice has to be done and public interest has to be protected.

"All our attention is concentrated on making the administrative machinery a clean and efficient instrument of service

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to the people and a dependable vehicle for implementing the targets of the Third Plan and for laying firm foundations for the Fourth Plan."

Punjabis, he added, were hardworking people and the State's smiling fields and thriving industries spoke volumes for their robust optimism and enterprise.

He said he was fully conscious of the fact that the Punjabis needed a Government to match their dynamism to stimulate their constructive energies and "I will strain every nerve to give them a good Government."

The following is the list of Ministers and their portfolios:

Mr. Ram Kishen, Chief Minister—General Administration, Public Relations, Cultural Affairs and Tourism, Political Sufferers, Vigilance, Jails and Justice, Industries (including Industrial Education and Cottage Industries), Transport, Capital Project, Architecture, Town and Country Planning, Food and Civil Supplies;

Mr. Darbara Singh—Home (including Integration), Elections, Community Development (including Panchayats, Panchayati Raj and Development of Hill Areas), Agriculture, Fisheries, Animal Husbandry, Dairying, Co-operation;

Mr. Prabodh Chandra—Education (including Technical Education), Languages, Local Government (excluding Panchayats), Health, Medical Education, Excise, Sports;

Mr. Kapur Singh—Finance, Taxation, Planning, Statistics, Small Savings;

Mr. Harinder Singh—Revenue (including Land Reforms), Consolidation of Holdings, Relief and Rehabilitation;

Mr. Rizak Ram—Irrigation and Power, PWD, Buildings and Roads and Public Health, Engineering, Housing and Slum Clearance, Forests, Game Preservation, Welfare (including Social Welfare, Harijan Welfare and Backward Classes, Scheduled Castes and Scheduled Tribes), Labour, Stationery and Printing; and

Mr. Sunder Singh—Deputy Minister: Welfare (including Social Welfare Harijan Welfare and Backward Classes, Scheduled Castes and Scheduled Tribes), Labour, Printing and Stationery.

Mr. Kapur Singh Resigns As Chairman Of Legislative Council:

The Punjab Legislative Council Chairman, Mr. Kapur Singh, tendered his resignation to the Deputy Chairman, Mrs. Lekhwati Jain, on July 6.

(*The Times of India* and *The Hindustan Times*, New Delhi)

[Prev. ref. 5175:INI:B]

N. Record Cotton Production: According to the final estimates available with the Food and Agriculture Ministry on July 6, the current year's production of 5.5 million bales of cotton is the highest on record.

The increase in production is due to a larger area having been brought under cotton cultivation and favourable climate conditions at sowing time. The Third Plan target in respect of cotton production is seven million bales.

This year there were 19,569,000 acres under cotton cultivation against 19,358,000 acres last year—an increase of 9 per cent. The production has gone up by 1,19,000 bales.

The increase in area during 1963-64 is shared mainly by Punjab, Madhya Pradesh and Rajasthan. In Punjab attractive market prices were reported to have acted as an incentive to greater production. To some extent the increase has been offset by the decline in the areas in Maharashtra and Gujerat due to inadequate and untimely rains during the last Monsoon.

Production has increased mainly in Punjab, Madhya Pradesh and Maharashtra but decreased in Gujerat because of a severe cold wave in January.

Production estimates in respect of Andhra Pradesh, Gujerat, Maharashtra, Madhya Pradesh, Rajasthan and UP are based on the results of random sample crop cutting surveys. These States together account for 72.4 per cent of area and 63.5 per cent of the total production.

The groundnut crop at 5.21 million tonnes was also reported to be a record one despite a decrease in the area.

The decline in the area under groundnut production has taken place mainly in Gujerat, Andhra and Madhya Pradesh because of insufficient rainfall at sowing time. More land has been brought under the crop in Madras, Punjab, UP and Maharashtra. The increase in production is due to a higher yield per acre and favourable wealther conditions.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5451:INI:E]

O. Literary Awards: The Education Ministry announced on July 3 awards of Rs. 1,000 each to 27 authors for their respective books and manuscripts selected on the basis of a competition for the production of basic and cultural literature.

The results of the competition were announced in consultation with the Ministry of Community Development and Co-operation.

The following is the list of names of the award-winning books in 12 languages along with the names of the authors:

Assamese: Jon Beli Tora—Mr. Satyabrata Sharma.

Bengali: Mahashunyer Katha—Mr. Manoj Dutta; Bharat-varser Bado Bado Lekhak—Mr. S. K. Das; Mahakabir Jiban Katha—Mr. Kanon Mukerji; and Desh Neta Moti Lal Nehru—Mr. Paresh Dhar.

Gujerati: Akashna Deeva—Mr. Rajanikant Mody.

Hindi: Rabindra Pratibha—Mr. Krishna Kripalani; Rog-Danav-se-Yudha—Dr. Inder Sen Varma; Jhilmilate Sitare—Mr. Ramesh Varma; Moti Lal Nehru—Mr. Jagdish Goel; Graha-Nakshatra—Mr Krishna Vallabh Dwivedi; Moti Lal Nehru—Mr. Hans Raj "Rehbar."

Kannada: Akashada Ascharya—Mr. V. Bhadriah; Stars and Planets—Mr. V. Cheluvaraj Iyengar.

Malayalam: Nakshath Rangalumgriham Galum—Mr. M. P. Parameswaran.

Marathi: Apale Sane and Apale Utsar—Mr. S. R. Devale; Pandit Moti Lal Nehru—Raja Mangalwedhekar; Don Jyoti—Mr. Pramil Vasant Kulkarni.

Oriya: Yuga Yuga ra Kala—Mr. Durga Prasad Patnaik.

Punjabi: Guru Dev Tagore—Mr. S. S. Amole.

Tamil: Heroes of Indian History—Mr. P. Surianarayanan; India's Rivers—Mr. V. R. Sastri; Odi Villaiyadu Pappa—"Balaguru" C. S. Balaguranthan.

Telugu: Indian Handicrafts—Dr. R. V. Rao; Common Diseases—Dr. Y. Suryanarayana Rao.

Urdu: Qaumi Jhande ki Kahani—Mr. S. Ibrahim Kirki; Sitaron ki Duniya Bahut Dur Tak Hai—Mr. Athar Parvez.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5175:INI:Z]

INDONESIA

A. IOC Lifts Disqualification: The Executive Board of the International Olympic Committee (IOC) meeting in Lausanne on June 26 lifted its disqualification of the Indonesian Olympic Committee after being informed that Indonesia wished to participate in the Tokyo Olympic Games on the same terms as the other participating nations.

[Indonesia was suspended from the IOC after refusing to admit Israel and Formosa to the Asian Games in Djakarta in 1962.]

The Minister for Sport, Mr. A. Maladi, told a news conference in Djakarta on July 1 that reports that Indonesia had asked for participation in the Tokyo Olympics were wrong.

However, he announced that Indonesia would take part in the Olympics "in the interest of preserving and strengthening the solidarity among the New Emerging Forces."

He said that many countries "had been trying to persuade" Indonesia to take part in the Olympics. Indonesia's step vis-a-vis IOC had been supported by a large number of countries especially belonging to the New Emerging Forces, including Arab States and several African and Latin American nations. Also, the Japanese Government and people had repeatedly urged Indonesia to take part in the Tokyo Olympics, and this desire had been conveyed to President Sukarno through the intermediary of the Minister for Olympic Affairs, Mr. Kawashima and the Tokyo Governor and IOC Executive Board member, Dr. Yataro Azuma and members of the Japanese Olympics Organizing Committee.

"At the request of the Japanese, President Sukarno stated that Indonesia would like to take part in the Tokyo Olympics but on one condition, notably that her dispute with the IOC should be resolved first in a way and manner acceptable to the Indonesian people."

Mr. Maladi indicated that on account of the concerted action by a large number of countries in Asia, Africa and Latin America the IOC had bowed to the pressure and lifted its ban on Indonesia.

(*The Times*, London and *Information Service Indonesia*)

[Prev. ref. 5204:SPO:A]

IRAN

A. Trade Agreement With USSR: The first Iran-Soviet Payments Agreement was signed in Moscow on June 20.

The Agreement is an instrument of the existing Iran-Soviet Trade Agreement designed to facilitate banking transactions arising out of the increased trade between the two countries. The US dollar is to be the unit of currency in which trade between the two countries will be valued.

The Trade Agreement between the two countries has been extended and it is hoped that the volume of trade between them will be $45 million in the first year, increasing annually by 20 per cent in subsequent years. Iran will export zinc and lead ores, cotton, gum tragacanth, rice, raisins, wool, hides and almonds to USSR, and would import machinery, cars, chemicals and sugar.

(*Middle East Economic Digest*, London)

[Prev. ref. 5586:IRN:B]

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IRAQ

A. FAO Aid: Under an Agreement signed in Baghdad on June 16, Iraq will receive food to the value of $391,640 (including transport and supervision costs) from the FAO World Food Programme.

The aid will be spread over two years and the food will be composed of wheat, sorghum, dried and skimmed milk, butter, oil, pulses and tea.

The food aid is aimed at expanding an existing scheme for developing settlers' communities in the Great Mussayib region south of Baghdad and is intended as an incentive to participants in self-help and co-operative activities. It will be distributed through local co-operatives to settlers engaged in such self-help work as the cleaning of irrigation and drainage canals, the planting of fruit orchards and the construction of communal stores for cereal and cotton crops.

(*Middle East Economic Digest*, London)

ISRAEL

A. Firing On Syrian Border: Shooting broke out on the Syrian border on July 2 in which five Israeli soldiers were killed.

Damascus Radio said Israelis had opened fire with automatic weapons at a number of Arabs working in the fields. They later fired at advance Syrian posts which returned the fire. It added that at the behest of the International Truce Commission both sides ceased fire.

Syria's Presidential Council convened an emergency session on July 2 under Gen. Amin Hafez to keep in close touch with developments on the tense Syria-Israel frontier. The session was held as fighting raged across the central sector of the frontier.

An Israeli army spokesman said in Tel Aviv that two Israeli soldiers and workers were wounded in the exchange of fire.

He said the Syrians opened fire on an Israeli military patrol moving along the Ashmorah-Noferah road and on two agricultural machines in the same area. The fire was returned by Israeli forces using machine guns.

(*Damascus Radio*)

[Prev. ref. 5477:SYR:F]

JAPAN

A. White Paper On Foreign Trade: Anxiety in spite of the continuing spectacular success of Japanese economic measures is discernible in a strong call for increased exports made in the annual White Paper on foreign trade published on June 27.

It said that last year while exports totalling $5,450 million rose by 11 per cent over the 1962 figure, imports totalling $6,740 million went up by 20 per cent, and a massive inflow of foreign capital was able to achieve an over-all balance of payments of only $37 million. The balancing of trade and invisible deficits with foreign capital was precarious, however necessary at present, the Paper said, and since an invisible deficit was not easily overcome the urgent goal must be to balance the current account with increased exports.

Calling for an export-centred economy on the West German model, the Paper said there was need for more insistent emphasis on continued growth, modernization of light industry and further development of the heavy and chemical industries, and easier deferred payment terms for developing countries.

Japan's share of the world market had not yet reached the pre-War level. The slackening export growth (the annual average rise for 1959 to 1963 was 12 per cent compared with 17 per cent from 1953 to 1959) was attributed to intensified competition, particularly from developing countries' light industrial products and to what the Paper termed the still insufficient competitiveness of the Japanese heavy and chemical industries. Although the latter accounted in 1963 for 53 per cent of the total exports (an increase of 5 per cent on 1962), this was due mainly to the export of ships, iron and steel, while heavy machinery exports remained low.

The Paper called for active participation by Japan in world economic organizations where notably it should strive to persuade Europeans to remove anti-Japanese import restrictions and the United States and Canada to abolish Japan's so-called voluntary restrictions on exports destined for those countries.

(*The Times*, London and *The Japan Times*, Tokyo)

[Prev. ref. 4698:JAP:A]

B. Trade With China: The Government has decided to permit the entry and stationing of five trade representatives from China in Tokyo provided they and the private Japanese organization which will be responsible for guaranteeing their good conduct meet a number of stringent conditions.

The conditions, published in Tokyo on June 7, took observers by surprise and dampened the enthusiasm of quarters actively interested in promoting trade with Peking. The latter fear the conditions would not conduce greatly to expanding trade or improving relations with China.

Among the conditions are that the trade representatives will not be permitted to have an "office"; they will be barred from carrying out any form of consular activities such as formalities for entry, remittance of cash and payments of trade accounts; they will not be allowed to make trips in Japan or hire employees without prior notification to the Japanese Government; and even their postal address should be in care of the so-called "Takasaki office" which is the Japanese organization handling private trade with China.

Before the Chinese are allowed to enter Japan, the Takasaki office is to submit written guarantees that the Chinese will not engage in political activities or make radio and television appearances. The stay of the Chinese in Japan will be limited to one year.

Meanwhile, the 4,000-ton Liao Yuan, believed to be the first Chinese ship ever to visit Japan, docked at Tokyo on June 24 with 3,000 tons of maize imported by a private trader. This modest arrival marked the resumption of two-way traffic as trade expands cautiously but surely.

Seventy police were at the quayside as a precaution against Right-wing demonstrators, but they were not needed as 300 persons, mostly members of Japan-China promotion associations, cheered the little ship in. The 51 crew were granted temporary landing permits, but will be sightseeing in Tokyo under police escort.

(*The Japan Times*, Tokyo)

[Prev. ref. 5911:JAP:C]

JORDAN

A. US Aid For Tourism: It was stated on June 26 that an Agreement had been signed between the US Agency for International Development (AID) and the Jordan Government by which AID will contribute $1,284,520 to finance a tourist promotion programme and for the maintenance of historical monuments.

The money is to be spent on repairs to buildings of historical importance, the building of roads and guest-houses and for the training of personnel in the fields of tourism and the preservation of historical monuments.

The number of visitors to Jordan in 1963 rose to 323,470 compared with 209,001 in 1962.

(*Middle East Economic Digest*, London)

LAOS

A. Six-Nation Appeal For Peace: The Ambassadors of Britain, United States, Canada, India, South Viet-Nam and Thailand concluded on June 29 a month-long series of informal consultations with a call for an immediate cease-fire and withdrawal of all forces to positions held before the outbreak of recent fighting.

In a **communique**, all the countries concerned except India said that there was indisputable evidence of North Viet-Namese involvement in the recent Pathet Lao attacks against neutralist forces in the Plain of Jars.

India joined the consultations at the last minute when they started on June 2, only on the understanding that she regarded the consultations as informal and not as a consultation envisaged under Article 4 of the Geneva Declaration of 1962. India declined consequently to be associated with any assessment of recent developments in the military situation.

The Ambassadors' talks were held after Britain as co-Chairman to the 1962 Geneva accords issued an invitation to signatory nations to participate in talks to discuss the latest Laotian crisis.

Communist countries that signed the accords boycotted the talks, and France, which preferred another full Geneva Conference, declined the invitation.

The **communique** said that the remaining five representatives condemned the recent Pathet Lao attacks on the neutralist forces and that the attacks were clearly made with North Viet-Namese assistance and that this was "a flagrant violation of the Geneva Agreements."

The representative of Canada, Thailand, USA, UK and South Viet-Nam agreed to invite Britain and the Soviet Union as co-Chairmen of the 1962 Geneva Conference on Laotian neutrality, in the way each thought appropriate:

(1) To address an urgent appeal for an immediate cease-fire to all parties in Laos.

(2) To call for a withdrawal of pro-Communist Pathet Lao forces to the positions held on February 1, 1964.

(3) To call all North Viet-Namese forces to withdraw from Laotian territory and to desist from any further use of Laotian territory for the purpose of interfering in the internal affairs of the Republic of Viet-Nam.

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(4) To call on the International Commission for Supervision and Control in Laos (India, Chairman; Canada and Poland) to submit a report on the situation without delay.

(5) To provide general guidance to the International Commission to assist it in its duties to control and verify the cease-fire and a withdrawal called for under points 2 and 3 of this declaration.

The Commission should report to the co-Chairmen on the action it takes (drawing attention to any hindrance encountered in the carrying out of its duties) on the observance of the cease-fire and the progress made with, and date of completion of, the withdrawal.

(6) To call on the Royal Laotian Government and on all military commanders and other persons exercising authority in any area of Laos to give the Commission every assistance in carrying out the tasks outlined for it in the declaration.

The Ambassador of India did not wish to associate himself with the document. He expressed the view that the International Commission was the only body charged by the Geneva Conference to make investigations into violations of the cease-fire and to furnish appropriate reports to the co-Chairmen.

He also expressed the view that the Commission should be requested to make a speedy investigation into the present military situation, and to report urgently to the co-Chairmen of the Geneva Conference if they had not already done so.

Prince Souvanna Phouma Defends US Reconnaissance Flights:

Meanwhile, the Prime Minister, Prince Souvanna Phouma, in a Note to Britain and Russia defended US reconnaissance flights over Laos and *air attacks against Communist positions.*

In his Note, dated June 15, he dismissed Communist protests against reconnaissance flights and air attacks as "propaganda."

He said his Government agreed it was necessary to convene a new international conference on Laos. The Laotian problem was one of "foreign intervention." The success of another conference was doubtful if the Pathet Lao and their North Viet-Namese allies "continued to violate the 1962 Geneva Conference."

Reported Construction Of Road By Chinese:

In an interview with Mr. Frank Robertson of *The Daily Telegraph* of London, made public on June 28, Prince Souvanna Phouma said that, according to statements made by two Chinese prisoners, Peking had given strict orders that a strategic road linking the Chinese Province of Yunnan with the Laotian village of Muong Sing must be completed without delay.

This was the first time he had officially stated that the Chinese are building a second road linking Yunnan with northern Laos.

The Chinese completed a road linking the Chinese town of Meng La to the Laotian town of Phong Saly in 1963.

[Muong Sing is linked by road to Nam Tha, which is connected with another route leading to the Thai border town of Ban Houei Sai.]

Prince Souvanna alleged that Chinese technicians and military advisers were in the Laotian province of Phong Saly but added "that they are passing off as engineers, advisers or attaches" (the Chinese have a consulate in Phong Saly).

On June 28, he announced that he would agree to a Pathet Lao proposal for a summit meeting on the Plain of Jars provided the Pathet Lao gave up the territory they recently seized from Neutralist forces. If this condition was unacceptable to the Pathet Lao, the only solution was to meet in a foreign country.

He said he knew "definitely" that a Pathet Lao attack against Moungisoui, the last Neutralist stronghold in the strategic Plain of Jars area, was imminent, and would come from four or five directions.

A summit meeting between the Pathet Lao, Neutralist and Rightist factions was urgently required because of the "grave situation in Laos and international repercussions."

However, his half-brother Prince Souphanouvong, the Pathet Lao leader, continued to oppose his proposal to meet in the Royal Capital of Luang Prabang.

Prince Souvanna Phouma said the Laotian summit would be an excellent preparation for another 14-nation conference on Laos, demanded by the Pathet Lao leader.

(*The Times*, London, *The Statesman*, Calcutta and *The Hindu*, Madras)

[Prev. ref. 5913:LAO:A]

MALAYSIA

A. Tengku Abdul Rehman Appeals For 'Free World' Support: The Prime Minister, Tengku Abdul Rehman, told a news conference in Kuala Lumpur on July 29 that if Malaysia was not to be sacrificed at the altar of President Sukarno's ambition, the 'free world' must rally to Malaysia's call immediately.

He said President Sukarno had made clear at the recent summit conference in Tokyo (see page 5931) that he would never make peace with Malaysia. The Tengku said that he was now in a better position to inform his Commonwealth colleagues and leaders in France and United States of the real situation.

He pointed out that Malaysia occupied a position of great strategic importance and if she were allowed to be lost there would be grave consequences.

He said he was not going to ask any of his allies for help. It was up to them to decide what they wished to do. If any help was offered he would gladly accept it. The steady supply of aid in men and material from Britain, Australia and New Zealand had proved very useful.

He said Indonesian hostility to Malaysia was the result of two dominant factors. The first was the serious concern of President Sukarno and other Indonesian leaders over Malaysian progress since 1957. The economic achievements of Malaysia had impressed the people of Kalimantan, Sulawesi and other parts of Indonesia.

The other dominant factor, he said, was Communist pressure on President Sukarno. The Communists had now realised that they could not seize power in Malaysia through internal uprising.

British Support:

The British Government's decision to stand firmly behind Malaysia "in resisting any acts of aggression by Indonesia" was affirmed by the Prime Minister, Sir Alec Douglas-Home, in the House of Commons on July 2.

Asked whether, following recent Indonesian aggression against Malaysia, he would propose to the Commonwealth Prime Ministers a policy of Commonwealth support for Malaysia in resistance to such aggression in accordance with the UN Charter, he said: "All Commonwealth Governments recognize Malaysia, and several have given her material support in her efforts to maintain her integrity and independence."

He was then asked whether, in view of a statement on July 1 by the Soviet Deputy Prime Minister, Mr. A. Mikoyan, that the Soviet Government intended to supply arms to Indonesia, he would make it clear that the British Government, while being ready to co-operate with any other Government in securing a settlement of the Indonesian-Malaysian problem, was going to stand firm behind Malaysia in resistance to any acts of aggression which took place.

Sir Alec replied: "I do not think I can make this any clearer. Of course, that is the decision of Her Majesty's Government."

Asked if he had yet consulted the Prime Minister of Malaysia, Tengku Abdul Rehman, with a view to raising the question of Indonesian aggression at United Nations as a threat to peace, he said he was in continuous consultation with the Prime Minister of Malaysia.

He added: "Tengku Abdul Rehman will be here in a few days, and we shall no doubt have a discussion on these matters."

(*The Malayan Times*, Kuala Lumpur and BIS)

[Prev. ref. 5851:MAL:B]

MONGOLIA (Outer)

A. Withdrawal Of Chinese Workers: China reported on June 23 that all but 900 Chinese workers had been withdrawn from Mongolia.

A **Peking Radio** broadcast said that 5,200 workers had been pulled out since April 24 at the request of the Mongolian Government. The remaining 900 Chinese would be withdrawn shortly.

There was no indication whether the withdrawal followed worsening of Chinese-Mongolian relations. (Mongolia supports Russia in the ideological dispute.)

(*The Statesman*, Calcutta)

[Prev. ref. 5357:MON:A]

NEPAL

A. Budget For 1964-65: Changes in excise duty and a surcharge on goods imported under Form AR-1 highlighted the taxation proposals the Finance Minister, Mr. Surya Bahadur Thapa, announced on July 6 while presenting a Rs. 8-crore deficit Budget for 1964-65 in the Rashtriya Panchayat.

Under the present system, excise duty on goods of Indian origin imported into Nepal under Form AR-1 are refundable to the country.

The Budget estimates for the current year show a revenue yield of Rs. 34 crores leaving a deficit of Rs. 3 crores.

On the revenue side about Rs. 18 crores is to be raised from internal resources while about Rs. 13 crores is expected as foreign aid.

Mr. Thapa hoped to offset the deficit from cash balances and foreign and internal loans.

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To meet the deficit, he suggested the following measures:

(1) Imposition of a surcharge on imported goods of Indian origin (Rs. 10,00,000);

(2) Levy of a new excise duty on bidi and fractional enhancement in the rate of the excise duty on sugar, candy, cigarettes and liquor (Rs. 60,00,000);

(3) Re-adjustment in land revenue (Rs. 40,00,000);

(4) Enhancement of income-tax (Rs. 10,00,000).

The remaining deficit—Rs. 1.50 crores—would be met by raising an internal loan of Rs. 50,00,000 and a foreign loan of Rs. 1 crore.

Of over 60 commodities of Indian origin on which excise duty is realised and refunded to Nepal by the Indian Government, Nepal has been levying a surcharge on 18 items. From now the surcharge will be levied on nine more items.

The surcharge will be imposed in such a manner that the price of an Indian commodity (including surcharge) does not exceed the price of the same commodity imported from other countries.

Mr. Thapa told a news conference later that austerity was the keynote of Government expenditure and referred in this context to the curtailment of the expenditure on the royal household by Rs. 6 crores.

Nepal, he said, was trying to be more self-reliant and less dependent on foreign aid.

He disclosed that a Bill to prohibit Nepalese nationals from investing in foreign countries would shortly be introduced in the Rashtriya Panchayat. This would help conserve the country's resources which could be utilized for national development projects.

Replying to a question, he said that there was no proposal to repatriate profits earned by Nepalese investers abroad.

Foreign Aid:

According to the Budget estimates, India's aid to Nepal during the next financial year will be more than that of any other country.

The USA had topped the list so far in this regard. India's contribution this year is expected to be Rs. 9.98 crores (Nepalese currency) and that of USA Rs. 2.44 crores.

Nepal expects Rs. 13 crores in foreign aid this year. Aid from China will be Rs. 1.25 crores, the Soviet Union Rs. 11,50,000, Switzerland Rs. 6,50,000 and the Ford Foundation Rs. 1,29,000.

(*The Times of India*, New Delhi)

[Prev. ref. 5357:NEP:B]

B. Ministerial Changes: It was reported from Khatmandu on July 6 that within a fortnight of his return from a month-long tour abroad, King Mahendra had made sweeping changes in Nepal's set-up, following "bitter controversies" among those in authority on many matters, particularly the handling of the recent student agitation for the "right to form independent unions."

He relieved Mr. Rishikesh Shaha, Chairman of the Standing Committee of the Raj Sabha, due to his alleged support to the student movement.

Simultaneously he relieved Dr. Tulsi Giri, the other party to the controversy, of his portfolios of Home and Panchayat Affairs, which were given to him only three months ago.

These portfolios were transferred to Mr. Vishwa Bandhu Thapa, Chairman of the National Panchayat, a new member of the Cabinet. Dr. Giri has been left with only Palace Affairs.

There will now thus be two Vice-Chairmen—Finance, Planning and Economic Affairs Minister Mr. Surya Bahadur Thapa and Mr. Vishwa Bandhu Thap, and the strength of the Cabinet will be eight.

Dr. Giri's actions as Home Minister in ordering the arrest without warrant of student leaders and ban on two newspapers, carrying an article by Mr. Rishikesh Shaha supporting the student movement, were assailed by Mr. Shaha.

As a third step, the King relieved Mr. Tanka Prasad Acharya, a former Prime Minister who had resigned on health grounds, of the vice-chairmanship of the National Guidance Council, Nepal's policy-making body, over which the King himself presides.

Mr. R. Devkota Resigns:

Mr. Rajeshwar Devkota, Assistant Agriculture Minister, has resigned.

He was understood to have taken this step to contest election to the Chairmanship of the Rashtriya Panchayat.

The election was necessitated by the appointment of the Chairman, Mr. Vishwa Bandhu Thapa, as Home and Panchayat Affairs Minister.

The King has accepted the resignation of Mr. Devkota.

(*The Times of India* and *The Statesman*, New Delhi)

[Prev. ref. 5802:NEP:A and B]

PAKISTAN

A. Pakistan Council Muslim League's Manifesto: The manifesto of the Pakistan Council Muslim League was released in Lahore on June 30.

It was adopted by the Working Committee of the League and is subject to the approval of the Pakistan Council Muslim League Council.

The following is the manifesto:

"Whereas sovereignty over the entire universe belongs to Allah Almighty alone, and the authority to be exercised by the people of Pakistan within the limits prescribed by Him is a sacred trust,

"Whereas the State of Pakistan was established on the basis of Islamic ideology, and

"Whereas the founder of Pakistan, Quaid-i-Azam Mohammed Ali Jinnah had repeatedly declared that Pakistan would be a democratic State based on the Islamic principles of social justice, therefore, to achieve these objects the Pakistan Council Muslim League resolves:

"(1) **Integrity of Pakistan:** To safeguard the independence, integrity and solidarity of Pakistan, inter alia, by:

(a) Inculcating the spirit of Islamic brotherhood in the Muslims of Pakistan, fostering the spirit of unity among the people of various areas of Pakistan and eliminating provincial, racial, tribal, caste and other un-Islamic sentiments;

(b) Strengthening and developing the defence resources of Pakistan;

(c) Liberating Junagadh, Manawadar and other areas which belong to Pakistan.

"(2) **Islamic Social Order:** To endeavour to establish Islamic social order in the country in accordance with the ideology for which Pakistan was created and with this end in view to take early steps to:

(a) Adjust Pakistan's economic, social and educational system to suit the requirements of Islamic society;

(b) Bring the existing laws in conformity with the injunctions of Islam;

(c) Prohibit the use and sale of pork, alcoholic drinks and other intoxicants, and prohibit prostitution, gambling, etc, and

(d) Establish clean and efficient administration in the country by eradicating bribery, corruption, nepotism, favouritism, red tapism and all sorts of extravagance in administration.

"(3) **Democracy and Rule of Law:** To restore and safeguard democratic system of the Government inter alia by:

(a) Giving the Legislature full powers in respect of budget and of all legislation including money Bills;

(b) Providing for direct elections on the basis of adult franchise to legislatures and the office of the President and ensuring free and fair elections;

(c) Guaranteeing civil liberties and restoring complete fundamental rights to the people of Pakistan including those residing in tribal areas and the acceded states;

(d) Removing all restrictions on the membership and full democratic functioning of political parties;

(e) Prohibiting preventive detention of any citizen without prior judicial scrutiny by the high court, repealing F.C.R. 1901, West Pakistan Criminal Law Amendment Act, 1963, and all other repressive laws which are inconsistent with the fundamental rights of the citizens of Pakistan; and

(f) Providing through legislation security of service and independence in the discharge of their duties to the Government servants.

"(4) **Law reforms and independence of judiciary:** To ensure fair administration of justice, inter alia, by:

(a) Safeguarding the independence of judiciary;

(b) Separating the judiciary from the executive within three years;

(c) Reforming the present procedural law to ensure speedy and effective administration of justice at minimum cost;

(d) Providing adequate funds in the budget to be placed at the disposal of the Chief Justices of the Supreme Court and High Courts for administration of judiciary; and

(e) Providing for the appointment of the judges of the Supreme Court and High Courts on the recommendation of the Chief Justice concerned.

"(5) **Welfare state:**

(a) Ensuring basic necessities of life such as food, clothing, shelter, freedom, medical aid, education (including adult education) and equality of opportunity for the people of Pakistan, in particular free and compulsory primary education and health insurance, and by making special provisions for the care of orphans, widows, the disabled and the aged;

(b) Preventing the concentration of wealth in the hands of a few to the detriment of the common man;

(c) Raising the standard of living of the people of Pakistan and eradicating the evil of beggary;

(d) Reducing taxes, etc. on primary necessities of life particularly kerosene and edible oils, salt, sugar, medicines, coarse cloth and bidi leaves; and

(e) Improving the lot of those engaged in the teaching profession, particularly the teachers of primary and secondary schools.

"(6) **Foreign policy:** To adopt an independent foreign policy keeping always

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in view the honour and interest of Pakistan, aimed at securing international peace, the elimination of colonialism and helping to prevent exploitation of the smaller and weaker States, fostering of friendly relations with all countries of the world, particularly with the Afro-Asian nations and establishing fraternal ties with other Muslim countries of the world.

"(7) **Economic disparity:**

(a) Pakistan Muslim League will adopt a policy to undo the economic disparity now existing between the two Wings of Pakistan;

(b) The economic policy of the country shall be so formulated that the per capita income in East Pakistan shan come at par with per capita income in West Pakistan at the earliest;

(c) To make the Second Capital a reality a certain number of Ministries of the Central Government will be established in East Pakistan.

"(8) **Indian-evicted Muslims and Muhajirs:**

(a) To make every effort to stop the genocide of Indian Muslims by moving through diplomatic channels and international forums;

(b) To take immediate steps for the rehabilitation of evicted Muslims who have been forced into Pakistan during the last one year;

(c) To provide for the immediate disposal of settlement cases of refugees; and

(d) To remove genuine grievances of refugees from non-agreed areas by granting them priority at the time of disposal of Government lands to be developed in future.

"(9) **Rights of Women:** To ensure to the women of Pakistan rights of equal citizenship and to set up special courts *for women to secure their rights under the Muslim personal law of Shariat, as expeditiously and as cheaply as possible.*

"(10) **Minorities:** To ensure to the minorities the enjoyment of their rights including the rights to freely profess and practise their religion and develop their culture, and to make every possible effort to secure similar rights for the Muslim minority in India.

"(11) **Economic and Financial Policy:** To revise the economic and financial policy of the country so as to improve the exchange value of Pakistan currency, organize the institution of Zakat and to bring down the high prices of commodities, particularly the necessities of life to a reasonable level.

"(12) **Defence:** To ensure that the Defence Forces of Pakistan are strengthened in a manner that the nation can face any eventuality to suppress external aggression and internal subversion and for that purpose Pakistan Muslim League will adopt the following measures:

(a) Units of defence forces, Army, Navy and Air Force, shall be so stationed in each Wing of Pakistan that in time of emergency forces within that Wing alone will be able to repulse any external aggression and internal subversion;

(b) Making military training available to all able-bodied citizens, including university students, with the ultimate object of securing introduction of compulsory military training to all citizens within a certain age group.

(c) Recruitment to the defence forces from East Pakistan would be made in a manner of priority so that in the near future the East Pakistanis can play their due role in the defence of the country;

(d) Maintaining in each Wing of Pakistan regional auxiliary forces to meet emergencies;

(e) One military college shall be established in East Pakistan.

"(13) **Food:** To achieve maximum production and prevent food shortage by:

(a) Introducing modern methods of agriculture to ensure increased yield per acre;

(b) Bringing more land under cultivation and re-claiming cultivable waste land;

(c) Encouraging co-operative farming and consolidation of holdings;

(d) Ensuring fair and economic price for agricultural produce to the primary producers;

(e) Providing rural credit and other facilities to the cultivators.

"(14) **Industry:** To pursue a sound policy of industrialization so as to encourage the development of industries, including agro-economic, cottage and small-scale industries and to restrict unreasonable profits and high remuneration of management and guarding against cartels and monopolies.

"(15) **Labour:** To reform the labour laws, adopt labour welfare schemes, encourage healthy trade unionism and ensure to the workers all just and legitimate rights, including reasonable minimum wages and fair share in the profits resulting from their labour as provided under the ILO conventions particularly:—(A) Restoring the right of strike and collective bargaining and allow complete freedom of association to the industrial workers; (B) pursuing a policy of having minimum strikes and lock-outs in the interest of the country's prosperity and well-being; and (C) making special efforts for labour welfare and providing for workers' unemployment insurance, disability pensions, maternity benefits, free medical treatment for the labourers and their dependents and free education for their children.

"(16) **Arrears of rent:** To provide for the adjustment of arrear rents from the compensation payable to the owners whose lands has been acquired by the Government of East Pakistan and to remit all interest on the arrears of rent and to reduce the rate of rent.

"(17) To ensure fair and economic price to the growers of jute as far as possible, reduce the profit of middlemen and exporters and to restore the administration of jute to the Provincial Government.

"(18) **Flood, water-logging and salinity:** To adopt suitable and effective measures to save the country from the ravages of the oft-recurring floods and dealing effectively with the problem of water-logging and salinity.

"(19) **Exploitation of natural resources:** To develop the various resources of Pakistan, particularly its water, power and mineral resources, and to plan the development programme in such a manner as to provide equal facilities for the development of both the Wings of Pakistan and particularly of the under-developed areas.

"(20) **Profiteering etc.:** To develop internal and external trade on sound lines, to ensure standardisation of products for export and to take drastic action against those who indulge in profiteering, hoarding, black-marketing and other similar anti-social activities.

"(21) **Education:**

(a) To reform the educational system by providing for up-to-date scientific and technical education. Special emphasis to be laid on character building bearing in mind Islamic teachings and values of simplicity, honesty and ability and to disseminate the teachings of the Quran and Sunnah, the study of Quran being compulsory for Musalmans at all stages of education;

(b) To establish research and training institutions for scientific, technical, Islamic and legal education;

(c) To provide that up to certain stages of education in schools, Urdu shall be made a compulsory subject in East Pakistan and Bengali shall be made a compulsory subject in West Pakistan.

"(22) **Freedom of Press:** To ensure the national Press its democratic right of free and frank expression on all issues concerning the national and public interest and to provide for the working journalists security in their employment and reasonable emoluments in keeping with the dignity of their profession.

"To provide for judicial review of the cases of all those prisoners convicted under Martial Law regulations.

"(23) **Improper accumulation of wealth:** To provide for judicial scrutiny into the cases of all those persons who, while holding high office in the State or important positions in its service, have, since the abrogation of the Constitution of 1956, enriched themselves and their relatives and have thus amassed great wealth disproportionate to their known sources of income.

"(24) **Agrarian reforms and feudalism:** To abolish feudalism and to make far-reaching agrarian reforms, inter alia, by:

(a) Effecting equitable distribution of land, including barrage, khas and waste lands;

(b) Ensuring to the tiller of the soil in West Pakistan his just and legitimate right particularly security of tenure, heritable and transferable tenancy and fair share in the produce of the land cultivated by him;

(c) Abolishing the Sardari system within the shortest possible time in Quetta-Kalat region and till such time as this aim is achieved the system is to be maintained in accordance with the democratic custom and usage of the tribes concerned;

(d) Extending the laws of Pakistan and the jurisdiction of the Supreme Court and the High Court to the states of Swat, Amb, Dir and Chittral.

"(25) **Housing:** To provide through local bodies and improvement trusts the execution of housing schemes for low-income groups.

"(26) **Kidnapping:** To provide for exemplary punishment for those found guilty of the offence of kidnapping."

(*Dawn*, Karachi)

[Prev. ref. 5660:PAK:E, 5767:PAK:A, 5803:PAK:A]

B. Import Policy For July-December, 1964: The import of industrial raw material has been further liberalized in the new import policy for the period July-December, 1964, announced on July 2.

The number of items on the free list has been raised to 51 and will cover practically the bulk of requirements of industry for imported raw material and spares.

Announcing the new policy in a radio broadcast, the Chief Controller of Imports and Exports, Mr. Shaful Azam, said a large segment of the economy in the private sector had been freed from import control. "Now that we have launched an import programme which makes such a hopeful and challenging departure from the past, we would expect our trade and industry to respond handsomely to this gesture by ensuring increased production, a reasonable price level, greater availability of quality goods and above all a quick build-up of export surplus."

He said that since 1960, the Government had been pursuing a policy of progressive liberalization of imports. A major step in that direction was taken in January when it was decided to place four items of iron and steel on the free list.

Besides iron and steel, items like dyes and chemicals and nonferrous metals, rubber, essential oils, linseed oil, nylon

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pigments and dry colours, marine diesel engines, nylon twine, cotton yarn of 80 counts and above, glue and gum, raw material for fluorescent tubes, sizing material and cinema carbons have been placed on the free list.

However, in respect of corrugated iron sheets, usually a consumer item, the importers of which are scattered all over the country, it is proposed to confine imports on the free list to established importers and OGL importers, within the minimum limit of Rs. 50,000 and the maximum limit of Rs. 5,00,000. The import of maintenance spares and components by industries at 100 per cent of entitlement has also been made free without any restrictions.

The trade will also be able to import a large variety of essential consumer items freely. Some of these items are technical, scientific, reference and text-books selected journals and magazines, life-saving drugs, scientific instruments, apparatus and appliances, laboratory glassware, duplicating stencils, painters' materials, surgical instruments made of rubber, including contraceptives and X-ray films and plates for East Pakistan.

The import of coal has been brought on the free list in addition to cement.

For imports of raw material not covered by the free list, the authorities are simplifying the procedure by placing all industries on a uniform footing for the purpose of licensing.

To help the woollen industry which has been staggering under the ill-effects of inadequate licensing, the Government has decided to place wool tops on bonus. Simultaneously substantial reductions are being made in the import duty on wool tops and excise duty and sales-tax on woollen manufactures. The Government is also issuing directives to the mills to ensure that they work in two shifts to maximize production.

Under the new policy the OGL items have shrunk to 34 due to the placing of a large variety of items on the free list.

Mr. Azam maintained that the shrinkage of the number of items on the OGL should not cause any concern because it would in fact enable the Government to absorb comparatively a large number of new people in the trade within the present resources.

To regulate imports, the number of items common to the licensable and bonus list has been reduced to the minimum and will consist only of a couple of items like machinery and spares and automatic vehicles and their parts. The policy provides incentives to exports by proposing that any person other than the industrial consumers can apply for a licence for an OGL item. A list of 50 items for such licence has also been prepared. The Government has also taken steps to regulate imports through a single source of finance.

(*The Statesman*, Calcutta)

[Prev. ref. 5649:PAK:C]

C. **Export Price For Jute And Tea:** In a Press Note on June 29, the Government announced its decision to simplify the present structure of jute prices, which is quite complicated, grade by grade and to give the growers full benefit of reduction of export duty.

The Government fixed the price of three grades of jute. The minimum prices are Rs. 20 per maund for Northern, Rs. 22 for District and Rs. 28 for Jat. There will be no distinction between white and toosa jute for purposes of minimum prices.

Jute and tea policies for the next crop year were finalised by the Presidential Cabinet at Murree.

According to another Press Note, no export quota has been fixed for tea because accurate estimate of tea crop would not be available before the end of August. In case a clear supply is available after meeting full internal requirements, export quota might be fixed in September.

According to the Press Note, the producers of tea will be permitted to withdraw up to 50 per cent of their offering in auction if prices bid are unreasonable.

Tea for internal consumption will continue to be sold at Chittagong internal auctions. However, as previously producers will be permitted to sell direct to purchasers up to 20 per cent of production or 20,000 lbs in season whichever is less.

The current rate of excise duty on tea will remain unchanged except that rebates will be given for increased production as already notified by the Central Board of Revenue.

The Press Note on jute said: "It has been decided to continue buffer stock operations. Operations will continue not only through Jute Marketing Corporation but also through agents appointed by the Jute Board on guaranteed re-purchase basis. These agents will operate at centres indicated by the Jute Board. Prices at which re-purchase of the agents' unsold stocks should be made after a stipulated period will be determined by the Jute Board.

"The per cent price advantage, which was given to the Jute Marketing Corporation for buffer stock operations, will be abolished.

"Export minimum prices will be aboilshed with immediate effect. The Government will, however, watch the situation closely and if necessary will not hesitate to re-impose minimum export prices. Export price check will, however, continue.

"The quota system of exports will be maintained and will be linked with phased purchases in internal market by shippers. Phased purchases will be enforced in case of jute mills also. The export price differential of sterling per ton in favour of small shippers will be abolished.

"The export of mesta will continue as at present.

"It has also been decided to set up a committee in the Ministry of Commerce to make recommendations regarding establishment of a Jute Price Stabilization Fund, if possible during the ensuing season."

(*Dawn*, Karachi)

[Prev. ref. 5617:PAK:H]

TURKEY

A. **Vote Of Confidence On Cyprus Policy:** The Prime Minister, Mr. Ismet Inonu, on June 19 won a vote of confidence on his Cyprus policy by 200 votes to 194, with two abstentions.

He declared later that the purpose of the confidence vote had been achieved and that he would leave on June 21 for the United States for consultations with President L. B. Johnson.

The narrow vote in the Assembly was interpreted in political circles in Ankara as meaning that about half the Assembly was dissatisfied with the Government's policy of "moderation" on Cyprus and will enable Mr. Inonu when in Washington to argue to President Johnson that he is under powerful pressure from a political opposition which would prefer to see a Turkish military intervention in Cyprus.

The vote can be calculated to re-inforce Turkish arguments that if a solution of the Cyprus problem acceptable to Turkey was not found soon, there was serious danger of Mr. Inonu being overthrown and replaced by a new and far more bellicose leadership. The Opposition Justice Party has for months past been criticizing Mr. Inonu for indecision and for having "missed the bus" with the invasion of Cyprus.

In putting the issue of confidence earlier in the week, Mr. Inonu had stated that if he did not win a clear majority from the Assembly on his Government's policy he would resign, and ask the Opposition Justice Party, the second largest party in the National Assembly, to form a Government.

The large adverse vote on June 19 was given by the Justice Party, and elements of the New Turkey Party, the Republican Peasants' Party and the small Nation Party. These parties, which had previously supported Mr. Inonu's minority Government, had reacted angrily to what they described as Mr. Inonu's "political manoeuvre" in putting the vote of confidence just before his journey to Washington.

The close result nevertheless came as a surprise, as the majority of political commentators in the past few days had predicted that Mr. Inonu would win his clear majority. The result caused consternation.

Immediately after the vote Mr. Inonu consulted with leaders of the ruling Republican People's Party, and later went to the presidential palace to consult with President Gursel.

The Opposition parties also reacted angrily on June 19 to an intervention by President Gursel, warning the parties that it would be against the national interest to unseat the Prime Minister on the eve of his visit to the United States. The parties held the President's act to be unconstitutional.

The political crisis came at a moment of economic difficulty, when the future of the Five-Year Plan and foreign economic support for Turkey is still uncertain. There had recently been unconfirmed rumours of unrest in the armed forces.

(*The Times*, London)

[Prev. ref. 5638:TUR:A]

VIET-NAM (RVN)

A. **American Military Preparations:** The United States has nearly completed the construction of an elaborate air base at Danang which, together with specialised facilities elsewhere in South Viet-Nam and Thailand, give the West a forward strategic position confronting China.

The system of installations has been planned to serve anti-Communist strategy for a South-East Asia area far broader than the present war effort inside South Viet-Nam.

In terms of contingency planning, American officials have long recognized that the US Seventh Fleet or existing land bases would give an insufficient staging position if ever there were a large-scale American military involvement in the lands lying on China's southern frontier.

A high-level conference of American officials in Honolulu early in June confirmed and elaborated the preparedness measures to be undertaken with the highest priority.

The conference and subsequent White House decisions emphasized that USA stands ready to meet China head-on rather than be forced out of South-East Asia. The accelerated military build-up grew from the realisation that facilities and organization must be ready before any threats of retaliation against continued Communist advances can be made effectively.

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Though the improvements are not yet complete, Danang airfield is already serving as a base for the F-100 jets which have reportedly attacked Communist positions in the Laotian Plain of Jars.

The base will tie in with other air force installations at Transonhut and Bien Hoa air bases near Saigon, at Nhatrang airport and at bases in Thailand, particularly Udan, centre of a vast air force build-up two years ago when American troops were dispatched to Thailand to discourage Communist military pressure in Laos.

The build-up is far in excess of what would be useful in South Viet-Nam's guerrilla war. It has been planned for years as policy-makers realised that an eventual confrontation with China might take place.

USA is shipping tanks and other military equipment to re-inforce stockpiles in Thailand built up during a similar crisis two years ago.

On that occasion, 5,000 troops were also flown to Thailand. They were stationed close to the Mekong Valley. So far no troops movement has been revealed.

But it was made known on June 19 that USA had 200,000 troops in the Pacific region, including several thousand Marines. The Seventh Fleet, it was said, represented a force in striking power stronger than all the armies ever put together anywhere. Inherent in this assessment is the knowledge of atomic weapons with which the force is liberally supplied.

The military moves began with reconnaissance flights over the Plain of Jars in Laos. When one of the planes was shot down, fighter escorts were provided. When a fighter plane was also brought down, USA bombed Pathet Lao anti-aircraft sites. The reconnaissance flights are continuing; so is the bombing by Laotian planes.

The purpose of US activity is manifold. It is expected to provide a deterrent against the Chinese and North Viet-Nam.

Secondly, it is intended to boost the morale of the Laotian Government and the Neutral forces and also of South Viet-Nam. Recent doubts about US intentions are sought to be dispelled.

Thirdly, this is in a sense a Cuban-type operation in which USA makes its willingness to fight crystal clear, offering China a choice between withdrawal and retaliation.

North Viet-Namese Protest:

Following the new American moves, the Foreign Minister of North Viet-Nam, Mr. Xuan Thuy, in a Note to the co-Chairmen of the Geneva Conference said:

"In an attempt to salvage their weakening position in the special war, the US ruling circles have, of late, been contemplating many measures designed to expand their aggression in South Viet-Nam and to intensify acts of provocation and sabotage against the Democratic Republic of Viet-Nam.

"Many Western sources have confirmed that at the Honolulu Conference, held early in June, 1964 under the chairmanship of Dean Rusk and McNamara, leading personalities of the Defence and State Departments discussed plans of air raids and sabotage activities against the Democratic Republic of Viet-Nam.

"Another step which the United States is striving to carry out consists of securing a UN intervention in South Viet-Nam for the purposes of expanding its war in this area...

"Most recently the US Government appointed General Maxwell Taylor, Chairman of the US Joint Chiefs of Staff, to replace Cabot Lodge as Ambassador to South Viet-Nam. The resignation of Cabot Lodge and replacement by the US military commander in Saigon prove that the US policy of armed aggression here is sustaining failure. As is known, General M. Taylor was the author of the Special War theory within the framework of the US strategy under Kennedy, who had made repeated visits to South Viet-Nam in the past three years to provide leadership in the carrying out of this war. Therefore, the appointment of General M. Taylor as Ambassador to South Viet-Nam clearly shows that, in defiance of the condemnation by world public opinion and by progressive circles in the United States, the Johnson administration is showing itself to be extremely obdurate and bellicose and is still persisting in its designs of stepping up and expanding the war of aggression in South Viet-Nam.

"The Government of the Democratic Republic of Viet-Nam earnestly calls on the co-Chairmen and the participants of the 1954 Geneva Conference on Indo-China to pay particular attention to the serious and urgent situation expounded above and to take firm and timely action to demand that the US Government give up its design of intensifying provocation and sabotage against the Democratic Republic of Viet-Nam, end the war of aggression in South Viet-Nam, withdraw all US troops, military personnel, and arms from South Viet-Nam, let the South Viet-Namese people settle themselves their own affairs, and ensure correct implementation of the Geneva Agreements in South Viet-Nam."

(*The Times of India* and the *Consulate-General of the Democratic Republic of Viet-Nam*, New Delhi)

[Prev. ref. 5768:RVN:A]

ASIA OUTSIDE ASIA

A. Increase In World Population And Industrial Production—UN Statistical Year-Book: Important statistical information of world population, industrial production etc. given in the 15th edition of the United Nations *Statistical Year-book* was made available on June 5.

The world's population reached a record high of 3,135,000,000 by mid-1962—an increase of 25 per cent over mid-1950 level. At the same time, world industrial production more than doubled with an increase of 118 per cent. Total production of energy of all kinds multiplied by 1½ times in the eight-year period 1954-62. More people than ever were travelling by rail, air and automobile.

The data covers all countries except Albania, China, Mongolia, North Korea and North Viet-Nam.

The Year-book statistics show that world economic activity during 1962 continued its expansion and new developments were also marked in the social and cultural fields.

The volume presents authoritative international statistics on demographic, economic, financial, social and cultural subjects.

The statistics show, for example, that:

(1) Production of crude petroleum in 1962 reached 1,215 million metric tons, an increase of 8 per cent over 1961, whereas production of coal increased by only 2 per cent;

(2) In 1962 USSR produced 31 per cent and the United States 17 per cent of total production of iron-ore;

(3) Out of the world production of 331 million metric tons of crude steel in 1962 the United States was responsible for 76 million metric tons;

(4) Production of man-made textile fibres, such as nylon and orlon, multiplied 32 times between 1948 and 1962, with the United States producing 41 per cent of the 1962 total;

(5) A total of 2,665 million kw hours of electricity was produced in the world, more than one-third in the United States.

The Year-book was prepared by the Statistical Office of United Nations with the co-operation of the statistical authorities of more than 160 countries and territories, and with the assistance of the specialized agencies and certain other inter-governmental bodies.

The publication includes statistics on birth, death and infant mortality rates, agricultural production and livestock, and fish catches. Also figures are given on consumption of fertilizers, transport, tourist travel, world trade, public finance, housing, medical service, education, book production, newsprint production and consumption, daily newspapers, films, radio and television.

The population of the world was estimated at 3,135 million in mid-1962, compared with 2,509 million in 1950, and 2,893 million in 1958. Asia (excluding USSR) contains 56.3 per cent of the world total and Oceania has the smallest population (less than 1 per cent of world total). Europe and North and South America accounted for 27.5 per cent of world population in 1962.

Over the period 1958-62, world population has increased at the annual rate of 2 per cent.

Europe (excluding USSR) is the most densely populated continent with 88 persons for every square kilometre and Oceania the least densely populated continent with 2 persons per square kilometre. The world average is 23 persons per square kilometre.

World production of coal increased by 35 per cent between 1954 and 1962 and by 2 per cent as compared with 1961, but it was at the same level as in 1960. Four of the leading industrial countries—the United States, USSR, United Kingdom and West Germany—accounted respectively for the following percentages of world coal production in 1962: 20 per cent, 19 per cent, 10 per cent and 7 per cent.

World production of crude petroleum was 8 per cent higher in 1962 compared with 1961; the percentage increase between 1954 and 1962 was 82 per cent. The output in 1961 of the United States, the largest producer of petroleum, was 2 per cent higher than in the previous year; that of USSR, the second largest producer, 12 per cent higher. Four Middle Eastern countries (Iran, Iraq, Kuwait and Saudi Arabia), accounting for 23 per cent of the world total in 1962, showed an increase in production of 9 per cent over the preceding year.

World production of iron-ore (excluding China), as expressed in terms of iron content, increased by 6 million metric tons or about 3 per cent between 1961 and 1962. United States production rose in 1962 by slightly more than 1 per cent compared with 1961 but was only 72 per cent of production in the peak year of 1957. The USSR produced 74.3 million metric tons of iron-ore (in terms of iron content) in 1962, an increase of 9 per cent over 1961.

Since 1958, USSR has replaced the United States as the world's largest producer of iron-ore, producing 31 per cent of the world's total in 1962, against 17 per cent produced by the United States.

World production of crude steel, which was nearly 361 million metric tons in 1962, increased by 6 million metric tons or 2 per cent over the previous year. This increase was mainly due to growth of output of USSR by over 5½ million metric tons or 8 per cent over 1961.

The world's textile industries used less raw cotton and raw wool in 1962-63 than

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in the preceding year. Moreover, industrial consumption of raw cotton steadily declined from 1959-60, when consumption reached its peak. At the same time, there was a phenomenal expansion in the use of man-made textile materials of cellulosic and non-cellulosic origin.

World industrial consumption of raw cotton in 1962-63 was 9,960,000 metric tons, which was 5 per cent less than the peak consumption year 1959-60, but 11 per cent more than consumption during the year 1955-56.

Production of man-made textile fibres has increased very rapidly throughout the world. The world output of cellulosic fibres—rayon and acetate filaments (continuous and discontinuous)—rose from 1,153,000 metric tons in 1948 to 2,864,000 metric tons in 1962, an increase of almost 2.5 times.

World production of non-cellulosic fibres (nylon, orlon and similar synthetics) rose from 34,000 metric tons in 1948 to 1,079,500 metric tons, almost 32 times.

The Year-book provides data on world and regional energy production, trade and consumption, classified by main sources—coal and lignite, crude petroleum, natural gas and hydro-electricity. All the figures are expressed as the equivalent number of metric tons of coal. In the 8-year period 1954-1962, total world production of energy in terms of tons of coal equivalent increased from 3,025 million metric tons to 4,648 million or over 1½ times. In 1962, the production of coal and lignite was 132 per cent of the 1954 level; crude petroleum 172 per cent, natural gas two times, and hydro-electricity nearly 1.8 times.

The proportions of the various forms of energy to total energy in 1962 and 1954 were as follows (1954 percentages in parentheses): coal and lignite 47 (55), crude petroleum 35 (31), natural gas 16 (12) and hydro-electricity 2 (2). These figures show the shift from coal and lignite to crude petroleum and natural gas.

The Year-book provides data on railway traffic, motor vehicles in use, merchant shipping and civil aviation. World railway freight traffic expanded rapidly and in 1962 reached a record of 3,338,000 million net ton-kilometres, 4 per cent higher than in 1961 and almost 1.9 times the volume in 1948.

The number of motor vehicles in use in the world (excluding USSR, Eastern Europe, China, North Korea and North Viet-Nam) continued to increase in 1962. Figures available indicate an increase of 6 per cent in passenger cars and 1½ per cent in commercial vehicles as compared with 1961.

The world merchant shipping fleet continued to expand in 1963, when the total tonnage of steamships and motor-ships had risen to 146 million gross registered tons, 4 per cent higher than in 1963 and nearly 24 per cent higher than in 1958.

Civil aviation continued its growth: in 1962, 3,240 million kilometres were flown by all of the world's airlines (domestic and international). This was an increase of 4 per cent over the previous year and nearly 23 per cent since 1958. Passenger-kilometres flown added up to 130,000 million compared with 117,000 million in the previous year and 71,000 million in 1958. More mail went by air in 1962 than in any previous year—800 million mail-ton kilometres in 1962, 11 per cent more than in 1961 and twice as much as in 1958. These figures excluded China, USSR and other countries which were not members of the International Civil Aviation Organization.

(*United Nations*)

[Prev. ref. 4974:AOA:F]

B. Pope Paul Relaxes Ban On Catholics' Cremation: Pope Paul VI has agreed to relax the ban on cremation for Roman Catholics.

The dispatch of a circular to this effect to the hierarchy was confirmed at the Vatican on June 5.

Though the measure ends the Roman Church's distinction of being the only Christian body to have explicitly prohibited this form of disposing of the dead, it is not intended to change the traditional form of Christian burial.

The relaxation applies in places where ancient customs include cremation, and in special circumstances of a hygienic or economic kind when local bishops may give permission to members of the Church who wish to be cremated after they die.

It was made clear in the circular that the prohibition still remains in force for those intending to give cremation an anti-religious or specifically anti-Roman Catholic character, particularly when the object is to deny the doctrine of the immortality of the soul and the resurrection of the body.

Prohibition of the practice was introduced in the Roman Church as a matter of ecclesiastical discipline by a decree of the Holy Office in 1886, at a time when the movement for cremation was regarded as anti-Catholic in tone. The revival of interest in cremation in the 19th century was largely the work of free-thinkers.

(*The Times*, London)

C. Per Capita National Income —Survey Of Nine Countries: A study of the *per capita* national income of nine selected countries discloses a wide variation between developed countries and under-developed countries. In 1961, the *per capita* national income of USA was nearly Rs. 11,000, while that of India was merely Rs. 336.

The annual percentage growth rate from 1953 to 1962 was the highest at 16.33 for Japan, while it was 1.25 for Ceylon.

Nine selected countries, namely, USA, UK, France, West Germany, Australia, Japan, India, Pakistan and Ceylon, have been considered for the purpose of the study. Amongst developed countries, the per capita income in USA, which is the highest in the world, rose from Rs. 9,095.3 in 1953 to Rs. 11,621.7 in 1962, indicating an annual percentage growth rate of 3.08. The UK, France, and Germany recorded more or less the same percentage growth rate of per capita national income. The per capita national income for UK appreciated by 112.0 per cent to Rs. 7,661.1 in 1962 from Rs. 3,592.5 in 1953. The per capita national income in France was Rs. 2,570.4 in 1953. It increased by Rs. 2,935.7 to Rs. 5,506.1 in 1962, indicating an annual percentage growth rate of 12.69. The per capita national income in West Germany advanced from Rs. 2,617.7 in 1953 to Rs. 5,444.1 in 1962. Thus the annual percentage growth rate (of the per capita national income) in this country works out to 11.99 between 1953 and 1962.

The per capita national income in Australia, which was Rs. 4,316.4 in 1953, increased by 34.47 per cent to Rs. 5,799.9 in 1962. For Japan, the per capita national income recorded the highest rise of nearly 146.98 per cent between 1953 and 1962, or an annual percentage growth rate of 16.33. The per capita national income for this country recorded an increase of Rs. 1,259.3 from Rs. 856.8 in 1953 to Rs. 2,116.1 in 1963.

Amongst under-developed countries Pakistan exhibited the highest annual percentage growth rate of 5.46. It should be noted that the per capita national income of under-developed countries is far below the per capita national income in developed countries. The per capita national income in Pakistan noted a rise of 43.88 per cent from Rs. 240.0 in 1953 to Rs. 345.3 in 1963. In India the percentage rise in per capita national income was of the order of 22.04 during the period 1953-1962. It advanced from Rs. 278.1 in 1953 to Rs. 339.4 in 1963. It is significant that although the annual percentage growth rate for Ceylon is the least, the per capita national income is at a higher level as compared to the per capita national income of India or Pakistan. The per capita national income in Ceylon moved up by Rs. 59.3 to Rs. 586.5 in 1962, from Rs. 527.2 in 1953.

A continuous rise in the per capita national income during 1953-1962 is observed in case of UK, France, West Germany, and Japan. In USA a slight decline in the per capita national income was seen in the years 1954 and 1958. In Australia, the per capita national income declined to Rs. 5,799.9 in 1962 as compared to that in 1961.

A slight fall over the previous year in the per capita national income was also seen in the under-developed countries. In India, it declined in 1954 and 1957. Per capita national income of Pakistan declined to Rs. 222.8 in 1964 and Rs. 220.7 in 1958.

(*The Financial Express*, Bombay)

[Prev. ref. 4894:AOA:A]

D. Russia Builds Volga-Baltic Waterway: A Moscow report said on June 7 that oil tankers and barges laden with iron-ore and manufactured goods had started moving into a new 224-mile Volga-Baltic waterway in its first navigation season.

The complex canal system of seven modern concrete shipping locks, four reservoirs, and three hydro-electric stations completes an inland deep water navigation net-work linking the Black Sea and the Caspian Sea in the south with the Baltic Sea and the White Sea in the north.

The development of such a system is of great importance in a country where railways have carried a heavy burden—more than 80 per cent of national goods traffic—and the Government has been eager to shift a greater share to the waterways during the ice-free shipping season.

Large river barges and tankers will now be able to traverse all European Russia from north to south, carrying southern grain, coal, oil, and salt to Leningrad, the Baltic republics, Karelia, and the sub-Arctic, and taking machinery from Leningrad and iron-ore from Kola Peninsula and Karelia to the south.

The fleet assembled for the modernized waterway includes oil tankers and dry goods carriers of 5,000 tons and combined oil and ore carriers of 2,700 tons, suitable for inland and coastal navigation, that will carry crude oil to the north and ore on the return trip.

The Volga-Baltic waterway is also expected to stimulate passenger traffic. Regular services began later in June between Leningrad and Volga river towns. A fleet of eight three-deckers will travel on holiday cruises between Leningrad and Astrakhan, a Caspian seaport, making the round trip, with stops along the way, in 22 days.

Reconstruction of the 150-year-old Mariinsk canal system began in 1940 but

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was interrupted by the Second World War. Work continued on low annual budget appropriations, with interruptions, after the War. It was only in the past five years that the project was given sufficient priority to bring it to conclusion.

(*The Times*, London)

[Prev. ref. 4974:AOA:G]

E. World Farm Production: The world farm production was higher in 1962 than that in the previous year, although the rise did not keep pace with the industrial production increase.

Total consumption of fertilizers rose to a record level of 32.3 million tonnes, showing an increase of eight per cent over the previous year's consumption level.

The total fish catch also set a new record in 1962—44.7 million tonnes compared to 41.8 million tons in the previous year.

Wheat: World wheat production was 262 million tonnes, five million tonnes more than that in the bumper-crop year of 1958 and 25.5 million tonnes above the 1961 level. The Soviet Union was the largest producer of wheat in 1962, with a total of 70.6 million tonnes. The next largest producer was USA with 30 million tonnes. Canada produced 15 million tonnes, France 14 million tonnes and India 12 million tonnes.

Corn: World production in 1962 was 216 million tonnes, one per cent higher than that in the previous year, and 56 per cent higher over the 1948-52 average. The USA produced 43 per cent of the world's production, while the Soviet Union 11 per cent.

Barley: World production of barley in 1962 stood at 100 million tonnes, 69 per cent higher over 1948-52 average, and 16 per cent higher over the year 1961. The largest producer was the Soviet Union with 19.5 million tonnes, with USA producing 9.4 million tonnes, France six million and the UK 5.9 million tonnes.

Oats: World production in 1962 was 50.8 million tonnes which was a little less than the previous year.

Rice: World production of rice was 245.5 million tonnes. This was three million tonnes over 1961, and 49 per cent over the average of 1948-52. The latest available estimates of China show that it produced 85 million tonnes in 1960. The next highest producers were India with 48 million tonnes, Japan 16.3 million tonnes, Indonesia 13.4 million tonnes, Thailand 9.2 million tonnes and Burma 7.4 million tonnes.

Raw Cotton: In 1962, cotton was the largest ever grown crop, exceeding the 1948-52 average. The Soviet Union is estimated to have produced 1.5 million tonnes, India 944.000 tonnes which was almost double the average of 1948-52 average. The United Arab Republic produced 457,000 tonnes, 15 per cent more than the average for 1948-52.

Wool: In 1962-63, world clip wool production stood at 2,579.000 tonnes which was slightly less than the previous year. The Australian clip was 754,000 tonnes which was two per cent less than that of the previous year.

Milk: In 1962, the production fell to 333 million tonnes from the previous year's 348 tonnes. The average of 1948-52 was 260 million.

Meat: World production of meat rose by four per cent in 1962 over the previous year. The production was 65.2 million tonnes.

Fish: The total catch set a new record in 1962 reaching 44.7 million tonnes, against 41.8 million tonnes in the previous year. Japan, the largest fishing nation, accounted for 15 per cent of the world catch. The Soviet Union comes next with an eight per cent catch, USA 6.5 per cent. Norway three per cent, Canada 2.5 per cent, Spain 2.2 per cent and UK 2.1 per cent.

While all the countries' catches were far higher over 1948, the UK catch declined by 22 per cent in 1962 compared with 1948.

Fertilizers: Consumption of all commercial fertilizers—phosphatic, nitrogenous and potash—continued to expand steadily, showing a rise of 52 per cent from 1955-56 to 1962-63. Total consumption in 1962-63 was estimated at 32.3 million tonnes, an increase of eight per cent over the previous year.

There was a notable increase in fertilizer consumption in Asia, particularly because of the large share of increase in India for nitrogenous fertilizers. Indian consumption in 1962-63 was 310,000 tonnes as compared to 63,000 tonnes in 1948-52.

The value of world exports in 1962 reached a new record level of $(US) 140,900 million—5½ per cent higher than the previous year.

Asian countries raised their industrial output by four times between 1950-62.

(*UN Newsletter*)

[Prev. ref. 4908:AOA:G]

F. World Gold Output And Bullion Reserves: According to the yearly report of the Bank for International Settlements In Basle (Switzerland), released on June 19, world gold production has continued to rise during 1963.

Gold sales of USSR have reached a record level. Surprisingly, private demand for gold has slightly declined, so that official bullion reserves of the Western countries have achieved the highest increase since the end of the Second World War.

Gold output, excluding that of USSR and other Communist countries rose from $1.29 billion in 1962 to $1.35 billion in 1963. South Africa alone produced gold valued at $1 billion last year. Gold output in other countries declined slightly.

Gold sales of USSR amounted to $550 million in 1963, compared to $200 million in 1962. Last year sales of the Soviet Union were concentrated in the last four months of the year and were obviously related to the extensive wheat purchases of the country. In March, 1964, gold sales were resumed by USSR and at the end of April they had reached a level considerably above the yearly average from 1959 to 1962.

The total gold supply has thus risen from $1.49 billion in 1962 to $1.9 billion last year. In 1961, it was estimated by the Bank for International Settlements, at $1.5 billion.

Official gold reserves rose by $845 million in 1963 compared to $335 million in 1962 and $600 million in 1961. Bullion reserves of continental European countries rose by $1 billion to $17.2 billion, compared to a rise of $0.9 billion in 1962. Europe did not only take up the newly produced gold, but also the gold from the official bullion reserves of USA.

The private demand for gold has declined from $1.16 billion in 1962 to $1.06 billion in 1963. As it may be taken for sure that industrial and commercial demand has increased, it may be concluded that the demand for hoarding purposes has receded by more than $100 million by which non-monetary demand has declined.

Among the most significant buyers of non-monetary gold is India. To reduce private purchases of gold, the Indian Government had taken steps to restrict gold trade in the country in January, 1963. At first these measures influenced the amount of gold going to India quite substantially. However, it seems that by the end of 1963 gold purchases had climbed back to the initial level.

The volume of gold sold in the market fluctuated strongly in 1963 between $300 million in the second quarter of the year and more than $600 million in the fourth quarter, due to Soviet sales and their timings. Nevertheless, the London fixing price did not fluctuate more than three to four US cents above and below $35.08, since the end of 1962.

The market has never been so stable since it re-opened in 1954. This is due to the operation of the gold pool. The stability in the cash market together with the trade in futures has created favourable conditions for the Bank for International Settlements.

(*The Times of India*, Bombay)

G. New Theory On Earth's Crust—Charts Prepared: A Leningrad message on June 22 said that the All-Union Geological Scientific Research Institute in Leningrad had compiled the first charts showing the latest theory on the geological structure of the Earth's crust up to the upper mantle.

Dr. Tatyana Simonenko who supervises this work, told a Tass correspondent that "the charts will help geologists in determining finally the places on the territory of the Soviet Union where wells to a depth of 12 to 15 and more kilometres will be sunk."

The geologists set themselves the task of establishing the relations between various phenomena of the geological life of our planet, including the relations between tectonic structures and the structure of the deep zones of the Earth's crust on the basis of the contemporary knowledge about our planet, materials of aeromagnetic survey and geophysical research. In this respect the superdeep wells are to throw light on the shroud of mystery which still surrounds the bowels of the Earth.

The scientists have already received the first valuable information. The block structure of the ancient geological foundation is particularly evident on the territory of the European part of USSR. "The existence of blocks was proved by seismic soundings in the places of the deepest shear of the Earth's crust—in the eastern part of the Baltic shield," Dr. Simonenko said. The existence of steep fractures, penetrating through the entire thickness of the Earth's crust, was discovered in Karelia and in the north-west part of the Kola Peninsula and further in the Barents Sea.

This year Leningrad geologists will study for the first time the depth structure of the Earth's crust in the mountainous areas of USSR. A scientific expedition of the All-Union Geological Institute has left for the Pamirs and Tien Shan.

Another expedition has left for the Kola Peninsula. This area is of particular interest because the age of its rocks is more than 2.5 billion years. Here geologists will use the natural shear of the Earth's crust which makes the ancient rocks accessible for studies.

(*Tass*)

[Prev. ref. 5878:AOA:D]

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INDIA

SUMMARY: Sheikh Abdullah's Visit To Pakistan; CPI (Leftist Faction) Convention; Emergency Committee Of Central Cabinet; DMK Secession Demand Withdrawn.

A. Sheikh Abdullah's Visit To Pakistan: A tumultuous welcome was accorded Sheikh Abdullah when he arrived in Rawalpindi on May 24 on a 16-day visit to Pakistan.

He was received at Chaklala airport by Mr. Z. A. Bhutto, the Pakistan Foreign Minister, Mr. K. H. Khurshid, "President" of occupied Kashmir, Mr. Habibullah Khan, Minister for Home and Kashmir Affairs, and Chaudhury Ghulam Abbas.

As the Sheikh and his party, including Mirza Mohammed Afzal Beg and Maulana Masoodi, stepped down from a chartered PIA plane, they were greeted by hundreds of people who had gathered at the airport hours earlier.

The first to receive the Sheikh was Mir Waiz Mohammed Yusuf Shah, who garlanded him. He was followed by Mr. Khurshid. Mr. Bhutto and Mr. Habibullah Khan embraced Sheikh Abdullah.

The Kashmiri leaders, who were profusely garlanded, were later taken in a procession through the main streets decorated with welcome arches and bunting. Large crowds lining the procession route cheered the Sheikh who was visiting this part of the subcontinent after about 18 years. The procession ended at President's Guest House where the Sheikh was staying.

Sheikh Abdullah declared on arrival that it was his firm belief that the salvation of the people of Kashmir lay in the permanent friendship between India and Pakistan.

He said that he had received sympathetic co-operation from the Press in India and expressed the hope that he would have the same response from the Press in Pakistan.

Asked whether the solution of the Kashmir issue should have priority over Indo-Pakistan amity, he said that while some people felt that Indo-Pakistani amity should have priority, others thought that the solution of the Kashmir issue should have priority. "Either way you take it, I am prepared to agree with you."

"Kashmir is one of the major irritants that has bedevilled the relations between the two countries. If we succeeded in removing it, they would succeed in removing other misunderstandings also."

He said that in India he had found some sort of frustration that no solution was possible. But, he said, he did not share that frustration. There was nothing impossible provided there was goodwill.

He said that he had already laid down three conditions for the solution of the Kashmir problem. If they accepted those three premises they could try to raise a structure. They could build upon any solution that came nearest to these three premises.

Explaining why he was anxious that any solution should not be such as would weaken the secular character of India, he said if the solution of the Kashmir issue weakened the hands of secular and progressive forces in India, it would put the minorities in India in jeopardy. He knew Pakistan would not like to place 60 million minorities in India in jeopardy.

Stressing the need for goodwill between the two countries, he said Pakistan was now a free, sovereign, independent republic. It was not difficult to achieve Pakistan, but "it is difficult to maintain its freedom."

He said that every Pakistan must try to find ways to protect the country's freedom. "I think establishing amity and friendship with your close neighbour will not weaken your freedom but strengthen your independence." It would solve his problem too.

He said that he had come to the definite conclusion that the salvation of the people of Kashmir lay in the permanent friendship between the peoples of India and Pakistan. Unless they established that friendship, he saw no way of disengagement of forces of the two countries facing each other along the cease-fire line.

Asked whether he had brought any concrete proposals, he said he had no concrete solution in his pocket. But if they desired amity and friendship between the two countries they could, by mutual discussion, try to evolve a formula which would satisfy not only the people of India and Pakistan but satisfy the aspirations of the people of Kashmir.

Earlier, he said it was his first visit to Rawalpindi since 1946 and was extremely grateful to the people for the big reception accorded to him and his colleagues.

Talks With President Ayub Khan:

Within an hour of his arrival in Rawalpindi, Sheikh Abdullah began his first round of talks with President Ayub Khan in an effort to evolve what he himself earlier described as a solution to the Kashmir issue that would be acceptable to India, Pakistan and to the Kashmiri people.

Address To Public Meeting:

Sheikh Abdullah addressed his first public meeting in Pakistan on May 25 in Rawalpindi.

The Statesman carried the following report of the meeting:

Although he continued to be vague and uncertain about the precise solution, the Sheikh spoke with conspicuous confidence about the possibility of settling the Kashmir dispute to the satisfaction of India, Pakistan and the Kashmiri people. He spoke at great length and even greater discursiveness.

A notable feature of the speech—made an hour after he described the progress of his talks with President Ayub Khan as "satisfactory"—was the impartial plain-speaking in regard to both India and Pakistan.

Clearly and categorically he repudiated the Indian position that Kashmir's accession to India was complete and irrevocable. He declared that it was utterly incorrect to claim that the Kashmiri people had already exercised their right of self-determination, and added that no power on earth could deprive the five million Kashmiris of this right.

While this was greeted with tumultuous applause, the Sheikh's audience did not particularly like his subsequent remarks that while settling the Kashmir dispute in accordance with the wishes of the Kashmiri people, the issue could not be isolated from the fate of the minorities in India and Pakistan.

Since his arrival in Pakistan, Sheikh Abdullah said, he had been told that Kashmir could not be allowed to be made a hostage for the sake of the minorities in India. As one who had consistently fought for the Kashmir people's rights he would be the last person to make Kashmir case a hostage. But there was no getting away from the fact that "as human beings we cannot ignore the conseuences of our actions, especially when they affect millions of innocent people".

It was also crystal clear that Kashmir's salvation lay in friendship between India and Pakistan, for five million Kashmiris could not be happy in isolation from the 600 million people of the Indo-Pakistan subcontinent.

A point on which he laid great stress was that he had found among responsible Indian leaders, especially in Mr. Nehru, a "genuine desire" to settle the differences with Pakistan.

But for such a feeling among Indian leaders, he added, he would not have come to Pakistan, nor would the Indian Government have allowed him to do so.

In Pakistan also he had found a deep and widespread desire to live in peace and amity with India, and yet such was the irony of fate that the objective shared by both appeared beyond reach.

A principal reason for this state of affairs, he said, was the Kashmir dispute, and he had plainly told Indian leaders that friendship between India and Pakistan could not be fostered until the Kashmir dispute was settled.

Nehru-Ayub Meeting In June—Announcement By Sheikh Abdullah:

Sheikh Abdullah announced at a news conference in Rawalpindi on May 26 that President Ayub Khan and Mr. Nehru were expected to meet in New Delhi in June in an attempt to end the 17-year-old dispute over Kashmir.

He said that his immediate objective of bringing about a meeting between President Ayub Khan and Mr. Nehru had been achieved and he was returning to India a "very happy man".

Sheikh Abdullah in a formal statement said that President Ayub Khan had told him that he would be glad to meet Mr. Nehru to discuss ways and means of finding a satisfactory solution to this problem.

To later questions he said he expected a meeting of the two Heads of Government in New Delhi in June before the Commonwealth Premiers' meeting in London starting on July 6 and probably after Mr. Nehru's return from holiday in Kalimpong.

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Asked whether he would take part, he said: "You will find me there round-about."

The formal statement said President Ayub Khan and Sheikh Abdullah felt Indo-Pakistan amity could only be achieved with a solution of the Kashmir dispute, the biggest of all irritants between them.

He said he was very anxious to meet Mr. Nehru to report to him the trend of the discussions he had with the Pakistan President.

Pakistan Press Criticism:

A Rawalpindi message on May 26 said that Sheikh Abdullah's repeated reference since his arrival in Pakistan to the secular character of India and the need to strengthen its secular forces had been critically commented upon by several influential Pakistani newspapers.

Dawn of Karachi carried a despatch from its Rawalpindi correspondent saying: "Sheikh Abdullah's statements during the past 24 hours, especially his reference to India's so-called secularism, have caused a certain amount of disappointment among the public in general and the intelligentsia in particular."

The despatch further stated that the Sheikh had been "lured by the outward show of Indian secularism, obviously forgetting the inhuman treatment meted out to 60 million Muslims in the so-called secular State."

The Jang, popular Urdu daily of Rawalpindi, disputed Sheikh Abdullah's statement at a public meeting that there was a change of heart on the part of India to promote friendly relations with Pakistan.

The paper said there had been no indication of any change of heart on the part *of Mr. Nehru and the history of the past 17 years showed that India had nothing but hatred for Pakistan.*

It termed as "nothing but blackmail" India's fears that a plebiscite in Kashmir might lead to a repetition of the 1947 holocaust.

[Sheikh Abdullah, in an informal chat with the Press and in public speeches in Pakistan, had referred to India's apprehensions about serious consequences of a plebiscite in Kashmir.]

The Kohistan, another mass-circulating Urdu of Rawalpindi, said the tumultuous welcome accorded Sheikh Abdullah had proved that Pakistan considered the Kashmir issue as "a matter of life and death."

It said that Mr. Nehru had gone back on his promises to hold a plebiscite in Kashmir so often that Sheikh Abdullah should be careful not to be deceived again.

The Pakistan Times, published from Lahore and Rawalpindi, in a leading article entitled, "Leader with a mission," said: "The fight for a plebiscite has now entered the final phase and we earnestly hope that this last chance of a peaceful settlement will not be squandered away by Indian leaders."

Dawn warned Sheikh Abdullah not to accept any compromise on Kashmir which would eventually mean no freedom at all to the Kashmiri people.

It accused Sheikh Abdullah of having shifted his emphasis from demanding a solution of the Kashmir dispute to promoting Indo-Pakistan relations.

The Rawalpindi correspondent of the paper quoting observers said that a marked change had occurred in Sheikh Abdullah's utterances ever since he visited New Delhi.

The despatch said that soon after his release the Sheikh emphatically talked about plebiscite in unequivocal terms. But after his pilgrimage to New Delhi "there is not only a change in the tone of his reference to Kashmir, but the substance of his speeches has undergone a marked change."

Tour Cancelled:

On May 27, Sheikh Abdullah called off the rest of his tour of Pakistan and "Azad Kashmir" as soon as he learnt about the death of Mr. Jawaharlal Nehru.

He drove back to Rawalpindi on the night of May 27 and straightaway went to see President Ayub Khan.

Earlier, addressing a condolence meeting in Muzaffarabad, he recalled his past associations with Mr. Nehru with particular reference to his talks with the late Indian Prime Minister before coming to Pakistan.

Mr. Khurshid, President of the "Azad Government of Jammu and Kashmir," who presided over the meeting, said in Mr. Nehru's death India had lost its greatest leader.

Sheikh Abdullah returned to New Delhi on May 28 to be present at Mr. Nehru's cremation. He expressed the hope that the new Indian leaders would do everything possible "to fulfil the desire of the late Prime Minister to bring about friendly relations between India and Pakistan".

Talking to newsmen, he recalled that it was Mr. Nehru's last wish that the disputes between India and Pakistan should be resolved and friendship established between the two countries. "It was in pursuance of this wish and for the specific purpose that I visited Pakistan."

According to Sheikh Abdullah, he had found in Pakistan a keen desire for friendship with India. That was why the Pakistan President had agreed to visit India. "In fact, the date for a meeting between Mr. Nehru and President Ayub Khan was almost fixed, but unfortunately Panditji left us suddenly."

Earlier, soon after he had taken off from Rawalpindi for New Delhi by a special plane, he sent a farewell message to President Ayub Khan expressing the hope that the leaders of the two countries "will soon sit together to give a definite and practical shape to the solution of the Kashmir problem."

The message added: "My visit to Rawalpindi was in response to your kind invitation and the purpose was to promote lasting friendship and amity between the two Republics of India and Pakistan and to find out an equitable solution to the Kashmir problem. Your co-operation and sympathetic understanding have inspired hope in my mind that I must succeed in the mission which I have undertaken."

Indo-Pakistan Confederation—F-M Ayub Khan Rejects Solution:

President Ayub Khan said in Peshawar on May 31 that Pakistan would never agree to a federation or confederation with India as a solution of the Kashmir issue.

He praised Sheikh Abdullah for pursuing his ideas. Despite his 11-year detention, he said, the Sheikh had not given up his principles.

President Ayub, who was inaugurating the divisional Muslim League Conference, said that he had conveyed to Sheikh Abdullah during their recent talks his opposition to a federation or confederation.

He said he had, however, told the Sheikh that Pakistan desired friendly relations with India and would go to any lengths to attain that objective.

He described Sheikh Abdullah as a man of strong character who had been undergoing untold suffering. He was determined to ensure the same freedom for the people of Kashmir as was enjoyed by the people of India and Pakistan.

He said a confederation stipulated the formation of a common Centre. Once it was formed, however limited its scope, "it goes on assuming more and more powers". Even if it was confined to defence, foreign affairs and communications, all the residuary subjects could easily be made to come under these three subjects.

He said that a confederation would prove equally "dangerous" to India. "South India, Nagaland, the Sikhs and others" would seek recognition as independent units. This might open the gates of disintegration.

Pakistan was keen to have friendly relations with all her neighbours, as could be seen from her Border Agreements with Iran, Burma and China. With India also, she had demarcated her borders in the west and the east. If some points still remained to be settled it was because of the "inability of the Government of India to honour agreements". The Kashmir issue also could be settled peacefully. Whenever India decided on friendly relations with Pakistan, she would not fail to find reciprocity from this side.

(*The Times of India* and *The Indian Express*, Bombay and *The Statesman*, Calcutta)

[Prev. ref. 5857:INI:A]

B. CPI (Leftist Faction) Convention: The Left faction of the Communist Party of India (CPI) began its six-day Convention in Tenali on July 7.

Over 150 delegates from all over the country attended.

Mr. P. Sundarayya, convener, announced that the delegates would meet 7½ hours every day till July 11. A mass rally was held at the conclusion of the session. Similar rallies were also held at Guntur, Khammam and Suryapet on July 12.

According to Mr. Basavapunniah, a top-ranking Leftist leader, and one of the authors of the new draft programme which came up for discussion, the cleavage between the Right and the Left had reached such a stage that there was no possibility of any meeting ground for thrashing out the differences and forging unity.

He claimed that out of 150,000 members, over 100,000 were with the Leftists.

According to the party leaders, there was no likelihood of a reconciliation between the two factions and Tenali would give birth to the "real Communist party".

Prominent among the delegates who attended the Convention were Mr. A. K. Gopalan, Mr. P. Ramamurthy, Mr. Muzaffar Ahmed, Mr. Promod Das Gupta, Mr. Harkrishna Konar, Mr. Harikishen Singh Surjeet, Mr. M. R. Venkataraman, Mr. E. M. S. Namboodiripad and Mr. Jyoti Basu.

Resolutions:

In a resolution on July 11, the Convention called upon the Government to directly negotiate with China for a settlement of the Sino-Indian border dispute.

The Convention, which concluded on July 11, welcomed the new initiative taken by some Colombo Powers to bring about direct negotiations between India and China with a view to arriving at a peaceful settlement of the border dispute.

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The resolution expressed the Leftists' confidence that the sooner an agreement on the dispute was reached between the two countries, the greater would be the advantage not only to the people of India and China, but to the anti-imperialist forces all over the world.

The Convention endorsed the proposal of the Ceylonese Prime Minister, Mrs. Sirimavo Bandaranaike that without prejudice to the respective claims, no posts of India and China should remain in the demilitarized area of Ladakh. It felt that the Government of India was prepared to favourably consider this proposal.

It expressed the hope that representatives of India and China will find it possible to meet to explore the possibilities of reaching an accord on the above basis or any other basis acceptable to both countries.

The Convention also passed resolutions on the rising prices of foodgrains and the Central Finance Minister, Mr. T. T. Krishnamachari's statements in the United Kingdom.

The Convention decided to hold the seventh party congress on its own at Calcutta from October 24 to 31.

A draft resolution moved by Mr. E. M. S. Namboodiripad, former General Secretary of the Communist Party of India, was adopted. The resolution reviewed events in the party since the walk-out of 32 Leftists from the CPI National Council meeting in April. It charged the Dange group with "making unity talks a smokescreen behind which they could consolidate themselves as a faction and deceive a section of honest party members who were anxious for party unity." It appealed to all party members and sympathizers to help in the "total" isolation of the Dange group from the Communist and socialist movement of India.

Mr. P. Ramamurthy, spokesman for the Convention, told newsmen that the Leftists were not forming a rival Communist Party. He claimed that an overwhelming majority of party members supported Leftists and that the so-called official leadership of Mr. Dange was nothing but a rump of the National Council. Asserting that "we are the real Communist Party," Mr. Ramamurthy claimed that the Dange group had forfeited the confidence of the entire party and had no right to call itself the Communist Party of India.

West Bengal Party Rift:

The rift in the Communist Party in West Bengal was completed with the formation on July 12 by the Rightists of a nine-man secretariat with Mr. Bhowani Sen as secretary.

The secretariat was formed at a meeting of the State Council called by the National Council of the CPI to replace "the old leadership as it had functioned in opposition to and against the National Council."

Invitations for the meeting had been issued to all members of the State Council, except the seven suspended leaders among whom was the secretary of the State unit, Mr. Promode Dasgupta. Of the 32 invitees, 23 attended the meeting. One could not attend due to indisposition.

After the meeting, Mr. Bhowani Sen said that with the formation of the new secretariat the old executive of the State Council had ceased to exist.

Referring to the Centrists who did not attend the meeting, he said that those who had expressed themselves in favour of party unity but had not taken any decision regarding their future course of action were welcome to the party.

Necessary adjustments in the secretariat and the executive of the State unit, which was yet to be formed, would be made if the Centrists decide to work with the new leadership.

(*The Hindu*, Madras and *The Statesman*, Calcutta)

[Prev. ref. 5907:INI:B]

C. Emergency Committee Of Central Cabinet: The Information and Broadcasting Minister, Mrs. Indira Gandhi, has been appointed a member of the Emergency Committee of the Central Cabinet.

The Emergency Committee, which is presided over by the Prime Minister, Mr. Lal Bahadur Shastri, was set up soon after the Chinese attack in October, 1962. During the past two years it has virtually developed into what might be described as the "inner Cabinet."

Besides Mr. Lal Bahadur Shastri, the Committee now comprises Mr. G. L. Nanda, Mr. T. T. Krishnamachari, Mrs. Gandhi, Mr. Y. B. Chavan and Mr. C. Subramaniam.

(*The Times of India*, New Delhi)

[Prev. ref. 5893:INI:A]

D. Growth Rates Of Agricultural Production: An analysis of the growth rates of agricultural production for the period 1952-53 to 1961-62 shows that food production increased at a higher rate than population, even though only by a fraction.

The linear growth rate of food production during the period was 2.66 per cent per annum against the population growth rate of 2.26 per cent per annum.

The analysis, however, indicates that the production of foodgrains increased at a much lower rate than the production of other agricultural commodities. While other agricultural commodities recorded an annual growth rate of 4.40 per cent, foodgrains production increased at the rate of 2.66 per cent only.

The higher rate of growth of production of "non-foodgrains" is attributed more to the increase in crop area than to increased productivity. In the case of foodgrains, on the other hand, productivity rose faster than the pace at which areas were brought under cultivation.

The overall rate of growth of agricultural production during the period was 3.23 per cent. Of this, a rise of 1.76 per cent was due to increased productivity and 1.31 per cent to the additional area brought under cultivation.

Punjab, Madras, Madhya Pradesh and Mysore did well in both foodgrains and non-foodgrains, with growth rates higher than the all-India rates. Punjab with a growth rate of 5.67 per cent per annum for all crops, was first for both foodgrains and non-foodgrains. Madras, with an overall agricultural growth rate of 5.01 per cent, was second for foodgrains and third for non-foodgrains. Madhya Pradesh (third for all crops) was fourth for foodgrains. Mysore (overall agricultural growth rate of 3.56 per cent), which was just a shade lower than Madhya Pradesh, was seventh for foodgrains and fourth for non-foodgrains.

In many other States the pace of agricultural production was rather unbalanced. Kerala, which had the third place for foodgrains, was 12th for non-foodgrains. For overall agricultural growth, its ranking was eighth. Bihar, fifth for overall agricultural growth as well as for foodgrains, was ninth for non-foodgrains. Andhra got the sixth place for foodgrains and the last, that is, 14th for non-foodgrains.

Gujerat, UP and Rajasthan, on the other hand, did well in non-foodgrains but not so well in foodgrains. Maharashtra showed a moderate rate of growth in both foodgrain and non-foodgrain production.

Of all the crops, coffee recorded the highest rate of increase in production—15.15 per cent, which was due mainly to increased productivity. In the case of sugarcane, which came next, increase in the area under cultivation accounted for most of the increase in production.

Uttar Pradesh, which is the most important wheat-growing State, showed a low growth rate of 2.10 per cent per annum as compared to the all-India growth rate of 4.24 per cent. But Punjab, which comes next to UP in wheat production, showed a growth rate of 5.53 per cent per annum. Madhya Pradesh, which accounts for about a fifth of the all-India production of wheat, also showed an equally high growth rate of 5.39 per cent.

Punjab, which has the lowest share in the all-India production of rice, showed the highest rate of progress in rice production, while West Bengal, with the highest proportion of the all-India rice production, had the lowest rate of growth.

(*The Statesman*, New Delhi)

[Prev. ref. 5715:INI:I]

E. Secession Demand By DMK Withdrawn: The Dravida Munnetra Kazhagam (DMK) has given up its secession demand for a separate Tamil Nad and will work within the frame-work of the Indian Constitution.

The big change in the party's constitution was made at a meeting of the General Council of the party in Kumbakonam on July 12.

The party had decided in September, 1963 to give up its demand following the Central and State Governments' decision to ban such secession demand.

The Council resolved that the four Southern States—Tamil Nad, Andhra, Kerala and Karnataka—should work closely for greater autonomy.

Criticising the introduction of Hindi as a medium in the UPSC examinations, it described this as an attempt to make non-Hindi-speaking people as second class citizens of India.

It wanted steps to be taken to bring down prices and to repatriate Indians coming from Ceylon and Burma.

It also approved the 17th Amendment of the Constitution passed by Parliament in its last session.

It mourned the death of Mr. Nehru and President J. F. Kennedy of USA.

(*The Times of India*, New Delhi and *The Hindu*, Madras)

[Prev. ref. 5529:INI:Q]

F. Mr. Jigme Dorji's Assassination—Two Persons Executed: Naik Jambey, assassin of Mr. Jigme Dorji, the late Prime Minister of Bhutan, and Lieut. Sange Dorji, considered to be the brains behind the assassination plot, were executed in Thimpu, Bhutan's capital, on July 11.

They faced a military firing squad on the Army Parade Ground in Thimpu. Tied to twin poles bound with black cloth, they were publicly shot at 10 a.m. Army units were paraded to witness the execution.

Brigadier Bahadur Namgyal, Deputy Commander-in-Chief of the Bhutanese Army, Lieut. Sange Dorji, Naik Jambey and Naik Doley were sentenced to death for treason by a special court appointed by the King on May 16. Brigadier Namgyal was publicly executed the next day; Jambey and Doley, who were to have been shot along with him, had their exe-

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cution stayed by the King so that further investigation could be made.

Presumably this investigation was now complete. Naik Doley's sentence was remitted to life by a royal command; selected by Brigadier Namgyal to be Jambey's accomplice, he accepted his fee and disappeared before Mr. Dorji was shot.

The execution on July 11 put an end to rumours that Jambey and Doley would be reprieved because of some uncertainty that still persisted over the extent and implication of the assassination plot.

(*The Statesman*, Calcutta)

[Prev. ref. 5859:INI:G]

G. Kosi Canal System Inaugurated: Kosi water flowed into its eastern main canal and its tributaries as the gates of its head regulator near Bhimnagar, about 1½ miles away from Birpur (Bihar), on July 9 went up in fulfilment of the desire of the late Prime Minister, Mr. J. Nehru, expressed on the occasion of his last visit to Bhaisalotan on May 4.

The canal system will irrigate about 2,00,000 acres of agricultural lands in Saharsa and Purnea districts.

Meanwhile, the Kosi had inundated a number of low-lying villages situated in between its two embankments.

The flood discharge of the Kosi at Barahakshetra recorded on July 9 was 1,78,000 cusecs. Torrential rains had been continuing in the Kosi catchment area for the last two days.

The present discharge of the Kosi was, however, below the danger mark.

(*National Herald*, Lucknow)

[Prev. ref. 5225:NEP:B]

H. Southern Regional Electricity Board Inaugurated: The Southern Regional Electricity Board comprising the States of Mysore, Madras, Andhra and Kerala was inaugurated in Bangalore on July 10 by the Mysore Chief Minister, Mr. S. Nijalingappa.

Constitution of the Board will, according to its Chairman, Mr. J. V. Narasinga Rao, be a big step in power development of the region.

The Board has been set up to ensure the integrated operation of the power grids to economise the spinning reserve and standby capacities utilizing to the maximum advantage hydro and thermal resources and meet the seasonal variations in generation and to afford assistance from one region to another.

In his opening address, Mr. Rao said it had been estimated that in the Southern region alone, by working a common pool even by the end of the Third Five-Year Plan, the maximum demand could be reduced by 106 mw in the four States and a saving of 146 mw effected by reduction of standby capacity. Thus the total saving would be 252 mw.

(*The Hindu*, Madras)

[Prev. ref. 5547:INI:M]

ASIA OUTSIDE ASIA

A. UN Conference On Trade And Development: The United Nations Conference on Trade and Development was opened in Geneva on March 23 by the UN Secretary-General, U Thant.

In his inaugural speech, U Thant said that the world body must make a determined effort to solve international economic problems or risk seeing its work for peace frustrated.

He said there must be something wrong with economic policies on the national and international level if they permitted the unchecked continuance of the trend towards the growing disparity between rich and poor countries.

He said that delegates to the Conference could succeed "only through a sincere co-operative effort undertaken in the awareness of your common obligation to humanity".

Adverse trends in trade had nullified "to a marked extent" multilateral and bilateral assistance programmes to the developing countries, creating the need for control of market forces that had "until now been permitted to counter Government policies".

He said it should lay the foundation for and pave the way towards a new trade policy for development and define the "necessary instrumentality for its implementation."

"You can hardly do less than provide mankind, both in the under-developed and in the developed countries with a frame-work of principles and active policy to make trade a real vehicle of progress towards economic development and thus help to secure universal prosperity and peace for this and succeeding generations.

"The problem of maintaining peace is as complex as life itself, and it is perhaps our generation that has the best opportunity to realise that international relations are not determined solely by diplomatic intercourse and supporting military might, but are also influenced by people *in the fields and in the factories where human beings earn their daily bread.*"

He said a large part of the world usually described as "developing" was in fact not developing, or not developing fast enough. Such countries were not only lagging more and more behind the industrial societies but in certain cases in absolute terms their living standards were deteriorating, especially taking into account their population growth.

"Here we are witnessing the dilemma of our times: the fact that political emancipation is not accompanied by a concomitant and desirable rate of economic progress.

"The contrast between the developed and the under-developed parts of the world and the awareness of this contrast on the part of the peoples of Asia, Africa and Latin America, paralleled by growing political awakening together with continued economic bondage and poverty in my view are the factors which constitute the real background of this Conference."

Election Of President And Vice-Presidents:

The Conference unanimously elected as its President Mr. Abdul Moneim El Kaissuny, UAR Minister of the Treasury, Finance and Planning.

He said in his presidential speech that a bold new policy of international co-operation was needed. What was at stake at the Conference was not the particular economic interest of a few countries, but "the vast possibilities for development that could be opened to humanity through a more rational utilization of its resources and a better international economic order".

Mr. Ludwig von Moos, President of the Swiss Confederation, welcoming the delegates to the Conference, saw it as demonstrating the will of Governments to seek a trade policy which would facilitate the economic advancement of all countries without distinction.

After a general debate, the Conference formed five main Commissions, elected their governing boards, a *rapporteur*, and 27 Vice-Presidents.

India's Mr. T. Swaminathan was elected Chairman of the Second Commission (manufactured products). His name was proposed by Ceylon.

Of the 27 Vice-Presidents, 15 were from the developing nations (10 Afro-Asian and five Latin American), eight from the West—Norway, France, USA, West Germany, United Kingdom, Belgium, Canada and Denmark. The Soviet bloc had four Vice-Presidents—USSR, Czechoslovakia, Rumania and Poland.

The Asian Vice-Presidents elected were Japan, Pakistan, Indonesia and the Philippines.

Mr. N. Khruschev's Message:

The Soviet Premier, Mr. N. Khruschev sent a message of greetings to the participants in the Conference.

The message said:

"We are convinced that equal and mutually advantageous trade is a good basis for the peaceful co-existence of States with different social systems and creates favourable conditions for a further easing of international tensions and consolidation of peace throughout the world.

"International trade and economic co-operation, based on respect for sovereignty and the striving to take into account the vital requirements of the developing countries, will be a good supplement to the efforts exerted by these countries to liquidate the aftermaths of colonialism in their economy and foreign trade, and to develop an independent national economy".

The present state of *international* trade, he said, was unsatisfactory. "The unfair international division of labour, the ever-increasing gap between prices on goods exported by the developing countries and the prices on the goods they import, leading to an exhaustion of the resources of these countries and slowing down of their development, are a result of imperialist exploitation.

"Discrimination and artificial barriers are a brake on the growth of international trade and poison the political atmosphere. The Soviet Union is consistently promoting a policy of developing trade and economic relations with all countries of the world on an equal and mutually advantageous basis."

Principal Issues:

A report presenting the main issues facing the Conference was issued on February 14 by Mr. Raul Prebisch, Secretary-General of the Conference.

The report said that the premise on which it was based derived from the conviction that the international community was by now aware that practical action in the field of trade and development was second to no other responsibility which United Nations had to face in the 1960's. The Conference was being convened with the primary objective of pointing the way towards a new trade policy for development.

Discussing the past and present international economy, the report stated that the Conference would have to study a phenomenon whose existence had been a matter of controversy until recently—the persistent tendency towards external imbalance in the development process.

While primary commodity export in general was expanding relatively slowly, the report said, the demand for imports of manufactured goods had tended to grow rapidly at a pace that had increased with the rate of development. The resulting imbalance constituted a serious external bottleneck that made develop-

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ment difficult. The imbalance had to be eliminated if development was to be accelerated.

One of the objectives of the UN Development Decade was to attain an average annual growth rate of 5 per cent in the income of developing countries by 1970. This target was not much higher than the 4.4 per cent rate of the previous decade, but it would be extremely difficult, if not impossible, for many developing countries to reach the growth rate unless ways can be found to eliminate the growing gap between their export earnings and their import needs.

At the existing rate of growth, there was a mounting gap in the balance of payments of the developing countries. The gap would be even greater if the trends of the 1950's continued. This had to be the starting point of the Conference.

External resources of the developing countries could be increased through additional exports of primary products, through more exports of manufactures or through additional foreign aid. To some extent, each of these possible solutions is a substitute for the others.

It was an essential condition for success that the various measures adopted should be integrated within an over-all policy to achieve a rate of growth of the external resources of developing countries which, given the terms of trade, should be sufficient to enable them to obtain a volume of imports rising by at least 6 per cent every year, on the average. If such measures were not adopted, the trade gap of developing countries would be immense; according to calculations, if the factors responsible for the present trend in trade continue and if the income of developing countries was to grow by 5 per cent annually, the trade gap might reach an order of magnitude around $20,000 million by 1970. This gap was potential, and not real; if the problem was not solved, circumstances would dictate an appreciably slower pace of growth, for there was not the slightest possibility of steadily achieving a faster pace with such a gap.

The report said that on the international economic scene, new problems were to be faced which needed different attitudes from those that prevailed in the past, attitudes which should converge towards a new trade policy for economic development. Noting the gravity of the problems besetting the developing countries, it said that they had to assimilate modern technology quickly in order to raise their level of living. The new techniques, while they brought great advantages with them, were fraught with dangerous consequences because the ability fully to control forces of development in a rational way had not yet been learned.

The direct and indirect effects of technological progress were responsible for the fact that world demand for primary commodities was growing so slowly, to the detriment of the developing countries. The report suggested that production should adjust to this tempo, but structural difficulties prevented it from doing so to the extent necessary to prevent primary commodity prices from deteriorating in relation to those of manufactures. The more advanced the technique applied to primary production, the stronger the tendency towards such a deterioration.

Action by Governments was, therefore, imperative to deal with this paradox of development and, at the same time, to give primary commodities, and especially manufactures produced in the developing countries, easier access to the highly protected markets of the industrial countries.

The report then outlined an organizational scheme which could operate within the United Nations structure and which would be based on the holding of periodic conferences similar to the one held in Geneva in March. The report also suggested establishment of a standing committee. It would be primarily up to these bodies, with the help of a "valuable group" of existing facilities, including the regional economic commissions, to implement systematically the measures agreed upon by Governments, to modify or adopt new ones, and to formulate the policy "within which all these measures should be articulated."

The report then discussed measures which it said could not be adopted "in isolation" since they form part of a broader policy of international co-operation in economic development.

Dealing with primary commodities and industrial goods of the developing countries, it said that quantitative targets should be set for their entry into the market of industrial countries, to be reached within a certain number of years. The import targets for primary commodities may be quantities of specific commodities or of groups of commodities, or desired proportions of their consumption, or of the increase in their consumption in each importing country.

On the subject of industrial preferences, it suggested that, within a pre-determined value, the industrial countries would establish a quota for admitting manufactured goods from the developing countries free of duty, but they could exclude a schedule of items, constituting a reasonable percentage of the total goods they import, from these preferences. This exclusion could take effect from the outset or at some later stage in the operation of the system. Additions to the list of excluded products might be made subsequently on the basis of criteria to be determined. Manufactures from developing countries thus excluded from the scope of preferences should be admitted by the industrial countries on the usual most-favoured-nation basis.

The application of restrictions in each case should be fully cleared through the machinery of the General Agreement on Tariffs and Trade (GATT), and action especially affecting the manufactures from a given country should be permissible only if it is proved that they are particularly responsible for disrupting the market.

All the developing countries, regardless of their level of development, would be eligible to avail themselves of the preferential system until the relevant quota was reached. But there would have to be a periodic review of the flow of exports; and if exports from one or more countries increased so much that they did not leave sufficient room for those from the others, limitations could be imposed.

Exclusive preferences could be granted to the less advanced developing countries, using the schedule of items excluded by the industrial countries from the preferential system applied to all the other developing countries. The preference would remain in force for 10 years from the time when each industry in a given country started to export. But this period could be extended in accordance with internationally agreed procedures, if an exception to the rule was fully justified.

The ultimate objective should be the adaptation of existing preferential arrangements to the new system on a basis that provided benefits to the developing countries concerned at least equivalent to those they now enjoyed, and which did not discriminate among developing countries. The precise means whereby this ultimate objective might be secured was a matter for further discussion, but should include special aid and technical assistance to countries at the earliest stage of economic development. In any case, preferences granted by developing to industrial countries should be brought to an end.

Discussing the targets, the report said that they were an expression of the objectives to be reached; thus they were of an indicative character and they were not, in general, commitments to import. The targets for primary commodities represented quotas of goods to be imported without restrictions, but in some cases this might lead to commitments to purchase over a number of years.

In the industrial field, the target could be divided into two parts: (1) a duty-free import quota granted to the developing countries, and (2) whatever volume of additional imports of articles not included in the preferential arrangements was considered desirable. In the latter case, the imports would be liable to the same tariffs as those from other countries.

When the targets were set, Governments would undertake all necessary action to reach them, including promotional measures in the technical, trade and financial fields.

In the socialist countries, the targets would be of an indicative character, but they could also involve long-term commitments to import under the system of bilateral agreements.

Two converging kinds of measures were envisaged to guarantee the purchasing power of the exports of primary commodities—commodity agreements and compensatory financing. Commodity agreements were to be recommended as a means of improving prices and maintaining a price parity with those of manufactures, when the price improvement did not seriously affect consumption by reducing it or by giving synthetics and substitutes a competitive advantage.

Each developed country should take whatever internal action it saw fit to obtain resources for compensatory financing. But it should not do so through taxes which raised prices for the consumer, discouraged consumption or encouraged the replacement of the natural commodity by substitutes or synthetics.

The compensatory resources might form part of a fund administered by international credit institutions, at either the international or the regional level, in accordance with rules approved by Governments. Alternatively, the required resources might be made available to recipient countries by national and international agencies acting through consortia or other suitable co-operative arrangements. In either case, the decision taken might be based on an independent finding by an international team of experts of the highest standing that a particular country's economic development was being prejudiced by terms-of-trade losses.

The GATT rules now in force would have to be amended to take into account the consequences of the structural inequalities between industrial and developing countries. These amendments would relate in particular to reciprocity, to the preferences granted by the industrial countries to the developing countries and to the preferences granted by developing countries to each other through groupings or countries.

Apart from considerations of reciprocity, the developing countries with excessive protectionism should undertake to lower their high tariffs as they gradually counter the trend towards external imbalance by expanding their exports of primary and industrial products and by import substitution.

In the actual application of these concerted measures, it was essential to recognize the different situation of the developing countries, depending on the degree of their development, and to adapt and change the measures adopted so that the advantages deriving therefrom accrue especially to the less advanced of the developing countries, giving strong impetus to their growth.

Provisional Agenda:

Earlier in February, the third session of the Preparatory Committee for the Conference recommended a provisional agenda prepared during

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the Committee's two previous sessions.

The provisional agenda contained seven categories of trade problems: expansion of international trade, international commodity problems; trade in manufactures and semi-manufactures; improvement of the invisible trade of developing countries; implications of regional economic groupings; financing for an expansion of international trade; and institutional arrangements.

The majority said the Conference should seek the expansion and improvement of world trade, with priority on problems facing the developing countries. Some representatives said that once a solution had been found to the problems of developing countries, larger undertakings could be embarked upon.

The majority held that the provisional agenda was broad enough to allow discussion of any major problem affecting world trade. The Conference, they said, should concentrate on achieving concrete results.

The Committee had before it a draft resolution concerning the creation of an international trade organization.

The draft resolution would have the Conference decide to create a universal International Trade Organization (ITO), which would be founded on principles acceptable to all countries, regardless of differences in their social systems and levels of economic development.

The ITO, according to the draft, would be called upon to concern itself, in part, with the following problems:

(a) The inter-relationship between world trade and economic development;

(b) The elimination of artificially created restrictions and obstacles of trade in raw materials, semi-finished and finished products;

(c) The elimination of price fluctuations having undesirable consequences for trade and the economic situation;

(d) The elimination of the adverse effects of the activities of closed economic groupings on the trade of third countries, particularly on the trade and the economies of the developing countries;

(e) The removal of obstacles of an economic and administrative character and those connected with commercial policy hindering the development of international trade;

(f) Improvement of the terms of international trade, having regard to the requirements and needs of the different countries and regions;

(g) Improvement of the invisible trade of the developing countries;

(h) An easing of the terms for the financing of international trade, the use of international credit to promote trade between countries, and the granting of credit for the supply of equipment to the developing countries on terms favourable to those countries;

(i) The commercial and economic aspects of general and complete disarmament; and

(j) The study of such aspects of international trade as transit, access to the sea and transit for land-locked States, trade fairs and exhibitions.

India Calls For Revision Of GATT:

On March 25, India told the Conference that it wanted to see a full revision of GATT to accommodate both the under-developed nations and the trading practices of the communist world.

Mr. Manubhai Shah, Indian Minister of International Trade, said GATT was doing "good and successful work". But it had several deficiencies. It was set up, he said, before the political emergence of the former colonial territories and was created by the industrialized countries themselves.

GATT must include all UN members, he said, and that meant the Communist nations, which do not trade in the same way as the Western free-market nations. "Many nations present at the Conference trade with the Socialist countries, and this should be recognized in the GATT."

The US, however, urged the poor nations to forget traditional fears of investment by foreign capitalists and to get to work organizing their backward economies.

Russian Stand:

A Geneva despatch said that the Russian approach to the Conference steered a delicate course between Soviet needs and the claims of developing countries.

Clear support for the aims of the Conference was expressed, following the general line of other industrial countries, but a firm distinction was drawn between the Soviet bloc and the Western camp.

Mr. N. S. Patolichev, the Soviet Minister of Foreign Trade, in an address to the Conference on March 26 defended the Russian practice of making bilateral trade agreements as "sound", but expressed readiness to examine multilateral arrangements when economically expedient. He supported the most-favoured-nation principle in world trade, but at the same time favoured the granting of preferences and advantages to developing countries. While calling for a new international trade organization, he showed unexpected restraint in refraining from criticizing the General Agreement on Tariffs and Trade (GATT) or attacking by name the Common Market.

He said that the Soviet Union attached great importance to the stabilization of prices for primary products and supported measures for eliminating the damage caused by fluctuations in both demand and prices. All principal exporters and importers should be parties to international stabilizing agreements for commodities which should establish "an economically justified level of prices." Such agreements should be considered for cocoa, oilseeds, vegetable oils, cotton, citrus fruits, bananas, lead, zinc, copper and petroleum.

He added: "The Soviet Union will increase purchases in the developing countries of primary products as well as manufactured and semimanufactured goods, both through trade agreements and as repayment of the credits granted by the Soviet Union to these countries."

Boycott Of South Africa—Afro-Asian Move:

The delegations of the Afro-Asian group as well as Yugoslavia, Jamaica and Trinidad-Tobago on March 26 announced that they had decided not to co-operate in any form with the delegations of South Africa and Portugal at the Conference.

Reading the statement on behalf of the group immediately after the speech by the head of the Soviet delegation, Mr. K. B. Lall of India said: "It is in fact our desire that they should be excluded from participation in this Conference, but because of the overriding importance we attach to the work of this Conference, we are refraining from taking steps to this end. So far as this Conference is concerned, we propose to ignore the presence of representatives of these countries. We trust all delegations who have faith in the principles of human dignity, equality and justice will do the same. We hope our joint efforts will lead to the early abandonment of the policies of Portugal and South Africa which all humanity abhors and which the UN has condemned."

The statement said the group had no alternative but to raise the question of the presence of the delegations of South Africa and Portugal "which have outlawed themselves from the world community by their obnoxious policies of racial discrimination and colonial oppression," because of their persistent defiance of all international principles and their continuous violation of fundamental human rights.

It said the policies of South Africa and Portugal caused embarrassment to their friends and threatened world peace. "Many countries have appealed to them to change their outdated policies of apartheid and colonialism, many have tried to advise and influence them to abandon their intolerable practice and their negative attitude to the UN and its Charter. These appeals have not only fallen on deaf ears, but the situation has gone from bad to worse.

"We have met here to reconstruct international trade so that it becomes an effective instrument of economic development to all countries and peoples irrespective of colour, creed and race. These tasks require international goodwill, co-operation and mutual respect. We are unanimously of the view that the policies of apartheid, racialism and colonialism pursued by South Africa and Portugal run counter to the principles and purposes of this Conference."

British 10-Point Proposal:

The British Secretary of State for Industry, Trade and Regional Development and President of the Board of Trade, Mr. Edward Heath, on April 6 offered "10 key points" which "offer the greatest hope of practical progress."

The first six of the points concerned the freeing of trade. The other four dealt with action designed to give special forms of assistance to the trade of the developing countries. The 10 points were:

(1) There should be a standstill on new barriers to the trade of the less-developed countries in products which have been identified as being of particular interest to them;

(2) Quantitative restrictions adversely affecting the trade of the developing countries should be ended;

(3) The removal of duties on tropical products;

(4) The removal of duties on primary products imported from the developing countries;

(5) The reduction of tariffs on semi-processed and processed products imported from the developing countries;

(6) The ending of internal taxes and revenue duties applying specifically to products wholly or mainly produced in the developing countries;

(7) The granting of preferences by the developed countries;

(8) The exchange of preferences among the developing countries;

(9) The stabilization of commodity prices; and

(10) Supplementary financial assistance.

Mr. Heath said that the first six of his points—for freeing trade—were considered by the Ministers of GATT in May, 1963. "In the formulation and application of such points as these, GATT is providing invaluable services to the interests of developed and developing countries alike. Of course, we recognize that policies cannot be changed overnight. Some of us may need to deal in special ways with special problems of particular responsibilities, either domestic or international. But the time has now come for action. Let us now get on with it."

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On the granting of preferences by the developed countries—point 7—he said: "Surely, we all ought now to be willing to move more quickly in reducing import duties on goods from developing countries than we (the developed countries) may be able to do in trade among ourselves.

"We in Britain are prepared to extend tariff preferences to all developing countries. The preferences we give at present are designed for the benefit of Commonwealth countries. These countries might suffer by sharing them with others unless they obtained compensating advantages in other markets. We should, therefore, need to act in concert with the other major industrialized countries to ensure that this is brought about. Moreover, where present preferences are the subject of agreements with Commonwealth Governments, we should not act without the consent of those Governments.

"Such an extension of the arrangements for tariff preferences must not be allowed to impede the general reduction of tariffs among developed countries on which the continued expansion of international trade so largely depends.

"Preferences should, therefore, be created not by raising tariffs against other countries, but by lowering or abolishing tariffs for developing countries."

Soviet Union Announces Abolition Of Customs Duties On Goods From Developing Countries:

The Soviet delegate, Mr. Victor Spandarian, announced on April 8 that the Soviet Union would abolish as from January 1, 1965 its customs duties on goods imported from the developing countries.

The announcement was made in the Fifth Committee of the Conference (the Committee dealing with problems of trade expansion).

Mr. Spandarian said this decision was in addition to those already announced at the Conference by the Soviet Foreign Trade Minister, Mr. Nikolai Patolichev, on the increase of Soviet purchases of raw materials, manufactures and semi-manufactures from the developing countries.

In addition, USSR was prepared to collaborate with the developing countries in specialization and co-operation in different sorts of production. "It was also prepared to encourage trade between developing countries even at the expense of Soviet trade."

Trade Preferences Sought For Developing Countries:

On April 30, India proposed measures to improve developing countries' trade in manufactured and semi-manufactured goods.

The Indian delegate, Mr. K. B. Lall, told the Conference's Second Committee that he believed the proposals were supported by the majority of developing countries.

The Indian proposals, which included ideas already put forward in previous statements by the Indian delegation, included:

(1) Preferential treatment to be awarded by developed countries without discrimination to all developing countries for at least 10 years—with rules to prevent their abuse.

(2) Abolition without delay of quantitative and other restrictions, international investigation and identification of other visible and invisible tariff barriers and the speedy removal of such barriers.

(3) An increase in imports by countries with centrally-planned economies from developing countries at a rate twice that of the general average.

(4) Diversification of imports by socialist countries with centrally-planned economies and other measures by socialist countries to encourage imports from developing countries, such as the abolition of import tariffs and the avoidance of competition in the sale of products identical to goods from developed countries.

(5) Zero tariffs on items on which duty in most-favoured-nation arrangements is 10 per cent on products processed from tropical materials, such as tea, coffee, cocoa, sisal, jute, hemp, fruits, vegetables, oilseeds, woods and rubber, on the products of cottage industries such as handmade textiles and on intermediate products, such as tanned leather, pig-iron and steel.

(6) Amendment of the tariff structure of industrialized countries to provide for the reduction by a minimum of 50 per cent the import duties on all goods which are not given a duty-free treatment.

(7) The provision in the GATT (General Agreement on Tariffs and Trade) trading rules for preferential entry as regards duties and quotas into industrialized countries of manufactures and semi-manufactures from developing countries.

(8) Guarantee that the tariffs position of products of developing countries will not worsen.

(9) Reduction or elimination on a most-favoured-nation basis by industrialized countries of customs duties on imports of manufactures and semi-manufactures from developing countries.

Differences Between Industrialized And Developing Countries:

A sharp cleavage between industrialized and the developing countries was apparent on May 12 in the resolutions passed in the various Committees of the Conference.

A typical example was the defeat of the resolution presented by the Western Powers plus Jamaica, Trinidad and Japan to the Committee on manufactured products. The resolution, dealing with the activities of a United Nations industrial development centre which the West was trying to promote, was defeated by 44 votes to 22, with 19 abstentions.

The resolutions presented by the under-developed countries were pushed through, however, without the support of a single Western industrialized country.

(1) In the Committee for manufactured products, a motion presented by 40 African and Latin-American countries recommending the creation of a United Nations specialized agency for industrial development was approved by 58 votes to 21, with six abstentions.

(2) In the Financial Committee, an Afro-Asian and Yugoslav motion for reactivating the United Nations capital goods fund—which had never been in operation—was approved by 54 votes to nine (the latter being the major Western industrialized countries) with 17 abstentions. The abstentions were mostly on the part of other Western countries, but also included certain of the French-speaking African countries.

However, one motion backed jointly by some of the industrialized and some of the under-developed countries—the only exception to the split vote—passed with a strong majority. The motion was presented by Denmark, Netherlands, Finland (among the Western countries) and Pakistan, Chile, Nigeria, Syria and India (among the under-developed nations). It dealt with the gradual transformation and extension of the powers of the UN Special Fund (which is now devoted to pre-investment studies). The motion was approved by 6 votes to three (Canada, Britain, West Germany), and with the abstention of 16 others (USA, France, Japan and the Soviet countries)—that is, the countries which would be called on for the financial backing of such a Fund.

To counteract the harmful effect of such votes, tending to split the Conference without really advancing its work, "conciliation" contacts were being planned between the 11 "third world" delegates and the five representing the industrialized nations.

Some observers in Geneva said that one of the purposes of the "conciliation efforts" was simply to stop all voting in Committees, at least for the time being.

The developing countries and the Western later set up special restricted committees for unofficial talks to seek compromise solutions on major issues.

The Conference thus virtually entered a phase of bargaining on concrete problems.

An 11-member "enlarged steering committee" was announced to conduct negotiations with the Western and Soviet bloc industrial countries on "practical solutions" to the problem of under-development.

The Western group immediately followed up the announcement with the creation of a five-member committee of "good offices" to negotiate with the representatives of the developing countries.

Proposals For Closer Economic Co-operation:

Britain, Australia and a number of other countries on May 19 presented proposals for closer economic co-operation between developing countries to promote their trade in manufactured and semi-manufactured goods.

The proposal, backed by Kenya, Liberia, Nigeria, the Philippines, Sierra Leone, Tanganyika and Zanzibar and Uganda, included suggestions for:

(1) The exchange of information between developing countries on their industrial development plans;

(2) Joint facilities for research, standards and trade promotion;

(3) Collaboration in the development of adequate transport and communication to service industrial development and trade;

(4) Promotion among developing countries of increased purchases of manufactures and semi-manufactures produced in other developing countries, with simpler trade and customs formalities; and

(5) Appropriate financial and payments arrangements.

The industrialized and the developing countries still disagreed on most major problems, and the Western group was split within itself.

Six Latin American countries presented a draft resolution asking for direct financial compensation for damage caused to developing countries by fall in the international market prices for basic commodities.

Delegations from 14 developing nations also presented a draft resolution to the committee asking for a special fund to compensate them for deterioration of their terms of trade "due to reasons beyond their control."

International Trade Organization—75-Nation Draft Resolution:

On May 21, 75 developing countries circulated a draft resolution calling for a new international trade organization to replace all existing trade bodies.

The resolution called for the setting up of a comprehensive organization with sufficient authority to deal with all aspects of international trade and development. It recommended that the Confer-

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ence should continue as an organ of the UN General Assembly until the new trade organization was set up. It also suggested that the new conference should have an executive council of 52 members.

In the Committee on trade in manufactured and semi-manufactured goods, the 75 developing countries presented another draft resolution urging industrialized nations to open up their markets by abolishing import duty on some goods and 50 per cent reduction in the existing most-favoured-nation duty on the rest of the goods.

The resolution called for the elimination of all preferential arrangements between advanced and developing nations involving discrimination against third parties.

The United States on May 26 presented a draft recommendation calling for the freezing, reduction or possible elimination of tariff or non-tariff barriers for manufactures from developing countries.

The US paper recommended "not to raise existing tariff or non-tariff barriers to exports from developing countries nor to establish new ones...and wherever possible to eliminate duties on manufactured and semi-manufactured products of special export interest to developing countries."

The US draft, introduced by Mr. Herbert F. Propps, to the Conference's Second Committee (trade in manufactures and semi-manufactures), was the fourth paper presented to the Committee for discussion. The others were made by Britain, Switzerland and a group of 62 developing countries.

"One Per Cent" Plan Approved:

The Conference on May 29 approved by an overwhelming majority the *"one per cent" plan under which the industrialized nations are to set aside* one per cent of their gross national income for the developing countries.

While all 75 developing nations represented at the meeting and most of the Western industrialized nations voted in favour of the idea, the West German delegation abstained.

The German attitude was received with astonishment and misgivings by the developing as well as by the Western countries.

Resolution On New International Trade Organization:

The Conference in Committee on June 2 adopted a resolution put forward by 73 developing nations calling for the establishment of a new international trade organization replacing all existing bodies.

The proposal, which was passed by 83 votes to 20, was opposed by most of the West European countries, Britain, USA, South Africa and Japan. The Soviet Union voted for the resolution.

The resolution called on the UN General Assembly to set up a new organization of a universal character and with sufficient authority to ensure compliance with its own decisions and with those of United Nations relating to trade and development.

Introducing the resolution, the Pakistani representative said that the advanced and the developing countries differed mainly on the question of voting in the new organization. He said if the proposal of the industrialized nations were accepted, it would give them a virtual veto.

The developing countries' proposals envisaged the continuation of the Conference as an organ of the UN General Assembly, meeting every two or three years and exercising general responsibility for promoting trade. It would have a 52-member Executive Council, which would conduct urgent studies on setting up the projected organization. The Council's membership would ensure the Afro-Asian countries and Yugoslavia of 23 seats, with 14 for the West, nine for Latin America, and six for the Soviet bloc.

In the Western draft, which was not put to the vote (nor was that of the Soviet bloc) the Council is designated as the commission for international trade, in which there would be qualified majority voting. Recommendations would be considered as adopted when approved by a majority of members, including a majority of those of the 12 main trading States present.

On behalf of the Western countries, Mr. H. Vogt (Norway) voiced regret that, for procedural reasons, the proposal had been put to the vote while the process of conciliation was still in progress.

In the Western view, he said, the institutional machinery must meet two basic requirements—it must satisfy the wishes of the developing countries to have a forum where they could express their views on their legitimate interests; and it must recognize that the developed nations—handling 80 per cent of world trade—equally had legitimate interests to safeguard. The two groups must be partners on an equal footing.

The Western countries, he said, considered that a decision now on an international trade organization was premature. However, they were not opposed to leaving the question for further consideration. There was also the matter of the continuing relationship between the proposed machinery and existing UN organizations, "whose rights and responsibilities must be respected".

Formation Of World Trade Board—Conference Ratifies Recommendation:

The Conference adopted on June 15 without a vote the Fourth Committee's recommendation on the creation of a 55-nation World Trade and Development Board as provided for in a compromise text approved earlier by both the developed and developing nations.

The Conference also adopted the recommendations of other Committees, including the Fifth Committee's general and special principles on which a compromise was reached at the eleventh hour on June 15.

Under the compromise the texts with which the developed nations are not in agreement will be sent to the new institutions for study and eventual redrafting.

A joint Soviet-American resolution backed by India and several other nations and stressing the impact of general disarmament on world economy and trade, was among the Fifth Committee recommendations that were passed.

The Conference rejected a Soviet resolution aimed at associating "all the countries which take part in world trade" with the "final act" of the Conference.

The resolution was aimed at including East Germany in the Conference's work, and People's China as well, if she so desired.

The resolution was rejected by 35 votes to 19, with 22 abstentions.

The foundation for the compromise and comparative success of the Conference was laid at the dinner given by Mr. Manubhai Shah, India's Minister for Commerce to the leaders of 22 delegations on June 13.

The dinner was given soon after Mr. Raul Prebisch, the Conference Secretary General, told "the 75" in a moving speech that he was regretfully announcing that the Conference was going to be a tremendous failure.

Although not every one was happy with the compromise formula, every one agreed that an independent economic organization under United Nations would help the developing nations in reversing to some measure the present trends in international trade.

At the request of Norway's delegate, the draft resolution on minerals and fuels moved by a number of Asian and African countries including Burma, India, Indonesia and Ceylon and amended by Algeria, was put to vote by a show of hands and passed.

The speedy procedure was then applied to adopt the draft recommendations of the Second Committee on manufactures and semi-manufactures. At delegations' requests, some of the drafts were put to vote. However, in several cases a roll call was asked for by the developed nations which voted against some of the recommendations or abstained.

After more than six hours of discussion, the 33 African countries attending the Conference chose their 12 representatives on the permanent World Trade Council.

There were long arguments about the twelfth seat, and it hung in the balance between Algeria and the United Arab Republic. In the end, the last seat was given to the UAR, and the seat originally earmarked for Tunisia was given to Morocco instead.

The list of the 12 African countries represented on the permanent Council stood as follows: Ghana, Guinea, Mali, Dahomey, Nigeria, Cameroun, Congo (Leopoldville), Tanganyika-Zanzibar, Ethiopia, Madagascar, Morocco and the United Arab Republic.

Conference Ends:

The Conference ended its three-month session in Geneva on June 17.

It adopted its Final Act and elected 55 members to a proposed Trade and Development Board, planned as a permanent organ of the Conference and part of the United Nations continuing machinery recommended by the Conference.

The Conference approved general and special principles governing trade relations and policies, and principles on the transit rights of land-locked countries; and adopted recommendations relating to international commodity arrangements and preferences.

At its last plenary meeting, the Conference agreed, at the request of 77 developing countries, to include as an annex to the Final Act a declaration on their behalf. The declaration stated that the Conference was a significant step towards creating a new and just world economic order, and that the developing countries considered it vitally necessary for the new international machinery in the field of trade and development to be an effective instrument.

The Final Act of the Conference remained open for signature in Geneva up to June 25.

The following were elected to the proposed Board:

Group I (22 from Africa, Asia, plus Yugoslavia): Afghanistan, Cameroun, Ceylon, Congo (Leopoldville), Dahomey, Ethiopia, Ghana, Guinea, India, Indonesia, Iran, Iraq, Lebanon, Madagascar, Mali, Morocco, Nigeria, Pakistan, Philippines, United Arab Republic, United Republic of Tanganyika and Zanzibar, and Yugoslavia.

Group II (18 from Western market economy countries, plus Japan): Australia, Austria, Belgium, Canada, Denmark, West Germany, France, Italy, Japan, Netherlands, New Zealand, Norway, Spain, Sweden, Switzerland, Turkey, United Kingdom and United States.

Group III (nine from Latin America including Jamaica): Argentina, Bolivia, Barzil, Chile, Ecuador, El Salvador, Honduras, Mexico and Uruguay.

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Group IV (six from socialist countries): Bulgaria, Czechoslovakia, Hungary, Poland, Rumania and USSR.

A number of the decisions were taken on the basis of compromise texts submitted by the President of the Conference reflecting agreements reached in the course of consultations between representative groups of countries.

On the question of institutional arrangements, the Conference approved without formal vote the recommendation submitted by the President. This would have the General Assembly, at its 19th session, establish the Trade Conference as an organ of the Assembly. The Conference would be convened at intervals of not more than three years, meeting first in 1966. The permanent organ of the Conference would be a Trade and Development Board.

Each member of the Conference would have one vote. Decisions on matters of substance would be taken by a two-thirds majority of those present and voting. Procedural matters would be decided by majority vote.

The recommendation provided for special conciliation procedures.

On commodities, the Conference approved another recommendation submitted by the President. Part 1 of this formulated the objectives, principles and scope of international commodity arrangements and proposed the establishment of a commission on commodity arrangements and policies.

Part 2 listed recommended action to be taken by developed countries with market economies and those with centrally planned economies, as well as action to be taken by all developed countries.

On preferences, a recommendation submitted by the President was approved. This would have the UN Secretary-General make arrangements to establish as soon as possible a committee of governmental representatives drawn from both developed and developing countries to work out the best method of implementing preferences on the basis of non-reciprocity from developing countries. The committee would report to the Secretary-General.

The President of the Conference, Mr. Kaissuny made the following points at a news conference on June 18:

(1) The results of the UN Conference on Trade and Development represented an "important first step taken in the right direction", but both the developed and the developing nations recognized that "much still needs to be done", especially regarding greater access of primary commodities, manufactures and semi-manufactures from developing countries to the industrialized nations. Further measures aimed at the elimination of prevailing obstacles restricting the exports from developing countries and at establishment of preferential system were required so as to enable developing nations to diversify production and increase export earnings, thereby allowing them to import more capital equipment and other goods indispensable to accelerate their economic development.

(2) The recommendations approved regarding financial assistance represented an advance. Nevertheless, further study was still required on specific international measures to be undertaken.

(3) The question of principles to guide international trade policy, particularly as it affected economic development, required further elaboration by the institutional machinery unanimously recommended by the Conference to the General Assembly.

(4) One of the main tasks of the special committee of experts which the Conference requested the Secretary-General to establish, was the elaboration of procedures for conciliation and negotiation.

(5) The achievement of results at the Conference had been "more difficult" than expected at the outset, when the opening general debate reflected a "genuine mutual desire" of both the developing and developed nations to co-operate in the solution of basic problems. However, the process of conciliation of different approaches for the implementation of solutions presented "certain difficulties" requiring complex negotiations in such fields as access to markets, a preferential system, institutional machinery, guiding principles for international trade policy, etc., before general agreement was reached.

Asked whether or not it was fundamental for the developed countries to readjust their industrial structure in order to implement the objectives of the Conference, he answered: "No one can impose a change on any sovereign country" but there was a natural process whereby the developed countries might in the long run concentrate on the more complex activities for which they were specially suited. Though both reduction in tariffs and international export subsidies might be helpful, a system of preferences was more effective.

On the question of the population explosion, he stated that economic development was vital to the solution of the problem.

On relations between the new institutional machinery and the General Agreement on Tariffs and Trade (GATT), he declared "it would be very short-sighted of the proposed Trade and Development Board to attempt to reduce the importance of GATT". He said there should be co-operation between it and the new machinery though it must be remembered that GATT served only a certain number of countries.

He stated that difficulties between the developed and the developing countries were perhaps due to mistrust and suspicion of newly independent countries vis-a-vis former colonial Powers. It was important to try to improve the international atmosphere in economic relations, and this was a likely outcome of meetings of future Trade Conferences and the Trade and Development Board.

With respect to unified action by "the 75," it was a question of their being not a "political group" but a group of developing countries with the same economic problems. He hoped they would continue to work together in United Nations and other international organizations.

Asked about the significance of the recommended aid allocation of one per cent of the national income of developed countries, he said such an allocation would total $9,000 million to $10,000 million, which would in effect have covered the trade deficit in 1963 and which would allow for economic expansion of developing countries at a greater rate in the future. The present net total of aid received by developing countries amounted to $4,000 million annually.

Recommendations:

The following is a consolidation of the recommendations of the Conference:

Section I: Principles.

(1) The Conference has recommended the following General Principles to govern international trade relations and trade policies conducive to development:

General Principle 1: Economic relations between countries, including trade relations, shall be based on respect for the principle of sovereign equality of States, self-determination of peoples, and non-interference in the internal affairs of other countries.

General Principle 2: There shall be no discrimination on the basis of difference in socio-economic systems. Adaptation of trading methods shall be consistent with this principle.

General Principle 3: Every country has the sovereign right freely to trade with other countries, and freely to dispose of its natural resources in the interest of the economic development and well-being of its own people.

General Principle 4: Economic development and social progress should be the common concern of the whole international community and should by increasing economic prosperity and well-being help strengthen peaceful relations and co-operation among nations. Accordingly, all countries pledge themselves to pursue internal and external economic policies designed to accelerate economic growth throughout the world, and in particular to help promote in developing countries a rate of growth consistent with the need to bring about substantial and steady increase in average income in order to narrow the gap between the standard of living in developing countries and that in the developed countries.

General Principle 5: National and international economic policies should be directed towards the attainment of an international division of labour in harmony with the needs and interests of developing countries in particular and of the world as a whole. Developed countries should assist the developing countries in their efforts to speed up their economic and social progress, should co-operate in measures taken by developing countries for diversifying their economies and should encourage appropriate adjustments in their own economies to this end.

General Principle 6: International trade is one of the most important factors in economic development. It should be governed by such rules as are consistent with the attainment of economic and social progress and should not be hampered by measures incompatible therewith. All countries should co-operate in creating conditions of international trade conducive in particular to the achievement of a rapid increase in the export earnings of developing countries and in general to the promotion of an expansion and diversification of trade between all countries, whether at similar levels of development, at different levels of development, or having different economic and social systems.

General Principle 7: The expansion and diversification of international trade depends upon increasing access to markets, and upon remunerative prices for the exports of primary products. Developed countries shall progressively reduce and, in appropriate cases, eliminate barriers and other restrictions that hinder trade and consumption of products of particular interest to developing countries and take positive measures such as will create and increase markets for the exports of developing countries. All countries should co-operate through suitable international arrangements on an orderly basis in implementing measures designed to increase and stabilize primary commodity export earnings, particularly of developing countries, at equitable and remunerative prices and to maintain a mutually acceptable relationship between the prices of manufactured goods and those of primary products.

General Principle 8: International trade should be conducted to mutual advantage on the basis of the most-favoured-nation treatment and should be free from measures detrimental to the trading interests of other countries. However, developed countries should grant concessions to all developing countries and extend to developing countries all concessions they grant to one another and should not, in granting these or other concessions, require any concessions in return from developing countries. New preferential concessions, both tariff and non-tariff, should be made to developing countries as a whole and such preferences should not be extended to developed countries. Developing countries need not extend to developed countries preferential treatment in operation amongst them. Special

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preferences at present enjoyed by certain developing countries in certain developed countries should be regarded as transitional and subject to progressive reduction. They should be eliminated as and when effective international measures guaranteeing at least equivalent advantages to the countries concerned come into operation.

General Principle 9: Developed countries participating in regional economic groupings should do their utmost to ensure that their economic integration does not cause injury to, or otherwise adversely affect, the expansion of their imports from third countries, and in particular from developing countries, either individually or collectively.

General Principle 10: Regional economic groupings, integration or other forms of economic co-operation should be promoted among developing countries as a means of expanding their intra-regional and extra-regional trade and encouraging their economic growth and their industrial and agricultural diversification with due regard to the special features of development of the various countries concerned as well as their economic and social systems. It will be necessary to ensure that such co-operation makes an effective contribution to the economic development of these countries, and does not inhibit the economic development of other developing countries outside such groupings.

General Principle 11: International institutions and developed countries should provide an increasing net flow of international financial, technical and economic assistance to support and re-inforce, by supplementing the export earnings of developing countries, the efforts made by them to accelerate their economic growth through diversification, industrialization and increase of productivity on the basis of their national policies, plans and programmes of economic development. Such assistance should not be subject to any *political or military conditions. This assistance, whatever its form and from whatever source, including foreign public* and private loans and capital, should flow to developing countries on terms fully in keeping with their trade and development needs. International financial and monetary policies should be designed to take full account of the trade and development needs of developing countries.

General Principle 12: All countries recognize that a significant portion of resources released in successive stages as a result of the conclusion of an agreement on general and complete disarmament under effective international control should be allocated to the promotion of economic development in developing countries.

General Principle 13: The Conference decided to include, as a separate part of the Principle adopted by the Conference, the Principles relating to transit trade of land-locked countries set forth below.

General Principle 14: Complete decolonization in compliance with the United Nations Declaration on the Granting of Independence to Colonial Countries and Peoples and liquidation of the remnants of colonialism in all its forms is a necessary condition for economic development and the exercise of sovereign rights over natural resources.

General Principle 15: The adoption of international policies and measures for the economic development of the developing countries shall take into account the individual characteristics and different stages of development of the developing countries, special attention being paid to the less developed among them, as an effective means of ensuring sustained growth with equitable opportunity for each developing country.

(2) The Conference has recommended a number of Special Principles to govern international trade relations and trade policies conducive to development.

(3) The Conference has adopted the following recommendation on Principles relating to transit trade of land-locked countries:

The Conference.

Having regard to the various aspects of the problems of transit trade of land-locked States,

Considering that for the promotion of the economic development of the land-locked States, it is essential to provide facilities to enable them to overcome the effects of their land-locked position on their trade,

Adopts the following principles together with the Interpretative Note:

Principle 1: The recognition of the right of each land-locked State of free access to the sea is an essential principle for the expansion of international trade and economic development.

Principle 2: In territorial and on internal waters, vessels flying the flag of land-locked countries should have identical rights and enjoy treatment identical to that enjoyed by vessels flying the flag of coastal States other than the territorial State.

Principle 3: In order to enjoy the freedom of the seas on equal terms with coastal States, States having no sea coast should have free access to the sea. To this end States situated between the sea and a State having no sea coast shall by common agreement with the latter and in conformity with existing international conventions accord to ships flying the flag of that State treatment equal to that accorded to their own ships or to the ships of any other State as regards access to sea ports and the use of such ports.

Principle 4: In order to promote fully the economic development of the land-locked countries, the said countries should be afforded by all States, on the basis of reciprocity, free and unrestricted transit, in such a manner that they have *free access to regional and international trade in all circumstances and for every type of goods.*

Goods in transit should not be subject to any customs duty.

Means of transport in transit should not be subject to special taxes or charges higher than those levied for the use of means of transport of the transit country.

Principle 5: The State of transit, while maintaining full sovereignty over its territory shall have the right to take all indispensable measures to ensure that the exercise of the right of free and unrestricted transit shall in no way infringe its legitimate interests of any kind.

Principle 6: In order to accelerate the evolution of a universal approach to the solution of the special and particular problems of trade and development of land-locked countries in the different geographical areas, the conclusion of regional and other international agreements in this regard should be encouraged by all States.

Principle 7: The facilities and special rights accorded to land-locked countries in view of their special geographical position are excluded from the operation of the most-favoured-nation clause.

Principle 8: The Principles which govern the right of free access to the sea of the land-locked State shall in no way abrogate existing agreements between two or more contracting parties concerning the problems, nor shall they raise an obstacle as regards the conclusion of such agreements in the future, provided that the latter do not establish a regime which is less favourable than or opposed to the above-mentioned provisions.

(4) In the light of its adoption of Principles governing international trade relations and trade policies conducive to development, the Conference has recognized the necessity of achieving the broadest possible measures of agreement at the earliest possible moment on a set of Principles, and has recommended that the institutional machinery proposed by the Conference should continue efforts to that end.

Section II: International Commodity Problems.

(5) In order to deal with the problems facing the primary commodity trade of developing countries the Conference has recommended that the provisions outlined below should be considered as means of increasing the export earnings of the developing countries by general measures as well as by specific measures related to individual commodities and, that, to this end, practical steps should be taken by Governments concerned to implement at the earliest possible date those of the following provisions which are applicable in the light of certain considerations, as solutions of the urgent problems of developing countries:

(a) Provisions for international commodity arrangements with a basic objective of stimulating a dynamic and steady growth and ensuring reasonable predictability in the real export earnings of the developing countries so as to provide them with expanding resources for their economic and social development, while taking into account the interests of consumers in importing countries, through remunerative, equitable ad stable prices for primary commodities, having due regard to their import purchasing power, assured satisfactory access and increased imports and consumption, as well as co-ordination of production and marketing policies.

(b) Provisions for a programme of measures and actions for the removal of obstacles (tariff, non-tariff and other) and discriminatory practices and for expansion of market opportunities for primary commodity exports and for increases in their consumption and imports in developed countries.

(6) The Conference has given general approval to the establishment of a commission on commodity arrangements and policies within the frame-work of the continuing institutional machinery which will be established following the UNCTAD. The Conference has also generally formulated terms of reference for the new Commission and requested that they be given prompt and favourable consideration by the continuing institutional machinery.

(7) The Conference has also adopted recommendations for active measures to promote market opportunities for primary commodity exports and for increases in consumption and imports in both developed and developing countries. It has expressed the belief that food aid should become an integral and continuing part of international aid under the United Nations and the Food and Agriculture Organization of United Nations. It has also recommended special action, both national and international, to deal with cases where natural products exported by developing countries face competition from synthetic and other substitutes. It has also recommended, inter alia, the study and preparation of a programme of action for the organization of commodity trade.

(8) The Conference has noted the heavy dependence of some developing countries on foreign exchange earnings from the export of minerals and fuels, and has recommended that the developed countries should effectively reduce and/or eliminate barriers and discrimination to the trade and consumption of those products, particularly internal taxation, with a view to increasing the real income of the developing countries from the said exports. It has also recommended action to provide the developing countries producing minerals and fuels with an appreciable increase in the revenues which accrue to them as a result of the export of these natural resources.

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Section III: Trade In Manufactures And Semi-Manufactures:

(9) The Conference recognizes the urgent need for the diversification and expansion of the export trade of developing countries in manufactures and semi-manufactures as a means of accelerating their economic development and raising their standards of living. It considers that individual and joint action by both developed and developing countries is necessary to enable the latter to obtain increased participation commensurate with the needs of their development in the growth of international trade in manufactured and semi-manufactured products.

(10) The Conference has adopted a series of recommendations designed to help in the promotion of industries with an export potential and in the expansion of their export trade in manufactures and semi-manufactures. These recommendations deal with the following questions:

(a) Industrial development, dealing with the creation of a specialized agency for industrial development;

(b) Industrial branch agreements on partial division of labour;

(c) The establishment and expansion of industries with an export potential.

(11) The Conference has recommended the adoption by Governments participating in the Conference of certain guidelines in their foreign trade and assistance policies and programmes providing for increased access in the largest possible measure to markets for manufactured and semi-manufactured products of interest to developing countries, so as to enable these countries to increase and diversify their exports of these products on a stable and lasting basis. These guidelines also include appropriate provision by developing and developed countries for co-operation between Governments and private groups to build up export production in developing countries.

(12) The Conference has noted both the agreement signified by all developing countries and a great majority of the developed countries with the principle of assisting the industrial developing countries by the extension of preferences in their favour and the opposition to this principle expressed by some developed countries. The Conference has recommended that the Secretary-General of the United Nations establish a Committee of Governmental representatives to consider the matter with a view to working out the best method of implementing such preferences on the basis of non-reciprocity from the developing countries as well as to discuss further differences of principle involved.

(13) The Conference has adopted a recommendation based on the readiness of the centrally planned economies to take action with a view to increasing through appropriate measures the import of manufactures and semi-manufactures from the developing countries.

(14) The Conference has adopted a recommendation outlining practical measures for promotion of trade in manufactures and semi-manufactures among developing countries.

(15) The Conference has also adopted a recommendation calling on developed countries to take certain measures, inter alia, on import promotion and industrial adjustment.

Section IV: Financing For An Expansion Of International Trade And Improvement Of The Invisible Trade Of Developing Countries.

(16) On the main issues before the Conference on the financing of development, trade and invisible transactions, a large consensus of agreement was reached, though complete agreement was not always achieved.

(17) The Conference recognizes the wide concern expressed regarding the inadequacy of the growth target of 5 per cent per annum set for the United Nations Development Decade. The Conference acknowledges the need for steps to be taken, by both developing and developed countries, to mobilize domestic and international resources for accelerated growth in developing countries at rates even higher than envisaged for the Development Decade where feasible; and that the economic situations, policies and plans of individual developing countries be examined for this purpose with the consent of the country concerned. The Conference also recognizes in this connexion that the import capacity of developing countries, resulting from the combined total of export proceeds, in taking into account the evolution of visible earnings and capital inflow, and prices, should rise sufficiently, and the measures taken by the developing countries themselves should be adequate so as to enable these higher rates of growth to be achieved; and that all countries, developed and developing, should undertake, individually and in co-operation, such measures as may be necessary to ensure this. The Conference has also recommended that each economically advanced country should endeavour to supply financial resources to the developing countries of a minimum net amount approaching as nearly as possible to 1 per cent of its national income, having regard, however, to the special position of certain countries which are net importers of capital. The Conference has also adopted a recommendation providing, **inter alia**, that the rate of interest of Government loans to the developing countries should not normally exceed 3 per cent.

(18) The Conference has adopted recommendations concerning terms and conditions of financial and technical co-operation provided by industrialized countries through bilateral and multilateral programmes of assistance to developing countries.

(19) The Conference has proposed certain measures to deal with the increasing burden of accumulated debt and service payments in developing countries, with the objective of facilitating, whenever warranted and under appropriate conditions, the re-scheduling or consolidation of debts with appropriate periods of grace and amortization, and reasonable rates of interest. It has also approved the possibility of deliveries on credit of industrial equipment re-imbursable in goods.

(20) The Conference has adopted the following recommendations proposing measures and studies concerning an increase in the volume or an improvement in the terms of financing for developing countries:

(a) Recommendations concerning a United Nations Capital Development Fund, the gradual transformation of the United Nations Special Fund.

(b) The provision of aid for development on a regional basis.

(c) The promotion of the flow of public and private capital both to the public and private sectors in developing countries.

(d) Review of the use and terms of credit, export financing and marketing, and credit insurance.

(21) The Conference has recognized further that adverse movements in the export proceeds of developing countries can be disruptive of development. The Conference has, therefore, recommended that, as regards payments difficulties caused by temporary export shortfalls, members of the International Monetary Fund should study certain measures with a view to liberalizing the terms of the compensatory credit system operated by the Fund since February, 1963. As regards longer-term problems, the Conference has recommended:

(a) That the International Bank for Reconstruction and Development be invited to study the feasibility of a scheme that would provide supplementary financial resources to developing countries experiencing shortfalls in export proceeds from reasonable expectations. The relevant economic circumstances for consideration would include the adverse effects of significant increases in import prices.

(b) That the continuing machinery recommended by this Conference be invited to study and organize further discussions of concepts and proposals for compensatory financing put forward by the delegations of developing countries at the Conference, taking into account the effect of shortfalls in export earnings and adverse movements in the terms of trade.

(22) The Conference has also recommended a study of the international monetary issues relating to problems of trade and development with special reference to the objectives and decisions of this Conference. It has also approved a recommendation on the participation of nationals of developing countries in the process of policy formulation in international financial and monetary agencies.

(23) The Conference has agreed on a draft text containing a common measure of understanding on shipping questions, and has recommended that appropriate inter-governmental procedures, including any committee that might be deemed necessary, be established to promote understanding and co-operation in the field of shipping, and to study and report on its economic aspects.

(24) The Conference has also considered and recommended measures on insurance, tourism, technical assistance and transfer of technology, taking into account the need to improve the invisible trade of developing countries.

Section V: Institutional Arrangements.

(25) The Conference has recommended to the United Nations General Assembly that it adopt at its 19th session the following provisions, **inter alia:**

(a) The present United Nations Conference on Trade and Development should be established as an organ of the General Assembly to be convened at intervals of not more than three years and with a membership comprising those States which are members of the United Nations, the specialized agencies, or the IAEA.

(b) The principal functions of the Conference shall be: (i) To promote international trade, especially with a view to accelerating economic development, particularly trade between countries at different stages of development, between developing countries and between countries with different systems of economic and social organization, taking into account the functions performed by existing international organizations; (ii) To formulate principles and policies on international trade and related problems of economic development; (iii) To make proposals for putting the said principles and policies into effect and to take such other steps within its competence as may be relevant to this end, having regard to differences in economic systems and stages of development; (iv) Generally, to review and facilitate the co-ordination of activities of other institutions within the United Nations system in the field of international trade and related problems of economic development and in this regard to co-operate with the General Assembly and the Economic and Social Council in respect to the performance of their Charter responsibilities for co-ordination; (v) To initiate action, where appropriate, in co-operation with

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the competent organs of the United Nations for the negotiation and adoption of multilateral legal instruments in the field of trade, with due regard to the adequacy of existing organs of negotiation and without duplication of their activities; (vi) To be available as a centre for harmonizing the trade and related development policies of Governments and regional economic groupings in pursuance of Article I of the United Nations Charter; and (vii) To deal with any other matters within the scope of its competence.

(c) A permanent organ of the Conference, to be known as the Trade and Development Board, should be established as part of the United Nations machinery in the economic field, consisting of 55 members elected by the Conference from among its membership, with full regard for both equitable geographical distribution and the desirability of continuing representation for the principal trading States.

(d) For the effective discharge of its functions, the Board should establish such subsidiary organs as may be necessary and in particular three committees—on commodities, manufactures, and invisibles and financing related to trade.

(e) Each State represented on the Conference should have one vote. Subject to provisions to be determined by the General Assembly at its 19th session after consideration by it of a report and proposals to be made by a Special Committee to be appointed by the Secretary-General of the United Nations, decisions of the Conference on matters of substance should be taken by a two-thirds majority of the representatives present and voting, and decisions of the Board by simple majority. The task of the Special Committee shall be to prepare proposals for procedures within the continuing machinery *designed to establish a process of conciliation to take place before voting and* to provide an adequate basis for the adoption of recommendations with regard to proposals of a specific nature for action substantially affecting the economic or financial interest of particular countries.

(f) Arrangements should be made, in accordance with Article 101 of the Charter, for the immediate establishment of an adequate, permanent and full-time secretariat within the United Nations Secretariat for the proper servicing of the Conference, the Board and its subsidiary bodies.

(g) The Conference should review in the light of experience the effectiveness and further evolution of institutional arrangements with a view to recommending such changes and improvements as might be necessary. To this end it should study all relevant subjects including matters relating to the establishment of a comprehensive organization based on the entire membership of the United Nations system or organizations to deal with trade and with trade in relation to development.

(26) The Conference has also recommended action concerning interim institutional arrangements, and the terms of reference of subsidiary organs of the Executive Council.

Section VI: Special Problems.

(27) The Conference has requested the Secretary-General of the United Nations to appoint a committee of 24 members, representing land-locked, transit and other interested States as governmental experts and on the basis of equitable geographical distribution. The said committee is to be convened during 1964 to prepare a new draft convention dealing with transit trade of land-locked countries. The Conference has recommended that the new draft convention be submitted for consideration and adoption by a Conference of plenipotentiaries to be convened by the United Nations in the middle of 1965.

(30) The Conference has recommended non-discrimination in dealing with governmental trading organizations in foreign trade.

Section VII: Programme Of Work.

(31) In addition to the Programme of Work implied in the recommendations referred to above, the Conference has recommended the following:

(1) A study of the feasibility of rates of growth higher than those which have been experienced by most countries individually during the past decade, and even higher than those envisaged for the United Nations Development Decade, and of measures for developing and developed countries to take to achieve them.

(2) An overall economic and social survey of the depressed areas of the developing world and of special measures to make possible immediate action to secure a substantial improvement in the living levels of the populations of these areas.

(3) A programme of work for the Commission on Commodity Arrangements and Policies, or any equivalent body that may be established within the continuing machinery, for the development of appropriate guiding lines and procedures for commodity arrangements and, in respect of commodities to which certain conditions apply, for commodity negotiations and export studies.

(4) Further studies in commodity field regarding promotion and marketing arrangements, and measures to deal *with problems of substitution and various types of research aiming at an expansion of market opportunities for exports of primary commodities from developing countries.*

(5) Work related to the provision of economic and technical assistance with a view to expanding the export earnings of developing countries from primary commodities, semi-manufactures and finished manufactures.

(6) A study of methods of payment that would assist in promoting trade among developing countries.

(7) The necessary economic and statistical studies of world trade, with special reference to the problems of developing countries.

(8) The transmittal to the continuing United Nations trade machinery which it is proposed to establish, for further consideration and action, a draft recommendation submitted by Czechoslovakia on measures for expansion of trade between countries having different economic and social systems.

(9) The transmittal to the continuing trade machinery, for further consideration and action, of draft recommendations on the policies and practices of regional economic groupings among developed countries and on the promotion of regional economic groupings among developing countries, submitted by a number of developing countries.

(10) The transmittal to one of the organs to be set up by the Conference for further study of Part III of the proposal concerning the use of subsidies for improving the competitive position of manufactures and semi-manufactures of developing countries.

(11) The elaboration of trade aspects of an economic programme of disarmament.

View Of 75 Developing Countries:

The 75 developing countries said in Geneva on June 16 that they regarded the 119-nation World Trade Conference as in no way adequate or commensurate with their essential needs.

In a joint declaration, "the 75"—now 78 following the adherence of Kenya, North Korea and South Korea—said the Conference's final recommendations were "only an initial step towards the international endorsement of a new trade policy."

But they accepted the results of the Conference in the hope that they would "lay the foundation for more substantial progress in the period ahead."

The developing countries added: "The efforts of developing countries to raise the living standards of their peoples, which are now being made under adverse external conditions, should be supplemented and strengthened by constructive international action. Such action should establish a new frame-work of international trade that is wholly consistent with the needs of accelerated development."

They attached singular importance to the establishment of international machinery in the field of trade and development, and said they regarded their own unity as the outstanding feature of the Conference.

They pledged themselves to maintain, foster and strengthen this unity, and said Government representatives should study during the next session of the UN General Assembly, the question of institutional arrangements to consolidate it.

(*UN Newsletter, The Statesman*, Calcutta, *The Times*, London and *The New York Times*)

[Prev. ref. 5770:AOA:I]

B. UN Memorial To Mr. Dag Hammarskjoeld: A bronze memorial to the former UN Secretary-General, the late Mr. Dag Hammarskjoeld, executed by the British sculptress, Miss Barbara Hepworth, was unveiled on June 11 at United Nations in New York.

Mr. Hammarskjoeld, who greatly admired Miss Hepworth's works, had before his death in a plane crash in Africa in 1961 discussed with her his ideas for an abstract sculpture to adorn the circle in front of the UN Secretariat building.

Miss Hepworth's sculpture, a free-form abstract entitled "Single Form", is based on Mr. Hammarskjoeld's ideas and is placed on the circle outside the Secretariat.

Cast in bronze at the London foundry of Morris Singer Co. Ltd., the sculpture weighs 4½ tons, stands 21 feet high, 16 feet wide and 2½ feet thick and is mounted on a granite plinth. It is the largest piece of single sculpture ever handled by the firm, which has cast many others, the most notable being Epstein's St. Michael and the Devil for Coventry Cathedral.

(*UK High Commission*, New Delhi)

[Prev. ref. 4304:AOA:A]

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ADEN

A. Constitutional Conference In London: The South Arabian Federation Constitutional Conference convened by the British Government opened in London on June 9.

Opening the Conference, the British Colonial Secretary, Mr. Duncan Sandys, assured the Federation of continued British help to resist the constant danger of invasion from without and subversion from within.

He said that the British Government was "actively considering what further financial support they can give to the Federation and would discuss this with the delegates as political advance must be accompanied by progress in the economic and social fields."

Sultan Ahmed bin Abdullah el Fadhli, Chairman of the Federal Supreme Council, told the Conference that one of the main points for discussion was the formation of a strong Arab government for South Arabia.

He added: "Bound up with this is the question of British sovereignty in Aden. It is obvious that there can be no true Arab government either for Aden or the Federation as a whole as long as Aden is in name a State of the Federation but in fact is a British Colony."

The Chief Minister of Aden, Mr. Zain Abdu Baharoon, said the Federation welcomed the change to review the present unsatisfactory Constitution.

His delegation, he said, would make every effort to "put life into the present constitutional set-up which in our opinion was born paralyzed".

He said there were now many different governments in operation and "our object must be to unite these into one strong central government. The people of Aden look forward to the creation of a unitary State."

He said the people of Aden were keen to maintain the democratic institutions which had been built up, but the present Constitution, both in Aden and the rest of the Federation "has not proved acceptable in its workings."

The people of Aden wanted to see a single government embracing all South Arabia because "it is our belief that we in South Arabia should all share our destiny as a political and economic unit."

Attending the Conference were 18 delegates of the 14 States which make up the Federation, which has a total population of 700,000.

Opposition Of Parties:

The Aden People's Socialist Party issued a statement in London on June 8 describing the Conference as "unconstitutional."

The statement said the Conference was aimed at continuing the domination of British imperialism over the area of South Arabia. "The sultans, princes and feudal sheikhs do not represent the people of Aden. They are the worst civil servants ever."

The statement added that the results of the Conference, which had been "prepared beforehand by the Commonwealth and Colonial Secretary," would by no means be binding. The People's Socialist Party would "continue to oppose the proposed false independence." The statement called upon Britain to put an end to her imperialist policy and put into effect the UN resolutions concerning the Aden problems.

At a news conference in Cairo, Mr. Mohammed Aly el Jafry, Chairman of the South Arabian Association, condemned the London Conference.

Describing the Conference as a link in a chain of steps being taken by Britain to confuse and distort the UN resolutions, he said that the Conference was being held between Britain and its agents in the South. They could only be described as talks "between Britain and herself." The Association looked upon the talks as "illegitimate", and the Arab people in the South would not abide by the results.

Mr. El Asnag, Chairman of the People's Socialist Party of Aden, presented a petition on June 8 to the British Colonial Office demanding self-determination for Aden and the Aden Protectorate.

He told newsmen that his party wanted independence not only for Aden but also for the people of the Protectorate.

The petition, addressed to Mr. Duncan Sandys, drew attention to an earlier UN resolution on Aden which recommended that: "The people of Aden and the Aden Protectorate should be allowed to exercise their right to self-determination with regard to their future, the exercise of that right to take the form of a consultation of the whole population to be held as soon as possible on the basis of universal adult suffrage."

The memorandum told Mr. Sandys: "Your Excellency is in a position to save your country and use great risks of financial and physical commitments which usually accompany the determination of all nations towards freedom."

Mr. Asnag said the question could be discussed either through "normal negotiations," or independence will be won the "hard way."

He said his party was not opposed to the principle of a federation but was opposed to the present Federation because the entire machinery was "in the hands of feudal lords." The Federal Ministers were also powerless in the areas ruled by emirs and sheikhs.

Fresh criticism of the Conference was voiced on June 17 by Mr. O. S. Baabbad, President of the People's Congress of Hadramaut which is associated with the South Arabian League.

In a Press release, he said the people of South Arabia felt that the "weak Conference" would not serve their interests.

The Conference, he said, violated the resolutions of United Nations and was unrepresentative. The people should be represented by elected delegates, but the opposition or national parties were not invited and there were no members of Hadramaut in the East Aden Protectorate, which consisted of three-quarters of the territory. "The administrative power which holds the responsibilities of protecting the interests of our people failed to carry out its responsibilities properly."

He added: "The opposition of the administrative power to the resolutions of United Nations will make our people find out the proper way to secure their liberty, independence and sovereignty."

Fadhli State Secedes From Federation:

The Ruler of Fadhli State, Sultan Ahmed Abdullah Fadhli, announced on July 3 that his State had seceded from the Federation.

In a written statement on his way to Cairo from London, he said that the London Conference was a conspiracy to eliminate the nationalist elements in the Federation. He said his Sultanate was leaving the Federation with regret as he was one of its founders. Independence had been promised within five years, but six years had passed since the Federation was set up and nothing nad been achieved.

He said that at the London Conference he had submitted a note calling for immediate independence. He alleged that the British Government was responsible for all the grievous consequences of its action in South Arabia. He requested United Nations and the International Red Cross to intervene in the "massacre in South Arabia".

Communique:

The South Arabian Federation Constitutional Conference agreed at its final plenary session on July 4 to reshape the Federal Constitution democratically "with a view to proceeding to early independence".

The following is the text of the *communique* issued at the end of the Conference:

"It was unanimously agreed that the Federation of South Arabia should reshape its Constitution on democratic lines with a view to proceeding to early independence; and, with this object, the delegates reached the conclusions set out below.

"Legislature:

"(1) There should be a Legislature composed of a National Assembly (Al Majlis al Watani) and a Council of States.

"National Assembly:

"(2) The members of the National Assembly should be elected by a system of direct election, wherever this is practicable.

"(3) Any State which does not consider that a system of direct election would be immediately practicable, by reason of the existence of a tribal basis of society in that State, should be permitted to elect its members by a system of indirect election through an electoral college. The composition of electoral colleges should be laid down in the Constitution.

"(4) In a State in which direct elections are held, any male Federal citizen of the age of 21 years or over who has resided for five years out of the last seven years in that State, or who was born in that State, should be entitled to vote in that State in elections for the National Assembly.

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"(5) No person should be entitled to vote in more than one place.

"(6) Subject to such exceptions as may be prescribed in the Constitution, any male Federal citizen of the age of 21 years or over should be qualified to stand as a candidate for election to the National Assembly in a State in which he was born or in which he has resided for five years out of the last seven years.

"(7) The Constitution should provide that the National Assembly should be summoned to meet if at least two-thirds of its members so request.

"(8) The life of the National Assembly should be four years.

"(9) An independent commission, to be appointed by the Federal Government with the approval of the National Assembly, should, as soon as possible, carry out a census of the population of the Federation, showing in particular the number of persons in each State who possess the qualifications set out in paragraph 4.

"(10) An independent commission, to be appointed by the Federal Government with the approval of the National Assembly, should, as soon as possible, report to the Legislature upon the practicability of introducing a system of direct elections in those States which have not already adopted it.

"Council of States:

"(11) The Council of States should be composed of one representative of each State.

"(12) Each State should select its representative in whatever manner may be prescribed by the law of the State.

"(13) The powers of the Council of States should be prescribed in the Constitution and should include: (a) The ratification of treaties; (b) The power to delay for a limited period the enactment of laws passed by the National Assembly, or to refer them back to the Assembly *with amendments.*

"Head of State:

"(14) There should be a constitutional Head of State, to be known as President of the Federation.

"(15) Subject to such exceptions as may be prescribed in the Constitution, any male Federal citizen of the age of 21 years or over should be qualified to be elected as President.

"(16) The representatives of each State in the National Assembly should appoint one of their number to form a nomination committee which should propose a candidate for the Presidency, and if such candidate secures the votes of a majority of all the members of the two chambers in joint session, he should be declared to be elected. If three such elections should produce no result, the committee should propose two candidates, and the candidate who secures the most votes should be declared to be elected.

"(17) The powers of the President should be defined in the Constitution. Except in regard to certain matters specified in the Constitution, he should act on the advice of the Prime Minister.

"(18) In the event of the absence, incapacity, resignation or death of the President, his duties should be temporarily performed by the Chairman of the Council of States.

"(19) If, for any reason, the office of President becomes vacant, the Legislature should be convened at once to elect a new President in the manner prescribed in paragraph 16.

"(20) The term of office of the President should be five years. He should not be eligible for election for two successive terms.

"Government:

"(21) There should be a Prime Minister, who should be appointed by the President.

"(22) The President should appoint as Prime Minister a person who, in his opinion, is able to command a majority in the National Assembly.

"(23) The President should appoint such other Ministers as the Prime Minister may recommend.

"(24) All Ministers must be members either of the National Assembly or of the Council of States.

"(25) Ministers should have the right to speak in both chambers.

"(26) The Government of any State should have the right to make representations to the Federal Government on any matter affecting it. Representations should be considered by the Federal Government before any executive action is taken, except in regard to internal security and defence.

"Citizenship:

"(27) Federal citizenship should be defined by a Federal law and embodied in the Constitution.

"Internal Security:

"(28) The Internal Security (Delegation of Powers) Law, 1963 should remain in force; and the Constitution should provide that operational control of the 2nd Federal Guard or of the Aden Armed Police or of the Aden or Lahej civil police should not be withdrawn from a State, except with the concurrence of a two-thirds majority of the National Assembly and a majority of the Council of States.

"(29) A declaration of a State of Emergency in any part of the Federation should be made by the Federal Government only with the agreement of the Government of the State concerned, except when the State of Emergency is applied to more than one State; and even then, the Federal Government should, as far as practicable, act in agreement with the Governments of the States concerned.

"(30) The powers contained in the present Federal Constitution to enact laws by provisional order should be exercised only in respect of internal security or defence, and should be subject to the agreement of the Council of States.

"Status of Aden:

"(31) The delegates expressed the desire that the constitutional status of Aden should be raised to that of the other States of the Federation; and they accordingly requested that British sovereignty should be renounced as soon as practicable, subject to the continued exercise by the British Government of such powers as may be necessary for the defence of the Federation and the fulfilment of Britain's worldwide responsibilities. The Secretary of State informed the delegates that the British Government was prepared to accede to this request.

"(32) As soon as practicable after the forthcoming elections in Aden, the British Government would convene a meeting of representatives of Aden and of the other States of the Federation to agree on arrangements for the transfer of sovereignty and to settle other constitutional questions, including the basis of representation in the National Assembly and the points raised by the Aden delegates on which agreement was not reached at this Conference and any other matters which may be raised by any other States.

"(33) Subject to agreement at that meeting, the British Government, after full consultation with the Aden Government, would take steps to transfer sovereignty in respect of Aden, in accordance with the distribution of powers under the Federation Constitution, with such amendments as may be agreed at that meeting.

"Date of Implementation:

"(34) The date for the transfer of sovereignty should be agreed between the British Government, the Aden Government and the Federal Government.

"(35) Unless otherwise agreed, the amendments to the Federal Constitution decided upon at this Conference, and any other amendments which may be decided upon at the meeting referred to in paragraph 32, should be introduced on the date on which sovereignty in respect of Aden is transferred.

"Accession of other States:

"(36) During the course of the Conference, the States of Mufiahi, Upper Aulaqi (Nisab) and Alawi applied for admission to membership of the Federation; and the Supreme Council accepted their applications, subject to agreement regarding their representation in Federal institutions and other related matters.

"(37) The delegates re-affirmed their desire to bring about the unity of South Arabia. To this end they decided to issue an invitation to the States of Upper Yafa', Qu'aiti, Kathiri and Mahra to join the Federation of South Arabia. The Secretary of State assured the delegates that the British Government would welcome the inclusion of these other States in the Federation.

"Independence:

"(38) The delegates asked that Britain should agree to independence for the Federation, while continuing thereafter to assist in its defence. They requested that as soon as practicable the British Government should convene a conference for the purposes of fixing a date for independence not later than 1968, and of concluding a defence agreement under which Britain would retain her military base in Aden for the defence of the Federation and the fulfilment of her worldwide responsibilities. The Secretary of State announced the agreement of the British Government to this request."

(*The Times*, London, *UK High Commission*, New Delhi, *The Statesman*, Calcutta and *The Hindu*, Madras)

[Prev. ref. 5807:ADN:A; 5855:ADN:A]

AFGHANISTAN

A. UN Special Fund Loans: It was stated on June 26 that two UN Special Fund loans had been granted to Afghanistan.

The first, a three-year loan of $811,000, would be used for the survey of direct road from Kabul to Herat. The loan will provide for the services of consulting engineers and special equipment.

The second loan is for a period of four years and will be used to carry out additional studies in the Hari-Rud and Upper Kabul river basins to make possible the development of new irrigation schemes and to set up two pilot irrigation stations in the basins. These are part of the 11th SUNFED programme which consists of 49 new projects all over the world.

(*Middle East Economic Digest*, London)

BURMA

A. Mr. Chou En-lai's Visit: The Chinese Prime Minister, Mr. Chou En-lai, and the Foreign Minister, Marshal Chen Yi, paid a visit to Rangoon on July 10 and 11 when

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they held talks with the Chairman of the Revolutionary Council, Gen. Ne Win and other Burmese leaders.

The announcement of the visit caught diplomatic circles by surprise as there was no advance indication of the visit.

A joint *communique* signed by Mr. Chou En-lai and Gen. Ne Win on July 11 expressed deep concern at the deteriorating situation in South-East Asia, particularly in South Viet-Nam and Laos.

They agreed that a 14-nation conference on Laos be convened.

According to observers, the main purpose of the Chinese leaders' visit was to make use of the UN Secretary-General, U Thant's imminent visit to Rangoon. U Thant's recent forthright statement on the need for a political solution to the South Viet-Nam crisis could only have pleased the Chinese. Peking was apparently hoping to utilize the UN Secretary-General's home country in making its point.

The communique made no mention of how the Viet-Nam crisis could be resolved. Obviously Chinese ideas on this point had been propounded in private.

In the economic field the communique mentioned agreement on measures to speed up the implementation of projects under the previous Sino-Burmese Agreement.

The following is the text of the communique:

"His Excellency Chou En-lai, Premier of the State Council of the People's Republic of China and Marshal Chen Yi, Vice-Premier of the State Council and Minister of Foreign Affairs of the People's Republic of China, paid a friendly visit to the Union of Burma from July 10 to July 11. Gen. Ne Win and Premier Chou En-lai availed themselves of the opportunity provided by the visit to exchange views on matters of common interest to the two countries as well as on the current international problems, particularly those pertaining to South-East Asia.

"The two leaders expressed their deep concern over the deteriorating situation in South-East Asia, particularly in South Viet-Nam and Laos, affirmed their determination to continue to seek peaceful settlement of the situation and agreed that the conference on the Laotian problem of the 14 Geneva Agreement Powers should be convened.

"The two leaders reviewed the progress made by the two countries in development of their economic and technical co-operation and trade relations. Such friendly co-operation being fully in accordance with the spirit of equality and mutual benefit of supplementing each others' wants and rendering assistance to each other is beneficial to the cause of national construction of the two countries. In order to further strengthen this co-operation the two sides agreed to take necessary measures to speed up the implementation of the Sino-Burmese Agreement on economic and technical co-operation and to further expand the trade between the two countries.

"The two leaders expressed their satisfaction with the continued development of friendly relations between the two countries on the basis of the Five Principles of peaceful co-existence. The two leaders also took the occasion to re-affirm their respective undertaking contained in Article 3 of the Treaty of Friendship and mutual non-aggression concluded between the two countries. The talks were held in an atmosphere of friendliness and cordiality and have further contributed to mutual understanding between the two countries."

(*The Statesman*, Calcutta and *The Nation*, Rangoon)

[Prev. ref. 5747:BUR:A]

B. Progress In Agriculture: The Revolutionary Council has more than doubled agricultural loans and established floor prices for important agricultural crops.

The Council has also enacted the Peasants Protection Law, instituted land disposal committees, provided tractor services, and established co-operative villages on reclaimed lands for landless people.

Total sown acreage under all crops increased by nearly nine per cent in 1962-63. For the first time in the post-War period, total sown acreage exceeded the pre-War annual average by as much as seven per cent.

Substantial increases in production were recorded in wheat, maize, pulses, cotton, and sugar-cane.

It has been estimated that during 1962-63 land reclamations reached 42,888 acres, nearly all of which were in lower Burma. Farm mechanization increased and various types of irrigation work and investigations were carried out on a number of dam projects.

The installation of two under-sluices at a weir completed a project that will irrigate 22,000 acres, and work continued on the Kyetmanktang Dam in Central Burma, which will irrigate 30,000 acres. Work also started on the Ngwedaung project, which will ultimately irrigate 6,000 acres.

About $7.6 million was devoted to PL 480 agricultural commodities in 1963. Bulk of the commodities were sold and the money reserved for economic development purposes. The balance was food distributed by UNICEF. Development grants included one for land and water resources development, and one for expanded teak production, amounting to $4.9 million. They were financed on a loan basis under the 1959 $25 million credit.

Several earlier co-operative projects included construction of the Kabu Diversion Dam, which aided the livelihood of 250,000 persons. The large land-restoration programmes in the Irrawaddy and Sittang River deltas, for which heavy earth-moving, excavating, and dredging equipment was supplied, have exceeded annual targets with more than one million acres reclaimed from swamp and jungle. Almost 90 per cent of this was under cultivation and nearly 300,000 persons were settled.

(*Far East Trade*, London)

[Prev. ref. 5193:BUR:B, 5241:BUR:B]

C. Trade Agreement With USSR Extended: Representatives of Burma and USSR signed in Rangoon on June 30 an instrument extending the Trade Agreement between the two countries originally signed in July, 1955 for five years.

Later it was extended from year to year and the present extension will expire on December 31, 1965.

(*The Nation*, Rangoon)

[Prev. ref. 4717:BUR:D]

CEYLON

A. Speech From The Throne: Opening the fifth session of Parliament, the Governor-General, Sir William Gopallawa, said in the Speech from the Throne on July 7 that the formation of the coalition Government (see page 5891) had received general acceptance and enthusiasm.

The Government, he said, intended to undertake further socialist measures. The main emphasis was on measures to reduce the cost of living, eliminate corruption and accelerate development programmes. The only reference to foreign and national banks was that the Government would utilize the banks more intensely to assist in national development.

The Speech declared that steps would also be taken to control agency houses in the national interest. Parliamentary rules and regulations would be suitably adapted to make Parliament work more smoothly.

It was announced that "necessary legalization will be introduced early to end the monopolistic ownership of daily newspapers and to establish a broad-based ownership. Through such legislation steps will be taken to set the Press on a democratic basis, thus eliminating malpractices inimical to national and social interests."

Special courts are to be set up to inquire into charges of bribery and corruption. Vigilance committees are to be appointed in government and semi-government institutions to eliminate bureaucracy, inefficiency and obstruction, and provision is to be made compulsorily to retire public servants who obstruct or do not co-operate.

The State-owned co-operative wholesale establishment is to extend its trade in the import and distribution of food, textiles, building materials and drugs, and the import of other goods is to be progressively Ceylonized. All articles are to have fixed prices and people's committees are to be set up in every electorate to ensure that there is no profiteering.

Regulations are to be introduced to implement the Sinhala Only Language Act along with the reasonable use of Tamil "in a manner acceptable to both the Sinhalese and the Tamils". Provision is also made for the establishment of district councils, which will decentralize the work of Government departments and which have been urged in recent years by the Federal Party as a measure towards a degree of regional autonomy.

On the question of religion, the Speech stated that "while ensuring for Buddhism its proper place in the country as the religion of the majority, complete freedom of worship will be granted to all religions and no injustice will be done to anybody on grounds of religion or worship."

The Speech made the following other points:

Workers in State-owned corporations and trade unions will be mobilized by law to share the burden of running the Government efficiently. People's committees, workers' advisory committees and vigilance committees will be set up for different purposes.

Workers' advisory committees will be associated with the administration at all levels. They will have power to investigate and advise the Government on the elimination of waste, inefficiency and corruption.

The people's committees will be legally empowered to eradicate hoarding, black-marketing and corrupt practices. They will be closely associated wtih the distribution of goods.

Stern action was being contemplated against non-national traders and illicit immigrants. Heavy penalties would be imposed on people who employ illicit immigrants and encourage them to come to Ceylon from South India.

Legislation would be introduced to ensure priority to the Ceylonese in employment, ban non-nationals from buying property, including land and open a national register to fight illicit immigration.

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Regarding the Indo-Ceylon problem, Sir William said that his Government would attempt to remove all impediments in the way of solving this question.

(*The Times of Ceylon*, Colombo and *The Hindu*, Madras)

[Prev. ref. 5891:CEY:A]

B. Controversy Over "Incorrect" Version Of Indian Envoy's Speech: The High Commission of India regretted on June 30 that an incorrect report of the function held in Jaffna attended by the Indian High Commissioner, Mr. B. K. Kapur, had been given prominence in the local Press.

Mr. S. H. Perinbanayagam, President of the Jaffna branch of the India-Ceylon Friendship League denied that there were any political speeches at the dinner given in honour of Mr. Kapur in Jaffna. He said there was no reference whatever to secession as reported in the Press.

He added that the Government agent, who was present throughout the dinner, had made no manner of protest, nor did he at any stage threaten to leave the place. On the other hand, the Government agent had greeted him cheerfully at the end of the dinner.

The following is the text of the statement issued by the Indian High Commission:

"The High Commission of India regrets that an incorrect version of a function held in Jaffna has been given prominence in the local Press and while the High Commission is not aware of the source of information on which the one-sided version is based, the High Commission is *in a position to categorically deny the alleged statement attributed to the Indian* High Commissioner, Mr. B. K. Kapur, during his recent visit to Jaffna which was essentially one of goodwill to the people of Ceylon of which Jaffna forms an integral part.

"It is regrettable that in releasing the information to the Press about the speeches in Jaffna those concerned should have suppressed the emphatic statement of His Excellency, Mr. Kapur, who, sensing the inappropriateness of certain sentiments expressed at the function organized to inaugurate the India-Ceylon Friendship League on June 26, emphasized that he could not be expected to make any observation on the policies of the Ceylon Government and merely expressed the hope that a solution satisfactory to all sections of the population of Ceylon would be reached in regard to the language problem in a spirit of friendship and amity and that Tamil would find a rightful place.

"The High Commissioner added that he was gratified to see that the people of Jaffna had the same warm feelings towards India as he has seen for himself among the Sinhalese and the rest of the population in Ceylon. It is relevant to mention that the High Commissioner had expressed his sense of appreciation at the spontaneous expression of sympathy and grief at the demise of Mr. Nehru by all sections of the people of Ceylon headed by the Prime Minister who had proceeded immediately to Delhi to convey personally her condolences."

The **Ceylon Daily News** had alleged on June 30 that the inaugural function and the dinner had been highlighted by speeches which were primarily "secessionist in tone." Mr. Kapur was quoted to have said that "I hope and trust that in the near future Tamil will be given its rightful place."

But, Mr. M. Sivasithamparam, an independent MP, who was present at the function, said that no speeches of the nature reported in the Press had been made. He said the main theme of the speeches was possible economic collaboration between India and Ceylon.

He said two speakers at the dinner had emphasized that it should not be "Indo-Jaffna friendship" but "Indo-Ceylonese friendship." He said Mr. Kapur in his speech had thanked the Prime Minister, Mrs. S. Bandaranaike for spontaneously expressing sympathy with Mr. Nehru's death and proceeding to India first to attend the funeral.

Mr. Kapur said later that he was somewhat embarrassed at the tenor of some of the speeches at the inaugural function of the League. He said he had emphasized in his reply that he could not be expected to make any observation on the policies of the Ceylonese Government. He had merely hoped that a solution to the language problem which would be satisfactory to both sides would be found in friendship and amity and that Tamil would find its rightful place.

Government Action:

Officials of Ceylon's External Affairs Ministry were asked not to attend the party given by the Indian Deputy High Commissioner, Mr. P. R. S. Mani, to bid farewell on his leaving Ceylon on transfer to Mauritius.

The Ministry's action was stated to be in protest against the reported remarks by Mr. Kapur at Jaffna.

An External Affairs Ministry source, while confirming this, declined to say anything further.

Two officials of the Ministry were to have attended the party, but both of them were understood to have informed Mr. Mani that they would not be attending it.

The Ministry had earlier summoned the Government agent of Jaffna, Mr. Neville Jayaweera, to report directly on the reported incident at the inauguration by Mr. Kapur of a branch of the Ceylon-India Friendship League.

Issue In House Of Representatives:

The controversy over the Jaffna function figured in Ceylon's House of Representatives on July 2.

The issue was raised by Mr. K. M. P. Rajaratne, leader of the Sinhalese extremist Jatika Vimukti Peramuna, who wanted the Prime Minister to take note of the incident and order immediate action.

But two Tamil members of Parliament, who were present at the function in Jaffna, effectively countered him. Both of them, Mr. M. Sivasithamparam, Independent, and Mr. A. Amrithalingam, Federal Party, described the Press reports about the incident as a "campaign of vilification" against the Indian High Commission and called upon the Government to put an end to it.

Both condemned the action of officials of the Ministry of External Affairs in boycotting the farewell function given by Mr. P. R. S. Mani, India's Deputy High Commissioner, whom they described as one of the best diplomats in Ceylon.

Mr. Sivasithamparam told Mr. Rajaratne that everyone knew about his love towards Pakistan. He said no one cared "two hoots" for whatever he had to say.

Mr. Rajaratne, who had criticised the Finance Minister, Dr. N. M. Perera, for attending Mr. Mani's party when the officials of the External Affairs Ministry were instructed not to attend it, got a retort from Dr. Perera himself. Dr. Perera in a raised voice said he was not going to be dictated to by department officials. "They must take orders from us," he said.

Dr. Perera pointed out that even if they had differences with the Indian High Commissioner that should not stand in the way of fulfilling their social obligations. He said Mr. Mani was a good friend of his. He also pointed out that though he opposed US policies, he attended US Embassy functions.

The Parliamentary Secretary to the Ministry of Defence and External Affairs, Mr. Felix R. Dias Bandaranaike, was not present in the House. The leader of the House, Mr. C. P. De Silva, said he did not know the details of the incident. The Prime Minister had held discussions regarding the matter, he said and added that he would bring the points raised in the House to her notice.

Mr. Amrithalingam said that he had seen Press reports that officials of the External Affairs Ministry had boycotted a function in connexion with the departure from the country of India's Deputy Commissioner. This had become important in view of the campaign of lies carried on by a section of the Press in connexion with the visit of the Indian High Commissioner to Jaffna. As one who was present at the function in Jaffna, he said he would assert on the floor of the House that Mr. Kapur had never said a word which would have in any way been prejudicial to the country or to its Government.

He said a campaign was being carried on to create bad blood between India and Ceylon and see that the Ceylonese Government was hustled into an attitude of hostility towards the Indian High Commission. He wanted a categorical statement from the Government whether the boycott of Mr. Mani's function by officials was part of the Government's policy or whether it was done by one of the officials on his own to embarrass the Government and create bad blood between the two Governments.

Mr. M. Sivasithamparam referred to what he called "a campaign of vilification that has been carried on against the Indian High Commission in the Press for the last few days" and said that, as one who was responsible for Mr. Kapur's visit to Jaffna, he wished to state categorically that the impression sought to be given in the Press was "utterly unfounded." He paid tribute to Mr. Kapur, who, he said, had been trying during the past four years to preserve the ties of friendship between India and Ceylon. He was one of the most careful diplomats in Ceylon and it was unfortunate that the Press had chosen him for this vilification.

He pointed out that at no time had the Government agent in Jaffna said to him that he objected to any statement. He said the Government agent had on the other hand told him (Mr. Sivasithamparam) that everything went on well at the function. For Mr. Rajaratne, Mr. Sivasithamparam said, "any stick was good enough to beat India." Nobody cared two hoots for whatever he (Mr. Rajaratne) had to say. "We know you love Pakistan. We know why you love Pakistan."

(*The Hindu*, Madras and *The Times of Ceylon*, Colombo)

C. Postponement Of Elections —UNP Opposition: The United National Party (UNP), forming the largest Opposition group in Parliament, passed on July 4 a resolution urging the people to take "revolutionary action" in the event of the coalition Government postponing the General Election due to be held early in 1965.

The Deputy Leader of the Party, Mr. J. R. Jayawardene, speaking on the resolution at the Party's executive committee, said that with the entry of Marxists into the Government, there was fear that the Government might try to avoid holding a General Election.

The Government, he said, was trying to bring Ceylon to the position of Russia

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and China where the people had no freedom.

He declared that his Party, which had always advocated constitutional and legal means, had now pledged itself to revolutionary action in the event of a General Election being postponed.

He added that the Government, which thought in terms of illegal extension of its mandate from the people, had no right to exist and should be overthrown. "It is the people's right to vote that will be lost and it is only a revolutionary people's movement that can legitimately act in defence of people's rights."

He said the threat of a dictatorship had only receded. Very soon the Government would attack democratic institutions. The first victim would be the Press. A Bill would be introduced soon to take over the Press.

Mr. M. D. Banda, a senior member of the Party, said: "The United National Party which won independence for Ceylon will be failing in its duty if it did not stand by the people when the cherished right to vote and elect a Government of their choice is being threatened. The Party would like to tell the people that their democratic rights will be defended even through a revolution."

(*The Times of Ceylon*, Colombo and *The Hindu*, Madras)

[Prev. ref. 5784:CEY:A]

D. **Canadian Assistance:** Aid in the form of outright gifts, requiring no repayment, has been rendered to Ceylon by Canada.

Totalling some Rs. 130 million, it will be used for various development projects. This includes Rs. 33.8 million given under the Colombo Plan programme.

Of the Rs. 33.8 million allocated to new projects, Rs. 6.6 million has been made available by the Canadian Government in the current fiscal year. The remainder is drawn from funds credited to the Canada-Ceylon Colombo Plan programme by the Canadian Government in previous years but not previously allocated to specific agreed projects.

Of the total amount now specifically allocated under the new Agreement, Rs. 11.77 million is in Canadian dollars and will be used for the supply of materials, equipment, and engineering services from Canada for development projects. Another Rs. 22.061 million is in Ceylon rupees which have been generated by the sale in Ceylon of some 50,000 tons of Canadian wheat flour given to Ceylon by the Canadian Government since 1959-60. These "counterpart funds" will be used to meet the local costs of development projects.

The largest project under the new Agreement is the Katunayake Airport extension. Canada has agreed to grant in the current fiscal year a total of Rs. 19.25 million to this project—Rs. 10.67 million in Canadian dollar funds, and Rs. 8.58 million in rupee funds. The scheme involves extending the runway of Katunayake Airport to 11,050 feet to accommodate the largest jet aircraft, and the construction of a new terminal building. The cost of the project is expected to exceed Rs. 26 million. It will be one of the largest to be undertaken in Ceylon under grant aid.

Work has also begun with Canadian assistance on enlarging the capacity of the Mutual Fish Processing Plant, one of the earliest Canadian aid projects in Ceylon.

Canada is to provide equipment worth Rs. 1.1 million, as well as Rs. 616,000 in counterpart funds to cover the local costs of installation. This latest allocation of Canadian aid to fish-processing and marketing facilities brings total Canadian assistance to the development of Ceylon's fisheries to more than Rs. 14 million.

Another new project to be undertaken with Canadian financial assistance is the construction of a teaching hospital for the Faculty of Medicine at the University of Ceylon, Peradeniya. The Canadian Government has agreed to the allocation of Rs. 1.012 million in funds towards the construction costs of the first stage of the hospital.

The aid Agreement also provides for the allocation of Rs. 995,000 towards the construction of junior technical schools.

An allocation of Rs. 225,000 has been made to complete a number of small electrical power lines in the Gal Oya Valley. Canada has already provided Rs. 19.5 million to construct the main transmission lines in the Gal Oya Valley, to double the generating capacity at the Ingniyagala Power Station, and to provide a linking transmission line from the power station to the main power grid in the west of the Island.

Allocations of counterpart funds to the Namal Oya and Minneriya-Kantalai irrigation projects were covered by a separate Agreement early in 1963, and appeared in the Ceylon Budget estimates for 1963-64.

Agreement between the two countries deals with the allocation of capital aid funds and technical co-operation under which Ceylon students undertake technical training in Canada and Canadian experts are sent to Ceylon to act as advisers in special technical fields. Grants to students and advisers since the programme was initiated in 1951 amount to some Rs. 7.5 million.

Canada has also given economic assistance outside the Colombo Plan. Canadian engineers will soon begin construction of Ceylon's largest power station as part of the Maskeliya hydro-electric power project. Canada has granted a commercial loan of $10.8 million, or roughly Rs. 43 million, for this project.

(*Far East Trade*, London)

[Prev. ref. 5557:CEY:B]

CHINA

A. **Communist Youth League Congress:** The *New China* News Agency announced on July 7 that the constitution of the Communist Youth League had been revised to include a permanent exhortation to members to be guided by Marxism-Leninism and Mr. Mao Tse-tung's thinking.

The Agency published documents of the 18-day League Congress—the first in seven years—held in June, but kept secret until July 6.

The Agency published excerpts from a report on revision of the constitution by a League secretariat member, Mr. Hu Ke-shin, who told more than 2,000 delegates: "Mr. Mao Tse-tung's thinking is a guide to action for the Chinese people in their revolution and socialist construction".

Inclusion of Mr. Mao's name in the constitution is in line with the near-deification of the 70-year-old Communist Party Chairman during the past two years. For some time he has been placed on an equal pedestal with Marx and Lenin.

All newspapers on July 7 devoted their front pages to a communique and photographs about the Congress, under the headline: "Uphold the banner of Mao Tse-tung's thinking for the revolutionization of Chinese youth".

(*The Times*, London)

[Prev. ref. 5646:CHI:A]

B. **KMT Reconnaissance Aircraft Shot Down:** According to the *New China* News Agency, a Kuomintang U-2 reconnaissance aircraft was shot down over east China on July 7.

The Agency said the aircraft was shot down by a "heroic unit of the Air Force of the Chinese People's Liberation Army."

In Taipeh, the Nationalist Air Force stated: "An Air Force U-2 developed an accident while carrying out a reconnaissance mission over the mainland today." The announcement gave no other details.

The first of the U-2 aircraft to be shot down was that piloted by the American, Gary Powers, which was brought down over the Soviet Union in May, 1960. Two others both belonging to Formosa have since been shot down over China. The first was destroyed in September, 1962, and the second in November, 1963. At the time of the 1962 incident the Formosa Government said it had bought two of the aircraft from the Lockheed Company, the American manufacturers.

(*The Times*, London)

[Prev. ref. 4815:CHI:B]

HONG KONG

A. **Trade With European Common Market Countries:** A trade mission to the European Common Market countries has reported that the climate for trade expansion to these countries is favourable.

Other points made by the mission are that Hong Kong's relations with the European Economic Community will be bound up with the development of the Community's common commercial policy, including rules on origin and the Community's attitude towards G A T T.

There is considerable understanding in the Community of Hong Kong's position, but it will be imprudent for Hong Kong to relax its efforts to make known its achievements and explain its difficulties and reasonable aspirations in Europe.

There is general interest in the mission's proposals that Common Market industrialists should participate in Hong Kong's industry, both for the benefit of their own competitive position and for the advance of Hong Kong.

The mission has stressed that Hong Kong's economic position, although perhaps remarkable because it is unique, is a source of strength, not to be feared but exemplary and worthy of cultivation, and that Hong Kong's aspirations are no more than legitimate and were tempered by goodwill and understanding.

It has reported that Government officials and commercial interests in the Common Market countries have a considerable understanding and a useful degree of sympathy for Hong Kong's position.

The trade mission has sounded this note of caution: "Nevertheless, we were left in no doubt of the strength of protectionist influences on official policies, especially in the sphere of textiles, and it would be imprudent for Hong Kong to reduce its efforts to make known its achievements and to explain its difficulties and aspirations in Europe."

The mission received a number of specific trade inquiries. At the same time, however, some criticism was voiced in Europe about the way in which such inquiries were being answered from Hong Kong.

As a result of these criticisms, the members have recommended that the Hong Kong Commerce and Industry Department, in collaboration with the Ge-

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neral Chamber of Commerce and the Federation of Hong Kong Industries, should devise a more effective system.

Possible advantages, both to Hong Kong and to Common Market industrialists, of the latters participating in Hong Kong's industrial expansion are explained in detail.

The members conclude that "although our ideas were received inevitably with varying degrees of enthusiasm in each country, there was a general interest in them, an interest which, if adequately and patiently cultivated by Hong Kong, will bear fruit in time."

Suggestions for Hong Kong's future trade promotion activity in the Community have also been made in the report.

It is considered that unless there is a change in the present attitude towards Hong Kong, the time is ripe to concentrate on commercial sales of Hong Kong products in the Common Market countries, on organizing participation in one form or another in Hong Kong's industry, and on easing particular trade barriers, rather than on further missions primarily devoted to generating goodwill.

In keeping with this conclusion, they suggest that there is scope for purely commercial or industrial selling missions, preferably not too large, sponsored by appropriate organizations and in a position to do business.

Market research and greater publicity for Hong Kong products, according to the report can play an important part in expanding the sales of Hong Kong products to member-countries of the European Economic Community.

(*Far East Trade*, London)

INDIA

SUMMARY: New Ministers Appointed In Central Cabinet; Education Commission; Australian Wheat; Tourist Development Council Meeting.

A. Sardar Swaran Singh Appointed Minister For External Affairs—Changes In Central Cabinet: The appointment of Sardar Swaran Singh as Minister for External Affairs was officially announced on July 18 in a *communique* from Rashtrapati Bhavan.

Mr. H. C. Dasappa, who had been Minister for Irrigation and Power, has now been appointed Minister for Industry and Supply in place of Sardar Swaran Singh.

Mr. K. L. Rao has again been given independent charge of the Ministry of Irrigation and Power with his present status as Minister of State.

It was also announced simultaneously in a separate communique that Mr. C. Subramaniam, Minister for Food and Agriculture, would exercise overall supervision over the work of the Ministry of Community Development and Co-operation "so as to concentrate its activities on increased agricultural production."

For the first time since Independence, India will have a Foreign Minister exclusively in charge of the External Affairs Ministry. All these years the late Prime Minister, Mr. Nehru had functioned also as Foreign Minister in addition to his other responsibilities. After Mr. Lal Bahadur Shastri became Prime Minister he recognized the need to have a separate Foreign Minister and had decided in principle to give up the additional burden of External Affairs even before his recent illness.

Mr. Shastri will, however, continue to take active interest in the conduct of the country's foreign relations. A senior official of the External Affairs Ministry will be attached to the Prime Minister's Secretariat to provide the necessary liaison at the administrative level, while policy matters will be cleared with him directly by the new Foreign Minister. The Foreign Affairs Committee of the Cabinet will also be activated to keep the senior Ministers in the picture.

The choice of Sardar Swaran Singh for this External Affairs portfolio was widely welcomed in political and diplomatic circles in New Delhi. For the last several years, he had been associated in one capacity or the other with the conduct of India's foreign relations, and on each occasion he had put forward the country's point of view with considerable skill and imagination.

The late Prime Minister, Mr. Nehru, had specially chosen Sardar Swaran Singh to assist him in his talks with Mr. Chou En-lai during the Chinese Premier's visit to Delhi in 1960 to discuss the border dispute. After the Chinese invasion in 1962, he was entrusted with the Indo-Pakistani negotiations on Kashmir. A few months ago he was sent to Djakarta to represent India at the ministerial-level preparatory talks for the Second Afro-Asian Conference.

Sardar Swaran Singh had also led the Indian delegation to the annual meetings of the Economic and Social Council of UN at Geneva in 1954 and 1955.

He had been a Minister for 18 years in Punjab and at the Centre. Born on August 19, 1907, he studied law at Lahore and started practice as an advocate at Jullundur in 1932. He was elected to the Punjab *Legislative Assembly* in 1946 and appointed Minister the same year.

In 1947, he was a member of the partition committee which was set up to divide the assets of the old Punjab province. Between 1947 and 1952, he served several terms as Minister in the Punjab before joining the Central Government as Minister for Works, Housing and Supply. In 1957, he moved to the Ministry of Steel, Mines and Fuel. After the last General Election, he was given the portfolio of Railways. Later he was entrusted with the Food and Agriculture Ministry when Mr. S. K. Patil resigned under the Kamaraj Plan.

Mr. T. N. Singh Appointed Minister Of State:

On July 22, Mr. T. N. Singh, member of the Planning Commission, was appointed Minister of State in the Ministry of Industry and Supply.

He will be in charge of Heavy Engineering.

Mr. Singh was a prominent member of the Lok Sabha till 1958 when he joined the Planning Commission. He was Chairman of the Public Accounts Committee of Parliament.

Mr. Singh, whose home State is Uttar Pradesh, was born on August 8, 1904. He studied at Harishchandra High School and later specialised in economics at Kashi Vidyapeeth. In 1921 he gave up studies to join the non-co-operation movement launched by Mahatma Gandhi. As he was only a minor, the authorities kept him in detention for some time and released him. He was imprisoned for offering satyagraha in 1931 and 1942.

He was assistant editor of **National Herald**, Lucknow, and later a member of the Press Commission.

(*The Times of India* and *The Statesman*, New Delhi)

[Prev. ref. 5894:INI:A]

B. Colombo Proposals On Border Dispute With China—Indian Note: In a Note handed to the Chinese Embassy in New Delhi on July 16, the Government of India has described China's so-called "acceptance in principle" of the Colombo proposals as nothing but a euphemism for its non-acceptance in practice of what was clearly intended as a reasonable basis for direct negotiations between the two countries for a settlement of the border dispute.

The Government has accused the Peking Government of deliberately "thwarting and circumventing" the Colombo proposals to retain the fruits of its aggression.

The Indian Note was in reply to the Chinese communication of March 31. The Chinese had tried to refute the earlier Indian protest that Chinese troops were setting up stone cairns in the Aksaichin area to consolidate their illegal occupation of Indian territory.

Denouncing the Indian charge as "sheer fabrications and slander," the Peking Government attempted to expatiate on its so-called "positive response" to the Colombo proposals to assure India that China was really interested in a peaceful settlement of the border dispute. The Government of India in its reply repeated its earlier charge that Chinese troops were in fact setting up stone cairns in Aksaichin to demarcate their so-called "line of actual control" and utilised the opportunity to expose conclusively that China's "acceptance in principle" of the Colombo proposals was really no acceptance at all.

The Indian Note recalled that the Chinese Foreign Minister, Marshal Chen Yi, had himself told a correspondent of the Swedish Broadcasting Corporation on February 17, 1963 that the Colombo proposals "are neither a command, nor an arbitration decision. The Chinese Government is not obliged to accept them in toto." Marshal Chen Yi had also said: "The Colombo proposals contain contradictions and fallacies in logic."

"Is this what China calls her positive response to the Colombo proposals?" the Indian Note asked.

[Hitherto, the Government of India used to get deeply involved in unnecessary legalistic arguments, in its exchange of Notes with the Peking Government, to prove over and over again that China had violated India's territorial integrity. Now the emphasis is on exposing China's deceit, trickery and false pretensions while re-asserting India's basic claims to the lost territory.]

In the present case, the Government's China experts have not tried to prove all over again that Chinese troops in Ladakh were in fact setting up stone cairns along the so-called "line of actual control" in Aksaichin. Instead, they have tried to (a) establish clearly that China has not accepted the Colombo proposals, (b) disprove Peking's claim that the tension on the Sino-Indian border has eased, and (c) challenge China's contention that it has the sovereign right to set up posts in the demilitarized zone.

The Indian Note said: "The Chinese armed forces have resorted to every possible means to consolidate their hold over this territory illegally occupied by them. The People's Republic of China has refused to accept all reasonable proposals for negotiations, including those made by the six Asian and African countries at the Colombo Conference. It has brought into Tibet large numbers of military forces which are poised against India and it has continued to conduct a concerted propaganda campaign against India not only in China but also in other countries, specially in Asia and Africa. These actions of the Chinese Government, far from easing

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the situation, have obviously led to the continuation of the tension on the Sino-Indian border."

(*The Times of India*, New Delhi)

[Prev. ref. 5884:INI:D]

C. Cease-fire Violations In Jammu And Kashmir—Pakistan Held Guilty By UN Observers: It was made known in New Delhi on July 16 that Pakistan had been held guilty of cease-fire violations in Kashmir by the Chief UN Military Observer in two recent incidents.

In one incident, on June 11, a Pakistani soldier, accompanied by two armed Pakistanis dressed as civilians, crossed the cease-fire line at 9-30 a.m. and fired rifle shots at an Indian police patrol in the Chamb area in the Akhur sector. This was soon followed by a spurt of unprovoked Pakistani fire with light machine-guns and rifles on the army patrol and post in the same area. About 450 rounds were fired by Pakistani troops.

A cease-fire violation complaint was lodged with the UN observers and the UN Chief Military Observer, after investigations, has held Pakistan guilty of a cease-fire violation.

In the second incident which occurred in the Uri sector on June 21, Pakistani troops, approximately a company in strength, crossed the cease-fire line in the early hours of the morning and attacked one of the Indian pickets. Hand-grenades were used by Pakistani troops. Indian troops fired at the raiders. One Pakistani soldier was killed in the encounter.

Investigations made by the UN Chief Military Observer, based on the physical evidence found at the scene of the incident, clearly indicated that an organized raid had been carried out by armed Pakistani personnel. The UN Observer held Pakistan guilty of violating the cease-fire line.

In spite of these awards against them, Pakistani troops and armed "civilians" continue to violate the cease-fire line in Jammu and Kashmir in an attempt to keep tension alive.

After interrogating some of the "civilians" caught by the Indian authorities, it has been found that they are either Razakars or Mujahids who have received training in guerrilla warfare. Some of them are also Pakistan army personnel dressed as civilians.

Pakistani violations are said to be of various types ranging from ineffective firing to organized raids including infiltration, cattle-lifting and the like.

Pakistan has provoked over 100 incidents since May 21 on the cease-fire line resulting in scores of casualties on both sides, according to well-informed sources in New Delhi.

Officially 27 incidents of cease-fire violation had been reported by the Indian Defence Ministry from May 21 until July 15. But nearly 100 other incidents had not been reported.

The sources said there was a definite political motive behind the increased number of attacks from the Pakistan side since May 21. Though the incidents caused heavy losses on the Pakistan side they were intended, according to the observers, to keep alive the Kashmir issue and focus attention of the London Commonwealth Prime Minister's Conference. This had been the pattern in the past also. The incidents had increased four-fold during the Security Council debate on the Kashmir issue earlier this year.

UN Observers' Allegation:

The UN Chief Military Observer in Kashmir, in an award against Pakistan, has accused Pakistani troops of "deceiving" UN observers.

Pakistan has been found guilty of constructing new posts in the Mendhar sector of the cease-fire line (south of Poonch) early in June.

Giving his verdict, the Chief Military Observer said that the "posts were constructed by Pakistani troops, who later filled them in and camouflaged them in order to deceive UN observers."

The Chief Military Observer has given altogether five new awards against Pakistan for violation of the cease-fire line.

The remaining four awards also relate to incidents in the Mendhar sector on June 27, 28 and 29 and July 4. In all these cases, the Chief Military Observer came to the conclusion that Pakistani troops had indulged in unprovoked firing at Indian posts.

Meanwhile, Pakistani troops have extended their hostile activities to the Chamb sector on the border.

They fired on the Indian post of Dadal on the northern tip of the Chamb sector. Since the firing was ineffective, the Indian side did not retaliate. However, a protest was lodged with the UN Observer group against the violation of the Cease-fire Agreement.

According to another message, one Pakistani was killed and another wounded on July 19 when they crossed into Indian territory and fired at Indian forces, who hit back, near Betar in the Poonch sector.

One Indian havildar was wounded when Pakistani Razakars fired on an Indian post north-west of Nowshera. When Indian troops returned the fire the marauders fled.

(*The Statesman* and *The Times of India*, New Delhi)

[Prev. ref. 5928:INI:B]

D. Education Commission Appointed: The Government announced on July 16 the appointment of a 16-member Education Commission to make a comprehensive review of the entire field of education and advise the Government on evolving a national pattern at all stages of education.

The Commission includes four foreign consultants of international repute—three from UK and one from USA—and some more may be associated with its work at a later stage.

Dr. D. S. Kothari, Chairman of the University Grants Commission, has been appointed Chairman of the Commission, which is expected to submit its final report by the end of March, 1966.

The Commission may submit interim reports dealing with limited sectors or problems of education where immediate implementation of certain programmes is necessary.

The Government's intention to appoint an Education Commission to make a fresh survey of the country's educational problems had been indicated by the Education Minister, Mr. M. C. Chagla, in Parliament during the Budget session.

There had been two earlier commissions, one headed by Dr. S. Radhakrishnan, on university education and the other by Dr. A. Lakshmanaswami Mudaliar on secondary education. The present Commission will cover all aspects in the educational sphere at various stages.

Among 16 eminent educationists on the Commission, there will be five members from abroad. Two of these names are being finalised through UNESCO.

The following are the members of the Commission: Mr. A. R. Dawood, General Secretary, Anjuman-i-Islam, Bombay; Mr. H. L. Elvin, Director, Institute of Education, University of London; Mr. R. A. Gopalaswami, Director, Institute of Applied Manpower Research, New Delhi; Dr. V. S. Jha, former Director of the Commonwealth Education Liaison Unit in London; Mr. P. N. Kirpal, Education Adviser to the Government of India; Prof. M. V. Mathur, Professor of Economics and Public Administration, University of Rajasthan; Dr. B. P. Pal, Director, Indian Agricultural Research Institute, New Delhi; Miss S. Panandikar, Head of the Department of Education, Karnatak University; Prof. Roger Revelle, Dean of Research, University of California, USA; Mr. K. G. Saiyidain, former Educational Adviser to the Government of India; Dr. T. Sen, Rector, Jadavpur University; Mr. Jean Thomas, Inspector-General of Education, France and former Assistant Director-General of UNESCO; Mr. J. P. Naik, Head of the Department of Educational Planning, Administration and Finance, Gokhale Institute of Politics and Economics, Poona (member-secretary).

Consultants: (1) Sir Eric Ashby Master, Clare College, Cambridge; (2) Prof. P. M. S. Blackett, Professor of Physics, Imperial College of Science and Technology, London; (3) Sir Willis Jackson, Professor of Electrical Engineering, Imperial College of Science and Technology, London; (4) Prof. Fredrick Seitz, President, National Academy of Sciences, Washington.

(*The Times of India*, New Delhi)

[Prev. ref. 5836:INI:K]

E. New Finnish Envoy: Mr. Asko Ivalo has been appointed Finland's Ambassador to India.

He will assume charge in September.

(*The Times of India*, New Delhi)

[Prev. ref. 4721:INI:H]

F. New Chief Of Protocol: Mr. J. N. Dhamija, until recently Ambassador to Afghanistan, has taken over as Chief of Protocol.

His predecessor, Mr. S. K. Banerji, Additional Secretary, Ministry of Foreign Affairs, will continue as Inspector of Foreign Service.

(*The Times of India*, New Delhi)

G. Australian Wheat: India will receive 1.61 million tonnes of wheat from Australia during the next 11 months.

Australia has agreed to supply India 1.7 million tonnes of wheat, of which 90,000 tonnes has already been received.

India wants to obtain its next year's requirements of wheat as far as possible only from USA, though under PL 480 part of the supplies has to be obtained through normal commercial transactions.

In view of the price factor, India would like to avoid commercial transactions, except in the case of rice where these are considered necessary.

Till the end of April India had received 1.6 million tonnes of foodgrains from USA. The balance of 2.8 million tonnes of wheat under the previous PL 480 Agreement and next year's requirements, now being negotiated in Washington, are expected to be made available by July. India is likely to ask for 4 to 4.5 million tonnes of foodgrains for 1965.

India's imports of foodgrains have been steadily going up. In 1961, 3.5 million tonnes of foodgrains were imported, in 1962 3.6 million tonnes and in 1963 4.5 million tonnes.

While imports have been rising, indigenous production has not increased substantially. Since 1960-61 India's total food output has been 80 to 81 million tonnes. It went down to 78.7 million tonnes in 1962-63. It is estimated at 80 to 81 million tonnes in 1963-64. The foodgrains target for the Third Plan is 92 million tonnes. The working group on agriculture has

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estimated that for self-sufficiency in foodgrains, sought to be achieved during the Fourth Plan, a target of 120 million tonnes is essential. This does not provide for buffer stocks.

As for imports of rice during the next 12 months, India plans to obtain 60,000 tonnes from Burma, 1,00,000 tonnes from Thailand, 50,000 tonnes from Cambodia and 60,000 tonnes from the UAR, in addition to about 3,00,000 tonnes from the United States under PL 480. Purchase of rice from countries other than the United States will largely depend on satisfactory price arrangements.

(*The Times of India*, New Delhi)

H. First Meteorological Rocket Launched: The first meteorological rocket to measure wind data in the upper atmosphere was launched on July 14 from the Thumba equatorial rocket launching base, near Trivandrum.

The Judi-Dart rocket carrying an S-band chaff (radar reflecting materials) consisting of copper needles 5,000th of an inch in diameter and 2.1 inches long, was fired at 12-25 p.m.

Another meteorological rocket was fired the following day. Twenty-four similar rockets would also be sent up in this series during the next 12 months.

(*The Hindu*, Madras)

[Prev. ref. 5752: INI:L]

I. New Air-India Flight To London: Air-India will start a new service between Delhi and London *via* Moscow in October this year. This will bring London within 12 *flight hours of Delhi.*

In a statement in Bombay on July 16, Mr. B. R. Patel, Vice-Chairman and General Manager of Air-India, said the new service would be the fastest between Delhi and London. A flight taking off at 10 a.m. (IST) from Delhi in Winter would reach London by 4 p.m. (London Time).

The new flight will be made possible by an Agreement signed between Air-India and Aeroflot which permits Air-India to operate two services a week on the route Bombay-Delhi-London with traffic rights in Moscow.

(*The Times of India*, Bombay)

[Prev. ref. 5836: INI:N]

J. Members Of National Defence Council: It was officially announced on July 18 that the Prime Minister, Mr. Lal Bahadur Shastri, had nominated Mrs. Indira Gandhi, Mr. Ram Kishen, Chief Minister of Punjab, Mr. G. M. Sadiq, Kashmir Premier, and Lt.-Gen. Sant Singh, a former GOC, Eastern Command, as members of the National Defence Council.

Mr. Ram Kishen took the place of the former Chief Minister of the Punjab, Mr. Pratap Singh Kairon, and Lt.-Gen. Sant Singh of Gen. Thimayya who had been appointed UN Commander in Cyprus.

The State of Jammu and Kashmir was so far not represented in the 29-member Council.

Mrs. Gandhi has been included in the Council as a member of the Emergency Committee of the Cabinet.

(*The Times of India*, New Delhi)

[Prev. ref. 5546: INI:J]

K. Record Production By Durgapur Steel Plant: The Durgapur Steel Plant has achieved a production rate in excess of its capacity, according to official figures of output for the first half of this year.

The Plant produced 5,18,474 tonnes of steel ingots in the last six months as against 4,81,049 tonnes in the corresponding period last year.

The output in the first half of this year was 18,474 tonnes more than the rated capacity of a million tonnes of steel ingots for a full year.

In pig-iron also the Plant's production during this period was 49,000 tonnes more than that of the corresponding period in 1963.

Pig-iron production in the first half of this year totalled 6,84,619 tonnes as against 6,68,840 in the same period last year.

The higher production helped not only to keep the melting shop fully fed but also to release larger quantities of pig-iron to the foundries which have been experiencing difficulty in obtaining adequate supplies.

(*The Statesman*, Calcutta)

[Prev. ref. 5296: INI:S]

L. Extension Of Congress To Jammu And Kashmir—National Conference's Decision: The working committee of the ruling National Conference decided on July 17 to "join the mainstream of national political life" by extending the Congress to Jammu and Kashmir. The decision was endorsed by the National Conference Legislature Party at its meeting in Srinagar on July 18.

The Conference authorized its senior Vice-President, Mr. G. M. Sadiq, to convey the decision to the Congress High Command, "particularly to Congress President, Mr. K. Kamaraj and the Prime Minister, Mr. Lal Bahadur Shastri."

Bakshi Ghulam Mohammed agreed to step down from presidentship of the National Conference in deference to the wishes of the Conference executive. This was announced at the conclusion of the overnight deliberations of the executive.

The executive had deputed Mr. Girdharilal Dogra, former Finance Minister, to convey its wishes to Bakshi Ghulam Mohammed and seek his reaction.

At the meeting on July 18, Mr. Dogra reported that the Bakshi wanted it to go ahead as it liked.

The executive then authorized Mr. Sadiq to discuss with the Congress High Command the question of setting up a Congress unit in Kashmir. The High Command's advice will be acceptable to the National Conference.

The executive meeting was immediately followed by a meeting of the National Conference Legislature Party, which also resolved to abide by the outcome of Mr. Sadiq's parleys with the Congress High Command.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 3725: INI:G]

M. Orissa Minister Resigns: It was announced in Bhuvaneshwar on July 15 that Mr. Harihar Singh Mardaraj, Orissa's Minister for Works (Roads and Buildings) and Transport, had submitted his resignation to the Chief Minister, Mr. Biren Mitra.

Confirming this in an interview, Mr. Mardaraj declined to disclose the reasons of his resignation. "To do so I am to take the permission of my Chief Minister," he said.

He also parried a question as to when he had submitted his resignation.

(*The Statesman*, Calcutta)

[Prev. ref. 5502: INI:H]

N. Tourist Development Council Meeting: The Tourist Development Council, which ended its two-day meeting in Srinagar on July 19, has concurred with the decision of the Central Government to constitute two corporations to undertake commercial enterprises in the field of tourism.

One corporation would build hotels, while the other would organize special transport services, produce and distribute tourist publicity material and make arrangements to entertain tourists.

Some members urged that a few selected places connected with the freedom struggle should be developed. They also suggested that a committee be appointed to advise the Council in this matter.

The consensus at the meeting was that more funds should be allotted in the Fourth Five-Year Plan to promote tourism "which was one of the biggest foreign exchange earners". An outlay of Rs. 50 crores has been indicated on this account in the Fourth Plan.

On the question of permitting foreign artistes to enter India for working in hotels, it was suggested that proposals involving no foreign exchange could be sent for the Government's consideration. The Council called upon hoteliers to develop local talent and evolve some kind of indigenous entertainment for foreign tourists.

The Council was of the opinion that rigorous steps should be taken by the State Governments to preserve wild life. It recommended that special measures be adopted to promote tourist traffic to hill stations.

The Council agreed that more youth hostels of the right type and standard were needed, particularly in smaller cities and out-of-the-way tourist centres. The Council laid special stress on training personnel in tourist bureaux set up by the State and Central Governments.

(*The Statesman*, New Delhi)

[Prev. ref. 5908: INI:I]

O. Mr. Ram Kishen's Policy Statement: In his policy statement on July 8, which he described as "more in the nature of a pledge" the Punjab Chief Minister, Mr. Ram Kishen promised a clean administration. He said that the judiciary would be separated from the executive in three or four months.

"Realizing that corruption in the administration and business is doing incalculable damage to the social, economic and political fabric, we pledge to wage a war against corruption".

The Government would not interfere in the elections to religious institutions. "We will restore the confidence in, and preserve the impartiality of the Services so that a cadre of efficient, unbiased and fearless public servants can go about their job.

"We will enforce law and order at all costs. We will take steps to see that the honest citizen is saved from harassment and the dishonest and unscrupulous effectively curbed."

He said the new Government was irrevocably committed to democratic socialism and pledged to adopt a progressive and comprehensive educational policy aimed at promoting the creation of a socialistic pattern of society.

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A promise to stabilize the price level was included in the policy statement which said that the Government would reduce the prices of consumer articles, particularly grain. No quarter would be given to the unscrupulous trader, but the honest trader would be saved from harassment.

He gave the highest priority to agricultural development in the new Government's programmes. All impediments in the way of stepping up agricultural production would be removed.

He said that in an effort to consolidate democracy in Punjab the Government would encourage active co-operation and association of the Opposition parties.

He said he had made it clear to officials that the Government wanted to create a "moral climate" in which people could breathe "fresh air". He had sought their co-operation.

He had "several concrete steps" in mind to root out corruption, but wanted some time to implement them. He had had discussions with the Central Home Minister, Mr. G. L. Nanda, in this regard.

He said he did not want to let his promise of a "war on corruption" remain a slogan. "People will see that something is really being done. For the present the Sadachar Samiti will begin functioning in the State." He wanted officials to work fearlessly. "Their fingers have been maimed and crippled and their pen broken, but soon this will be a thing of the past."

Asked whether the Government contemplated "removing the injustice done to several officials including Mr. Grewal and Mr Kapur", he said: "I am strengthening my Law Department first." He felt "there will be no difficulty" for any official if he wished to return to the State, but "we have also to make a quota available to the Centre from among our officers."

(*The Times of India* and *The Hindustan Times*, New Delhi)

[Prev. ref. 5941:INI:M]

INDONESIA

A. Soviet Assistance: Many development projects now under way are financed by credits from the Soviet Union.

Recently a protocol was signed on implementing the various development projects discussed by experts from both countries.

Six projects, under Agreements signed several years ago, included the Trikora steel plant in Tjilegon, West Java, with a proposed capacity of 100,000 tons of steel annually. Among the others are a superphosphate factory with a 100,000-ton annual capacity; a 662-kilometre road-building project in Borneo; a 100-seat Oceanology Institute in Amboyna; a 280,000-kwh electric power station at Sigguru-guru; an atomic plant in Djakarta and another in Serpong.

Negotiations have also led to the purchase of greater quantities of rubber direct from Indonesia.

Some Soviet projects in Indonesia will be the biggest ever undertaken in the country. The hydro-electric project on the River Asahan will create a huge reservoir. There will be a small re-inforced concrete dam. Water will be supplied through a tunnel leading to an underground power station built at a depth of 250 metres.

Electric power will serve an aluminium complex being built in the vicinity. This will also be Soviet-designed and-constructed. North Sumatra towns that have recently been building cotton, mineral, fertilizer, and plastic factories will benefit most from the power station.

Indonesia is going through a phase of acute economic difficulty. She is facing transport, production, and currency problems. Failure to receive promised foreign aid, amounting to some £144 million has aggravated the situation.

Among immediate steps taken to bolster the economy are economic measures to increase food production, improve land and sea transport, and simplify export procedures.

The Soviet Union will not be the only East European country playing a vital role in the present economic setback. Poland is playing a major role in improving the nation's shipping by building a number of ocean and coastal craft. Czechoslovakia, Hungary, Bulgaria, and Yugoslavia are building industries, the plants being mainly on credit terms. East Germany has sent a number of mining experts to assist in stepping up coal production, and is also building some industries.

(*Far East Trade*, London)

[Prev. ref. 5344:IND:G]

ISRAEL

A. Mr. Levi Eshkol's Visit To USA: The Prime Minister, Mr. Levi Eshkol, arrived in Philadelphia on May 31 on an official visit to the United States.

The following day he arrived in Washington, where he was welcomed by President Lyndon B. Johnson.

In a welcoming statement, Mr. Johnson said peace was not only possible but imperative for the Middle East and for the world in general. "We know that Israel wants to live in peace with its neighbours." He also assured Mr. Eshkol that USA was prepared to continue its aid to promote Israel's technical advance, especially in the field of desalination of sea water.

He said the American people greatly admired Israel's progress and the way the people of Israel had mastered monumental problems. "Israel today is a symbol of the strength of its people." He recalled US aid to Israel in the past and assured Mr. Eshkol that the aid would continue.

He added that he knew well that Israel and USA were sharing a common goal: "the development of a peaceful world." He expressed confidence that the Premier's visit would result in further improving the already close ties between the two countries. "We are aware of the problems of political adjustment Israel faces with her neighbours. We know it is not only possible but imperative that these problems be peacefully resolved, bringing justice for all as well as security for all."

In his reply, Mr. Eshkol emphasized the leading role of the President in world affairs. Mr. Johnson, he said, "stands for peace, freedom and welfare for the people." This was a constant encouragement for nations around the globe struggling for these goals.

Then, citing in Hebrew the prophet Malachi, he asked: "Have we not all one father, hath not one God created us? From Jerusalem, city of immortal prophecy and peace, I bear with me the best wishes of the people of Israel, to you, Mr. President, the first citizen of this great country that fulfils the injunction of our sages, to love peace and pursue peace.

"Mr. President, from this great centre of Government here in Washington, symbol and repository of democracy, there has constantly gone forth a message of encouragement to nations in their struggle for liberty and the affirmation of human values.

"The aid and sympathy tendered to us by successive US Governments and by the people of USA are engraved for all time on the tablets of our renewed nationhood.

"Through you, Mr. President, I wish to convey from the people of Israel to the people of USA a heartfelt message of goodwill and of best wishes for their happiness and welfare."

Meeting With US Senators:

Mr. Levi Eshkol told US Senators on June 1 that Israel required modern tanks and jet aircraft to defend herself against a military build-up in Arab countries.

Senator John Sparkman, acting Chairman of the Foreign Relations Committee, told newsmen that Mr. Eshkol had expressed this view during a meeting with the Committee.

Senator Sparkman emphasized that the Israeli leader had not stated that he intended to ask USA to supply the tanks and jet planes. Mr. Eshkol declined to discuss the substance of his talks which opened at the White House on June 1 with President Johnson.

Asked what USA could best do to help Israel at this time, Mr. Eshkol replied: "To help us maintain our deterrent capacity and also to help us more in economic development, which is the most important thing."

Discussing the security situation in the Middle East, he said that President Nasser was "threatening Israel almost every week" and saying that "Israel is to be destroyed."

He said the Israelis heard that the Soviet Premier, Mr. Khruschev had promised Soviet arms to President G. A. Nasser during his recent visit to UAR, "so we take these threats to be real and it means that we must always keep up our deterrent power."

At another point, he appeared to discount the significance of Mr. Khruschev's support for the Arab cause.

He was asked what he thought would happen when Israel began to divert waters of the River Jordan and the Arab countries reacted.

He replied: "I personally am inclined to think that we will take our share of the waters without meeting stiff resistance."

Senator Sparkman told newsmen that every conceivable subject involving the Middle East was discussed by Mr. Eshkol and the members of the Foreign Relations Committee. He said the Prime Minister mentioned Israel's needs for modern tanks and jet planes when asked for his views about the military situation in the Middle East.

Joint Communique:

Mr. L. Eshkol ended his visit on June 3, backed by President Johnson's renewed pledge in a joint *communique* to help preserve peace and spur economic development in the Middle East.

President Johnson "re-iterated to Prime Minister Eshkol US support for the territorial integrity and political independence of all countries of the Near East and emphasized the firm opposition of the United States to aggression and the use of force or the threat of force against any country".

"In this connexion, both leaders expressed their concern at the diversion of vitally important resources from development to armaments."

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The communique reported that President Johnson emphasized to Mr. Eshkol the strong desire of USA for friendly relations with all Middle East countries and "its devotion to peace in the area and to peaceful economic and social development of all countries" there.

Mr. Eshkol expressed his deep appreciation "for the consistent interest and sympathy shown by the US and for the generous economic assistance rendered by the United States Government and the American people to Israel over the years."

"He was confident that Israel's development would continue unabated towards the rapid achievement of a self-sustaining economy. It was his deep conviction that peace and the maintenance of the territorial integrity and national independence of all countries in the Near East is of vital interest to the region and to the world."

The two leaders agreed that an arrangement to undertake joint studies on problems of de-salting sea water to provide urgently needed fresh water, provided concrete evidence of the US desire to continue to assist Israel to solve remaining economic problems.

Both countries viewed the project as part of a world-wide co-operative effort being undertaken to solve the problem of water shortage. They announced that the knowledge and experience obtained from the joint US-Israeli effort would be made available to all countries with water deficiencies.

"They declared their firm determination to make every effort to increase the broad area of understanding which already exists between Israel and the United States and agreed that the Prime Minister's visit advanced this objective."

TV Interview:

Mr. L. Eshkol said in a television interview on June 7 that there was a "peace camp" in the Arab world.

Asked to comment on reports of the "peace camp," he said: "Yes, they exist here and there but I wouldn't like to explain about it because it might endanger some of them."

Asked if he thought King Hussein hoped for improved relations with Israel, he said: "For very obvious reasons it would be bad if I should state these things in public."

He said he was sure Arab hostility to Israel would decrease. "It stands to reason. World opinion will not allow the Arabs to destroy a country like Israel."

He repeated that he did not consider Mr. Khruschev's speeches in Egypt in July a "go-ahead" signal to the Arabs to attack Israel.

While he thought it would be a "good idea" for Russia and USA to include the Arab-Israel dispute in any negotiations they might hold toward some kind of detente, he said that he was "not sure if the time is ripe" for such talks. He said, however, that he had mentioned the possibility in his discussions with President Johnson.

He gave as one reason for his optimism over peace with the Arabs—the high cost of armaments. Another was President Nasser's growing problem of raising the Egyptian standard of living.

News Conference In Los Angeles:

Mr. L. Eshkol told a news conference in Los Angeles on June 10 that Israel was several years behind UAR in weapons.

He said that UAR was obtaining weapons from the Soviet Union. "We are behind UAR, but we have a small, brave army." He added that when UAR received Russian MIG jet fighters, "we were left no choice but to try and keep up with them".

Asked if President Johnson had assured him of defending Israel in case of attack, he replied: "It is a known fact that President Johnson considers maintenance of Israel's borders of primary importance to the United States."

He said peace in the Middle East depended upon mutual recognition of boundaries and upon separate political systems —"Until peace comes, we must maintain our deterrent strength."

"The President gave me a clear picture of American policy round the world, including the Middle East. I was deeply moved by his dedication to peace and to the advancement of people everywhere. I shall return to my country encouraged by his friendship."

He said among the problems he had discussed with President Johnson "was the imaginative suggestion he has made that our two countries co-operate in the sphere of desalting. We reached agreement to embark upon a joint study of the possibility of desalting on a large scale for agricultural use."

He cast doubt that there would be a war with the Arab nations, but assured that his country would be prepared if war came.

He stressed that Israel had made no plans for installing or developing nuclear weapons, and expressed regret that the United Arab Republic was installing ground-to-ground missiles that could eventually be outfitted with nuclear warheads.

Second Communique:

On the eve of Mr. Eshkol's departure from New York on June 11, it was announced in a second *communique* that USA would actively participate in setting up large plants for *desalting sea water in Israel*. Blueprints for the plants would be prepared jointly by Israeli and US study groups later in 1964.

The two countries also announced that a "joint US-Israeli technical team will be appointed immediately to conduct, during this Summer, surveys to define the scope and requirements of the programme."

Mr. Eshkol had discussed the sweet water problem at some length with President Johnson, who showed considerable interest.

Following President Johnson's agreement with Mr. Eshkol to launch joint projects, expert talks were held in which the Israeli Deputy Defence Minister, Mr. Peres, the US Atomic Energy Commission Chairman, Mr. Glenn T. Seaborg, and officials from the AEC, the US State Department and the Department of Interior participated.

US-Israeli co-operation on what constitutes a vital problem for Israel will come in three stages:

(1) Appointment of a joint technical team to work out the ground rules for the future programme. Officials from the Departments of State and Interior and the Atomic Energy Commission are expected to visit Tel Aviv shortly for the first stage of consultations.

(2) Detailed engineering and economic studies by joint technical and scientific forces. Informed sources said it will mainly be cost efficiency studies to determine whether to employ dual-purpose reactors or use conventional methods for desalting sea water. A decision on specific projects is expected to come in this phase.

(3) Construction of desalting plants in Israel. "It is hoped that on the basis of these surveys and studies, an economic desalting project of mutual technological interest, producing substantial quantities of water for specialized agricultural and for industrial use will be undertaken in Israel, with active participation of the US."

The communique said the International Atomic Energy Agency in Vienna would be invited to participate and observe the studies and programme right from the start, and "the knowledge and experience obtained from this programme will be available to all countries with water deficiencies."

Report To Knesset:

Mr. L Eshkol reported to the Knesset on June 23 on his visit to USA.

In the course of his report he declared: "Israel will not waive her independent power to defend herself to deter the enemy and to repulse him."

At the same time, he said, he had every confidence in President Lyndon Johnson's determination to frustrate any aggression against Israel. He appreciated deeply the friendship and understanding he had met during his American visit. "During the 10 days I spent in the United States, we witnessed manifestations of sympathy and esteem, which were directed to the State and people of Israel, and to its work of national resurgence. My talks with President Johnson were marked by candour and mutual truth. Their content was serious and practical. I was profoundly impressed by the sincerity of the President's friendship for Israel and his interest in her welfare, security and prosperity. We follow with sympathy and esteem the efforts of this illustrious man to meet the great responsibilities that rest upon him.

"I have every confidence in the words of the joint declaration, which reflect the attitude of President Johnson; it speaks of firm determination to make every effort to increase the broad area of understanding which already exists between the two States, of devotion to peace, of the support of the United States for the territorial integrity and the political independence of all countries in the Near East, and the firm opposition of the United States to the use of force or the threat of force against any country. The President and his aides took pains to convince us that the will to prevent or frustrate any aggression against us is not merely the expression of a wish, but a firm political decision with all that this involves.

"In my talks with the President I explained the spiritual and historical reasons for the resurgence of Israel and its land, and against this background I explained our specific security problems in the light of our geographical situation and the constant threats directed against the last hope of the Jewish people...

"At the same time, we have never given up our claim on the nations for economic and other assistance and help in the creation of the political framework for our work, or exempted them from their responsibility for keeping the peace. We profoundly appreciate the concern of a Power like the United States for our security, and just as we shall not cease to maintain our defensive readiness—for there is no substitute for our own independent strength—so we shall demand the fulfilment of promises and obligations by those who gave them.

"I, therefore, asked for active support for our efforts to remain capable of bearing the responsibility for our nation's survival and destiny; I demanded the correction of any military imbalance that may arise in the area, so that we may be able to deter and to defend ourselves with all necessary speed...

"Our enemies have no problem of armaments. They receive generous supplies for next to nothing, as has been confirmed afresh during the Soviet Prime Minister's visit to Egypt."

Stand On Settlement With Arabs:

A Paris despatch on July 3 said Mr. L. Eshkol had shut the door on any settlement of the Arab-Israeli

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dispute on the basis of taking back Arab refugees.

He told Le Monde on July 2: "It would be rendering as bad a service to the Arabs as to the Israelis to propose such a step."

He said that he was also uncertain of the practicability of upholding multi-national States.

His entire thesis rests on the interpretation bitterly contradicted by non-Israeli Jews, that Jews constitute a nation or people rather than a religion. He would seem to think that multi-national States should be broken down into constituent elements.

"We are living in an epoch where multi-national States can only survive with difficulty. Take the example of Cyprus in the grip of a drama of inter-ethnic incompatibility."

His excuse for keeping Arabs out of their original homeland is that they, in the first instance, went out of their own accord in the hope of returning in triumph after an Arab victory and, furthermore, accepting Arabs back will not resolve the basic Arab-Israeli differences. To prove this, he pointed to President Nasser's threat that war between the two States was inevitable.

He said that there was no question of "morality being involved" in keeping Arab refugees out because in his opinion, Arabs would have showed no mercy to Jews if the former had won the 1948 war.

(*The Israeli Digest*, Jerusalem, *The Egyptian Gazette*, Cairo and *The Hindu*, Madras)

[Prev. ref. 3270:ISR:A]

YEMEN

A. UN Assistance: A London report on June 5 said that the first financial and technical aid extended by the UN Special Fund to Yemen had been announced.

The Fund is to grant $5 million for the implementation of five projects and the first instalment of $1 million is to be paid after final routine approval has been obtained.

The five projects are: the creation of model farms and the training of Yemeni farmers in modern methods of agriculture; the introduction of agricultural machinery and the establishment of repair centres; the modernization of irrigation canals to bring more land under cultivation; the initiation of an overall geological study of the eastern region of Yemen, near the Empty Quarter, as a basis for prospecting contracts with oil companies; and a study of underground waters, including the digging of model wells and the installation of pumps. The Food and Agriculture Organization will also participate in the projects.

(*Middle East Economic Digest*, London)

ASIA OUTSIDE ASIA

A. US Civil Rights Bill Passed: President Lyndon B. Johnson of USA signed into law on July 2 the far-reaching and controversial Civil Rights Bill.

Instead of waiting until the US Independence Day—July 4—as expected, Mr. Johnson decided to place the Bill on the Statute Book within hours of its approval by the House of Representatives in the same form as passed earlier by the Senate.

A ceremony was arranged at the White House to mark the historic occasion and it was televised throughout the country. Distinguished Americans, including prominent leaders of the current Negro campaign for desegregation, were among the invitees.

Before signing the Bill, Mr. Johnson made it clear that the enactment did not mean the end of his endeavours. He made a number of announcements to see that the new Act was implemented with maximum speed and minimum friction.

Among the new measues was the appointment of a National Community Relations Service to smooth the path of enforcement. He also gave notice of his intention to seek additional funds from Congress to pay for the cost of enforcing the law in case it was not accepted voluntarily.

He made it known that he had summoned a Cabinet meeting to direct all Government agencies to see that the new law was faithfully implemented.

He recalled that it was his predecessor, the late President Kennedy, who had first proposed the Bill just over a year ago. But most observers agree that while it required Mr. Kennedy's vision to envisage the need for the Bill, it required Mr. Johnson's mastery of Congressional procedures to ensure its passage.

The new Civil Rights Act gives Federally-enforceable legal protection to Negroes claiming equal rights in the fields of voting, education, public accommodation, employment, public facilities and wherever Federal funds are utilized.

Before the House finally passed the Bill by 289 votes to 126, it received an encouraging indication that the Southerners were revising their attitude.

A young Representative from Georgia received an ovation when he rose to announce that he had decided to support the Bill. He said: "I will add my voice to those who seek a reasoned and conciliatory adjustment to a new reality."

A Washington message said enactment of the Bill does not mean, however, that racial conflict, in USA is at an end. In fact, it will probably increase in the coming months as Negroes strive to taste their newly-won rights and many whites do to resist them.

Civil rights is also likely to be drawn into the coming election campaign with many candidates for the numerous Federal, State and local offices trying to take advantage of racial passions.

The following are the major provisions of the Bill:

Public accommodations—bans discrimination in establishments offering food, lodging, gasoline or entertainment to the public.

Equal employment opportunity—prohibits discrimination by employers or unions in hiring, punishing, promotions, apprenticeship, training.

Federal programme—authorizing Federal agencies to withhold funds from any programme in which discrimination is found.

Public schools and facilities—authorizes the US Attorney-General to file suit to compel desegregation of public schools, parks, playgrounds, libraries and swimming pools.

Voting—tightens procedures in earlier civil rights laws aimed at preventing discriminatory denial of Negro voting rights in Federal elections.

Community relations service—establishes new agency to help local communities settle racial disputes on a voluntary basis.

Civil Rights Commission—extends its life until 1968 and gives it new powers to collect and disseminate information on a national basis.

Effective data—all provisions of the Bill became operative immediately except for the equal employment opportunity section, which goes into effect in one year.

(*The New York Times*)

[Prev. ref. 4437:AOA:B]

B. World Grain Crop Prospects: Prospects for the 1963-65 total grain crop are that it will be better than last reason's record, according to a report by the Food and Agriculture Organization's Group on Grains, released on June 12.

A moderate decline in the coarse grains crop will be more than offset by increased wheat production. Prospects are "favourable" in all the regions of the world.

The report stated, however, that world trade in grains may be smaller this season than last, when record imports by USSR and by China brought trade levels to an "exceptionally high" level. At the same time, large purchases are expected by the major producing countries from the developing countries and perhaps also from mainland China. The possibility of some purchases by USSR is also not excluded.

The current world grain situation is characterized by a major increase in the volume of international trade in 1963-64. International prices of both wheat and coarse grains had risen in the second half of 1963, but they have weakened again in recent months.

Production of wheat outside the eastern trading area reached a new record level in 1963-64, estimated provisionally at 152 million tons; larger crops in North America and in the Southern Hemisphere more than offset substantial declines in Western Europe and parts of Asia.

Total production in USSR in 1963 was unofficially estimated at 55 million tons—about 16 million tons less than the previous year and the smallest since the mid-fifties. There was little change in the East European total, and the wheat harvest in mainland China was thought to have been slightly better than in recent years.

World production of course grains (outside the eastern trading area) increased more than that of wheat, mainly because of the expansion of production of maize and barley. World production of maize rose from 157 million tons in 1962-63 to 170 million tons in 1963-64, with an increase in almost all major producing countries.

"The remarkable increase in world grains trade in 1963-64 reflects mainly the substantial purchases of wheat by USSR and larger imports into both Western Europe and Japan". The Soviet Union in the past had exported about five million tons of wheat a year. This year it imported more than 10 million tons. "Imports into USSR are, by far, the largest made by any country in a single year."

In addition, the increased requirements of Western Europe (except Yugoslavia) and Japan, the rising volume of trade on special terms with the developed countries, and the continuation of purchases by mainland China also added considerably to the wheat trade.

Trade in coarse grains also reached high. levels. The increase in shipments of maize, barley and sorghum was expected to be particularly important in USA South Africa, Thailand and France. This situation was due to the rising long-term demand for animal products and imports of coarse grains by West European countries, which were likely to rise again in spite of considerably larger crops. The outlook for coarse grains was still better, and "for the 1963-64 July-June trade sea-

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son, all major exporters expect to ship more than in the previous year."

(*United Nations*)

[Prev. ref. 5877:AOA:A]

C. "Cosmos XXXIII" Launched By Russia: Another sputnik, *Cosmos XXXIII*, was launched by USSR on June 23.

It carried scientific instruments to continue the study of space.

It was going round the Earth once every 89.38 minutes, with apogee at 293 kilometres and perigee at 209 kilometres.

(*Tass*)

[Prev. ref. 5830:AOA:M; 5902:AOA:I]

D. Institute Of Scientific Atheism Set Up In Moscow: A Moscow despatch on June 11 said that by a decision of the Central Committee of the Soviet Communist Party, an Institute of Scientific Atheism had been established at the Academy of Social Sciences in Moscow.

It is to co-ordinate all scientific atheistic work, train highly qualified cadres, develop topical problems of scientific atheism, hold all-Union scientific conferences and seminars and establish contacts with scientific atheistic centres abroad.

(*Tass*)

E. Pope Paul On New Study Of *Birth Control Problems:* *Addressing a group of 26 Cardinals of the* Vatican Curia on June 23, Pope Paul VI gave a clear hint that the Roman Catholic Church might soon reverse its policy on the question of birth control.

He announced that a study was being made of new developments and it was hoped that a conclusion would be reached soon and made known in the appropriate form.

In the meantime, he said, the rules laid down by Pope Pius XII (which condemned the contraceptive use of birth control pills) were still binding and it was recommended "that no one, for the present, takes it on himself to make pronouncements in terms different from the prevailing norm".

The following is the text of the passage of Pope Paul's speech dealing with birth control:

"A problem, which everyone talks about, is that of birth control, as it is called, namely, of population increases on the one hand, and family morality on the other. It is an extremely grave problem.

"It touches on the mainsprings of human life. It touches on the feelings and interests closest to the experience of man and woman. It is an extremely complex and delicate problem.

"The Church recognizes the multiple aspects of it, that is to say, the multiple rights, in the forefront of which are certainly those of married people, their freedom, their conscience, their love, their duty.

"But the Church must also affirm her own rights, namely, that of God's law, interpreted, taught, favoured, and defended by her.

"And the Church will have to proclaim this law of God in the light of the scientific, social, and psychological truths which in these times have undergone new and very ample study and documentation.

"It is necessary to face attentively this development, both theoretical and practical, of the question. And this is in fact what the Church is doing. The question is being subjected to study, as wide and profound as possible, as grave and nonest as it must be on a subject of such importance.

"It is under study which, we may say, we hope will soon be concluded with the co-operation of many and outstanding experts. We will therefore soon give the conclusions of it in the form which will be considered most adapted to the subject and to the aim to be achieved.

"But meanwhile, we say frankly that up to now we do not have sufficient motive to consider out of date and therefore not binding the norms given by Pope Pius XII in this regard. Therefore they must be considered valid, at least until we feel obliged in conscience to change them.

"In a matter of such gravity, it seems well that Catholics should wish to follow one law, that which the Church authoritatively puts forward. And it therefore seems opportune to recommend that no one, for the present, takes it on himself to make pronouncements on terms different from the prevailing norm."

(*The Times*, London)

[Prev. ref. 5410:AOA:F]

F. Earth Surrounded By Cosmic Dust—Soviet Scientists' View: Soviet scientists have claimed that the Earth is surrounded by a cloud of cosmic dust.

Speaking at the 11th Meteorite Conference sponsored by the Meteorite Committee under the Soviet Academy of Sciences, which opened in Moscow on May 26, Academician Vasily Fesenkov reported that according to observations the cloud fluctuates constantly.

This information was obtained through the study of the near-Earth zones of space by various methods, including rockets.

It was held by scientists, however, that it was difficult to keep track of the fluctuations of the cosmic cloud with the help of rockets as they could supply information from only one spot at a time. They believed that this cloud was formed chiefly as a result of the burning of meteorites when they enter into the Earth's atmosphere.

Prof. Boris Levin, who spoke at the Conference, said that the new facts established by studying meteorites gave ground for rejecting the idea of the similarity of the origin of the meteorite and terrestrial matter. He advanced his own hypothesis of the origin of iron meteorites.

He believed that the main role in their formation was played not by fusion but by diffusion—the process of the penetration of one substance into another in the solid state. He believed that the initial separation of metal and silicate could take place in cosmic conditions and result in the formation of small iron particles. Then at the expense of the energy operating on the surface of space objects these small particles could grow and gradually form a big iron body. As a result of the disintegration of the "parent object" from which the meteorite was formed, these iron bodies are separated from the surrounding stony matter.

This explanation logically accords with the monocrystalline structure of iron meteorites.

(*Tass*)

[Prev. ref. 5624:AOA:K]

G. Radio Location Of Venus—New Series Of Experiments: It was stated in Moscow on July 3 that Soviet scientists, using the complex of facilities of the long-distance cosmic communication centre, had begun another series of experiments on the radio location of Venus.

The scientists were interested in finding out how the decisive check-up of reliability, precision and functioning of the new electronic equipment for location of the planet would work out.

The first radio location of Venus in 1960 produced for the first time a cosmic "echo" of this mysterious planet. The radio waves started from the Earth 463 times over and, bouncing off the surface of Venus, brought back information about its rotation, orbit, structure and surface particulars.

About 19 months later, when Venus and the Earth again approached closest to each other (about 40 million kilometres), the second stage of the experiments was held at the distant space communication centre. In November, 1962 the Soviet scientists sent to Venus the first radiograms: "Lenin", "USSR", "Peace". The rebounced radio waves showed that the surface of Venus was similar to that of the Moon. "Astronomical unit"—the main scale of the solar system—was further specified.

The sound of sirens, which disturbed the quietness of the steppe, heralded the third stage of the radio location of Venus. The siren indicated that a powerful radio-transmitter was switched on 10 kilometres from the distant space communication centre. (It is dangerous to be near the transmitting antenna at this moment; the thin beam of radio waves, which is focussed by aluminium reflectors, emits tremendous energy.)

It took about five minutes for the radio-wave to cover twice the distance now separating the Earth from Venus—88 million kilometres. Then the transmission was stopped and the reception started. The pens of the recorders quivered and the recorder discs began moving—the Earth was listening to the echo from Venus.

Sensitive aerials, huge structures made of steel, concrete and aluminium, track Venus with the precision of up to thousandths of a degree, a precision which exceeds that of any chronometer.

After receiving the data, the magnetic tape was taken to another building which houses special electronic analyzing machines designed for the preliminary processing of the radio echo. The scientists were satisfied; the equipment functioned splendidly.

A thorough analysis of the data, specialists believe, will make it possible to single out important structures of the Venus relief in the future. Systematic sounding of Mars, Mercury and Jupiter will be effected before long.

(*Tass*)

[Prev. ref. 5625:AOA:N]

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ASIAN RECORDER

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ADEN

A. New Sultan Of Fadhli: An Aden message on July 11 said that Nasser Bin Abdullah (39), elder brother of Sultan Ahmed bin Abdullah, had been elected Sultan of Fadhli State.

Nasser Bin Abdullah's election followed the deposition of Ahmed bin Abdullah by the Supreme Council of the South Arabian Federation on July 9.

In Cairo, Ahmed Abdullah issued a statement saying that there was no provision in the Federal Constitution to prevent a Head of State from withdrawing from the Federation.

Sultan Ahmed Bin Abdullah Barred From Federation:

A decree barring Sultan Ahmed bin Abdullah from entering the South Arabian Federation was issued on July 9 at Al Ittihad, seat of the Federal Government.

A joint British High Commission and Federal Supreme Council statement said that after a meeting of the Federal Supreme Council the decree was issued under the Supreme Council's emergency powers. The decree stated that the Sultan had "unconstitutionally and falsely announced the secession of Fadhli State from the Federation and has been guilty of other conduct intended to affect the security and progress of the Federation".

It added: "So long as this decree remains in force Sultan Ahmed bin Abdullah al Fadhli shall be prohibited from entering the Federation of South Arabia and is hereby required to remain out of the Federation. Any contravention of or failure to comply with the provisions of this decree will be deemed an offence under the Public Emergency Decree of 1963. In addition Sir Kennedy Trevaskis, British High Commissioner for Aden and the South Arabian Protectorates has decreed the exclusion of the Sultan from Aden State under the legal powers invested in him as High Commissioner."

Sultan Ahmed announced his State's secession from the Federation the weekend when he was visiting Rome on his way to Cairo. He denounced the London Conference on the Federation's progress, which was still in session.

Tribal Chiefs' Threat:

The tribal chiefs in the "occupied south" declared before the UN Fact-finding Sub-Committee in Cairo on July 8 that if Britain did not respond to the demands of the people of the "occupied south" for independence, they would launch a fierce war against British military forces and civilians in the area.

Sheikh Mohammed Saleh El Musly, chief of the tribes of Upper Yafeh numbering about 300,000 people—asked the Committee for immediate UN intervention to stop "the war of genocide and starvation waged by the British" against the tribes of Radfan.

He called for an end to Britain's atrocities in the area. He said British forces had killed pregnant women in Radfan as well as children and unarmed shepherds.

Mr. Abdullah el Asnag, leader of the People's Socialist Party in Aden, said Britain had declared a war of genocide against the people of Aden and the "occupied south." "The British are killing women and children and destroying houses and have prevented representatives of the International Red Cross from entering the area."

He added that the British authorities were placing obstacles in the way of the Labour Party in Aden and were adopting a Gestapo system among the workers. The British authorities were also interfering in the affairs of the judiciary. "The London Conference was a farce and Britain resorts to such shame conferences when she is in a spot".

UN Sub-Committee's Statement On Aden:

The five-nation UN Sub-Committee on Aden (Cambodia, Iraq, Ivory Coast, Venezuela and Yugoslavia) completed its hearings in Cairo on July 10 and issued the following statement:

"The Sub-Committee on Aden, set up by the resolution of the Special Committee on Colonialism on April 9, 1964 went to Cairo on July 4, 1964.

"In view of the continuation of the State of Emergency and hostilities in the territory and the meeting of the London Conference, the Sub-Committee considered that it should visit the territory without delay. Following the refusal of the Government of the United Kingdom to permit this visit, the Sub-Committee considered it necessary to go to Cairo for the accomplishment of its task.

"The Sub-Committee held eight hearings of petitioners, from Monday, July 6 to Friday, July 10, 1964. It heard many people who were kind enough to appear before it, in particular the Sultan of the Fadhli State, the deposed Sultan of Lahej State, three members of the Aden Legislative Council belonging to the Independents' Group, leaders of political parties and organizations, representatives of tribes, women's associations, students, youth and agriculturists.

"The Sub-Committee also received numerous documents including memoranda from the different groups, stating their position with regard to the constitutional projects envisaged in the London Conference.

"It was also informed of the decisions taken by the People's Congress held in Cairo on July 5, 1964, in which national organizations, political parties and personalities of the Territory took part.

"The Sub-Committee had informed the representative of the United Kingdom at the United Nations of its wish to have discussions with the administering Power, in accordance with its mandate; it had indicated that it would be prepared to go to London if necessary. This request had been made on June 2 and was renewed in another letter on June 24, 1964. No reply has so far arrived.

"Pending the drafting of the report which it will submit to the Special Committee on Colonialism when it resumes work in September next, it considers that it should state its preliminary findings in the attached document.

"The Sub-Committee thanks the Government of the United Arab Republic for its hospitality and for the arrangements which it has made to facilitate the accomplishment of its task. It also thanks the Director and staff of the United Nations Information Centre for their full and complete collaboration."

The Document:

The document attached to the Sub-Committee's statement said:

"The Sub-Committee once again expresses its regret at not being able to go into the Territory. The United Kingdom, in refusing this admission, has not conformed with the resolution adopted by the Committee on Colonialism on April 9, 1964, and has not followed the recommendations of the resolution 1956 (XVIII) which renews the appeal for the complete co-operation of the administering Power as regard the tasks of the sub-committees on visiting groups.

"In going to Cairo, the Sub-Committee has been able to meet a great number of political personalities and representatives of national organizations of the territory, such as Sultans, representatives of tribes, members of the Aden Legislative Council, leaders of parties and representatives of various associations.

"The Sub-Committee, recalling its declaration of June 5, 1964 recommending the postponement of the Constitutional Conference or that representatives of all the political parties and organizations of the Territory should take part in its deliberations, expresses its regret at the fact that the Government of the United Kingdom convened the Conference in circumstances and conditions raising serious doubts on its validity and the compatibility of its conclusions and recommendations with the authentic aspirations of the people of the Territory.

"All the petitioners who appeared before the Sub-Committee contested the validity of the London Conference and showed their opposition to the conclusions of this Conference.

"The Sub-Committee has taken note of the declaration made by the Sultan of Fadhli with regard to the withdrawal of its State from the South Arabian Federation and to his refusal to accept the conclusions of the London Conference on the future of the Territory. The Sub-Committee has learned with regret the decision of the local authorities to prohibit the return of the Sultan to the Territory because of his attitude.

"The Sub-Committee has also taken note of the joint declaration of the national organizations of the Territory at the people's Congress in Cairo on July 5, 1964, in which they reject the conclusions of the London Conference, express their total support for the resolutions of the United Nations and for their fundamental principles, unanimously ask for the abolition of the Aden military base and the withdrawal of the British troops.

"The Sub-Committee has noted that, in their declarations, the petitioners support the arrangements mentioned in the resolution 1949 (XVIII) of the General Assembly dated December 11, 1963.

"The information on the maintenance of the State of Emergency and on the continuation of the military operations

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in the Radfan and Dathina areas causes anxiety to the Sub-Committee. Such a situation is contrary to the terms of the Declaration on the granting of independence to colonial countries and peoples and to those of the resolutions of the General Assembly and the Special Committee, and constitute a danger to peace and security in the area.

"The Sub-Committee supports the appeals made by several petitioners that international aid organizations, such as the International Red Cross or others, should be able to aid the civilian population which is a victim of the military operations.

"The Sub-Committee, according to its mandate, will continue to examine the situation in the Territory."

(*The Egyptian Gazette*, Cairo and *The Times*, London)

[Prev. ref. 5795:ADN:A]

AFGHANISTAN

A. West German Loan: A London report on July 3 said that West Germany will make a DM-40,000,000 loan to Afghanistan for petroleum products, foodstuff storage and communication materials.

This followed an earlier loan of DM200,000,000 made in 1962.

(*Middle East Economic Digest*, London)

[Prev. ref. 4897:AFG:A]

BURMA

A. Indian Repatriates: Several hundred Indian families returned to their Motherland from Burma in July.

These families had long since been settled in the country as small traders, cultivators or office employees. They had lost their means of livelihood as a result of the Government's measures towards Burmanization and State management of trade and commerce. Even for returning to India they experienced considerable hardship. Many did not have funds and had to leave their belongings behind.

The Government of India arranged ships for their repatriation. The number of reluctant repatriates was expected to reach 100,000.

The Indian Government made efforts to ameliorate the harshness of the regulations which the Burma Government at first applied to those who, finding their livelihood gone, decided to return to India.

The Burmese now allow those leaving to take out about Rs. 75 for each adult and Rs. 15 for each child, and also allow each family to take out up to about Rs. 250 of gold. Otherwise the repatriates have had to leave all their assets in Burma, and they reach India for the most part not far short of destitute.

In the main the repatriates have their family connexions, if any, in places in Orissa, Andhra Pradesh, or Madras, on the eastern seaboard, and they have been returning there to try to pick up the threads of a new life. The State Governments are helping with loans and, when possible, with jobs.

(*The Hindu*, Madras and *The Statesman*, Calcutta)

[Prev. ref. 5939:INI:B]

B. Burmese As Medium Of Instruction: The Education Ministry has made Burmese the sole medium of instruction in schools and colleges.

Indian and Chinese students, who form a sizable number, face the problem of their future education and are leaving Burma in increasing numbers. While Indian students are going to India, Chinese students are going to Kunming and other parts of Yunnan to continue their studies.

The services of Indian professors in colleges are being terminated.

(*The Times of India*, New Delhi)

C. Thakin Kodaw Hmaing Dead: Thakin Kodaw Hmaing, one of the most influential figures in the early days of political awareness in Burma and her subsequent progress towards Independence, died in Rangoon on July 23. He was 89.

The son of a carter, he was born in a village near Prome, and received a traditional Burmese Buddhist monastery education both in his village and the royal capital, Mandalay, where he witnessed the deposition by the British of the last of the Kings of Burma. In 1894 he moved to Rangoon to work in a printing press, and began his career as a playwright. More than 80 plays are known to have come from his pen.

In 1934 he lent his influence to the newly founded Dobama ("We Burmans") Association, of which he became President in 1936. He was able to advise the young men who were later to become the leaders of Burma, among them General Aung San, who negotiated Burmese independence, and U Nu, who was for many years Prime Minister. During the Japanese occupation, he worked with the Thakins, holding a Ministerial post in the Government for a while.

He was awarded the title of Alingakyawzwa for his services to Burmese literature. He became a member of the Burmese committee of the World Peace Congress and received the Stalin Peace Prize in 1954.

(*The Statesman*, Calcutta)

CAMBODIA

A. Charge Against Viet-Nam (RVN): The Head of State, Prince Norodom Sihanouk, told the opening session of Parliament in Pnom Penh on July 27 that Cambodia should give up hope of recognition of its frontiers by the Governments of South Viet-Nam, Thailand and Laos.

He denounced Britain's refusal to support the calling of an international conference to guarantee Cambodia's neutrality and territorial integrity and thanked, however, France, China, the Soviet Union and other "true friends in their firm and constant support."

A Government communique issued on July 28 alleged that South Viet-Namese planes had dropped a poisonous yellow powder in its region.

It stated that 76 persons had so far died from poisoning and many domestic animals had been killed.

It protested strongly against "this aggression by the aerial forces of South Viet-Nam against the civilian population of Cambodia."

It also protested to the UN Security Council, the co-Chairmen of the Geneva Conference—Britain and Russia—and the United States.

The charge was, however, completely denied by South Viet-Namese Government spokesmen.

UN Commission's Report:

Meanwhile, the Commission appointed by the UN Security Council to investigate border incidents between Cambodia and South Viet-Nam (see page 5903) submitted its report in the third week of July.

The Commission consisted of Mr. Sidi Baba of Morocco (Chairman), Mr. Manuel Pio Correa of Brazil and Mr. Moise Aka of Ivory Coast.

According to the Chairman, the Commission visited the frontier zones in Cambodia and had been able to observe visible evidence of the incidents which had motivated Cambodia's complaint against South Viet-Nam. In South Viet-Nam it visited the north, the centre and the Mekong delta region.

The Commission's report, released on July 28, said that the UN Security Council should send an observer group in an effort to prevent incidents on the border.

It said the UN Secretary-General should be entrusted with the implementation of the decision "in consultation with members of the Security Council." The Council should also recommend that Cambodia and South Viet-Nam "adopt whatever measures are necessary" to bring about resumption of diplomatic relations broken off in August, 1963.

It recommended further that the Council name "a person of high international standing", with the agreement of both the countries, to arrange for a preliminary meeting aimed at re-establishing relations and resuming talks on matters of dispute, particularly the delimitation and marking of the common frontier.

Prince Norodom Sihanouk announced on July 27 that he would visit China for a week from October 1 to attend Chinese Independence Day celebrations. He, however, emphasized that during his stay in China "I am not going to sign anything."

(*The Times*, London and *The New York Times*)

[Prev. ref. 5903:CAM:A]

CHINA

A. Chinese Aid To Developing Countries—Soviet Criticism: The Soviet Union accused China on July 11 of defaulting on promises of aid to developing countries and said that many Chinese aid projects were "sub-standard."

Izvestia said that Chinese aid to Afro-Asian countries comprised only eight per cent of the foreign aid given by Russia and other Communist States.

It criticised China for making "slanderous" attempts to denigrate Soviet aid projects.

It accused Peking of professing friendship for Indonesia while supporting Malaysia by trade. "Chinese propagandists' bragging about the Chinese People's Republic's aid to young national Governments has no foundation."

In a reply to the recent Chinese criticism of Soviet aid to new nations, Izvestia bitterly assailed Peking's own foreign aid record.

A Chinese delegate to an Asian economic conference in North Korea had recently said that Moscow's foreign aid to

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new nations was "dictated by its Great Power chauvinism and national egoism."

Izvestia described the Peking charges that Soviet aid was being used to meddle in the internal affairs of the recipient countries as "defaming, blackening, and slandering the disinterested aid by the Soviet Union..."

The Soviet organ again accused the Chinese of seeking to wield their influence in Asia and Africa against the Soviet bloc. But, the new nations had learned to judge their friends by deeds rather than words.

It said the Soviet Union was helping 1,223 projects, while China's commitments were only for 100 projects.

The Chinese had failed to keep to agreed time-tables, and developing countries complained about the slow way in which projects were completed.

The time-limit for Chinese aid to Nepal had expired in 1963, but none of the three projects planned had been built. In Guinea, only one out of seven projects had been started.

In Cambodia a cement factory which should have been completed in 1956 was still incomplete and China had so far failed to build plants negotiated with Burma and Indonesia in 1961. Many Chinese plants had a low technical standard.

Izvestia said closure of a Chinese factory in Cambodia was being discussed. The biggest of the Chinese aid schemes was a 400-loom textile mill to be built in Burma. But none of the projects was more than medium-sized because China itself had only recently begun industrialization.

Chinese Denunciation:

On July 13, China denounced the Soviet Premier, Mr. Khruschev, as a leader of a "privileged stratum" which was attempting to restore capitalism in Russia.

The denunciation was contained in a newspaper article.

The article was a further comment by the **People's Daily** and the **Red Flag**, the Chinese Communist Party newspapers, on the Soviet Communist Party's open letter of July 14, 1963, and appeared on the first anniversary of the letter.

The article said that the broad masses of the Soviet people were "seething with discontent in the face of oppression and exploitation practised by the privileged stratum".

The **New China News Agency**, which published the article, said it repudiated Mr. Khruschev's argument that the class struggle no longer exists in Russia.

It said Mr. Khruschev was using the signboard of communism "to fool the Soviet people and to cover up his effort to restore capitalism." He had "carried out a series of revisionist policies serving the interests of the bourgeoisie and rapidly swelling the forces of capitalism in the Soviet Union."

"He has widened and not narrowed the gap between incomes of the small minority and those of the workers, peasants and ordinary intellectuals." The new bourgeois elements had gradually risen to a ruling position "and formed a privileged stratum in Soviet society."

(*The Times*, London and *The Statesman*, Calcutta)

[Prev. ref. 5905:CHI:B]

B. Relations With Pakistan: The Pakistan Foreign Minister, Mr. Z. A. Bhutto, in an exclusive interview to the official Chinese *Hsinhua* News Agency correspondent in London on July 19, listed four reasons for maintaining good relations with China.

These were: (1) China was a close and immediate neighbour of Pakistan. (2) Like Pakistan, China was situated in Asia. (3) Pakistan and China belonged "to the world of Asia and Africa. They subscribe whole-heartedly to Afro-Asian solidarity." (4) Both the countries had known "the disadvantages of foreign domination".

He praised China's reasonableness "during the boundary negotiations".

The **Hsinhua** despatch broadcast from Peking quoted Mr. Bhutto as refuting the assertion that Sino-Pakistani relations were good because both of them were engaged in disputes with India. This was not so. "The relationship between Pakistan and China is not of a negative character".

Earlier, on July 18, China and Pakistan expressed the "desire to develop further the economic and trade relations between the two countries on the basis of equality and mutual benefit," the **New China** news agency reported.

It was quoting a **communique** issued at the end of the economic and trade talks in Peking between the Chinese Foreign Trade Minister, Mr. Yen Cai Chuang, and the Pakistan Commerce Minister, Mr. Wahiduzzaman.

The Pakistani Minister headed a delegation on a "goodwill visit" to China from July 10 to 18 at the invitation of the Chinese Government.

(*The Hindu*, Madras and *Dawn*, Karachi)

[Prev. ref. 5788:INI:A]

INDIA

SUMMARY: Dr. Zakir Hussain's Foreign Tour; British Loans Measures To Check Food Prices: ITI Review.

A. Dr. Zakir Hussain's Visit To Algeria: The Vice-President, Dr. Zakir Hussain, left for Algeria on June 25 by way of Bahrein and Cairo.

After a brief halt at Bahrein, he arrived in Cairo later in the day. He was received at the airport by the UAR Vice-President, Mr. Shafie. A 21-gun salute was fired. Dr. Hussain inspected a guard of honour and left for the Gruest Palace for an overnight stay. Indian flags were hoisted all along the route from the airport to the Palace.

Soon after arrival in Cairo, the UAR Prime Minister, Mr. Ali Sabry, had a meeting with him. The meeting was attended by the Indian Ambassador in Cairo, Mr. Azim Hussain.

Dr. Hussain assured Mr. Sabry that India would continue to follow the policise of the late Mr. Nehru and expressed the hope that the cordial and close relations between the two countries would continue.

Several Ministers of the UAR Government called on Dr. Hussain.

He arrived in Algiers on June 26 and was received at the airport by the Algerian Vice-President, Mr. Mohammadi Said.

Speaking to newsmen at the airport, Dr. Hussain said he considered Algeria a sacred land. "It is sacred to me because of the blood you have shed for your freedom."

After inspecting a guard of honour by men of the Algerian armed forces, he was taken in a procession.

Later in the day, he drove to "Ketchou", the grand mosque of Algeria and offered Friday prayers. A large crowd which had assembled outsied the mosque cheered Dr. Hussain as he arrived.

Algeria's Minister for Religious Affairs, Mr. Tawfik El Madani, who received him, said Algerians were happy to learn that Muslim culture and religion were safe in India.

Algerian newspapers on June 26 announced Dr. Hussain's arrival in bold headlines and carried his photographs on the front page.

In a meeting between Dr. Hussain and President Ahmed Ben Bella in Algiers on June 26, the need for tightening social and economic sanctions against South Africa in view of her persistent policy of racial segregation was emphasized.

Both the leaders underlined the importance of Afro-Asian solidarity and expressed sympathy for the people of Mozambique and Angola struggling against Portuguese imperialism.

President Ben Bella conveyed to Dr. Hussain his country's feelings of "profound and sincerest friendship" for India.

Dr. Hussain told President Ben Bella that he felt honoured and thrilled to be face to face with a leader under whose guidance the people of Algeria had offered the supreme sacrifice for their freedom. He had brought the Algerian President a number of gifts and he said India would be happy to receive President Ben Bella at any time.

The gifts included a carpet, a brass and copper inlaid table, a raw silk suit length and choicest varieties of Indian tea and mangoes.

Dr. Hussain visited the Algerian National Assembly on June 29 as the guest of Mr. Ben Abdallah, President of the Assembly's juridical commission.

President Ben Bella on June 29 accepted an invitation to visit India, but said he could not give any date for the visit. The invitation was extended to him by Dr. Zakir Hussain.

Dr. Hussain called on Mr. Ben Bella to take leave of him at the end of his four-day visit to Algiers. This was the second meeting between the two leaders.

He had separate meetings with the President of the National Assembly of Algeria and members of the Politburo of the ruling National Liberation Front. He exchanged views with them on the working of Parliaments and various development plans of the two countries.

In Oran:

Dr. Zakir Hussain arrived in Oran, (western Algeria) on June 30.

There he visited a natural gas depot and a glass factory.

During his talks with Algerian leaders Dr. Zakir Hussain said he had found identity of views on many international issues. They emphasized the need for fighting racial segregation and expressed sympathies for the people still struggling for their independence.

He said later on the eve of his departure for Rabat—Capital of Morocco—that he had found in the hearts of Algerian leaders and people an echo of feelings of love and goodwill which he had brought for them from the people of India. "I met here kind and considerate friends, warm and cordial."

When newsmen asked Dr. Zakir Hussain for his impressions of Algeria he said: "The impressions are wonderful. They are impressions of a great effort which has succeeded and which has

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cleared the way for a much greater effort in which we in India are deeply interested."

In Morocco:

Dr. Zakir Hussain arrived in Morocco on July 1.

He was given a colourful welcome in the traditional Arab style when he arrived at Rabat airport on a five-day goodwill visit to the country. Tall Arabs donning red Turkish caps and wearing flowing white costumes offered him dates and milk, as he stepped out of his special plane.

Present at the airport to receive him were Prince Mouley Abdallah, brother of the King, Mr. B. K. Acharya, Indian Ambassador in Rabat, and members of the diplomatic corps.

King Hassan of Morocco decorated Dr. Hussain with the Grand Cordon of the Alaquite Dynasty—the second highest honour of Morocco—at a function held on July 1 at the Royal Palace in Rabat.

Presenting the decoration to Dr. Hussain, the King expressed Morocco's profound and sincere feelings of friendship for India and asked the Vice-President to convey them to his people.

Referring to the talks he earlier had with Dr. Zakir Hussain, he said they had resulted in strengthening the "permanent link" and deepening the feelings of friendship between the two countries.

The decoration was preceded by a dinner given by the King in honour of Dr. Hussain at which the Prime Minister of Morocco and his Cabinet colleagues were present. Moroccan artistes entertained the Vice-President with Indian and Moroccan music in the main hall of the fabulous palace.

On July 2, Dr. Hussain conferred with the Moroccan Foreign Minister, Mr. Ahmed Reda Guedira, on the international situation with special reference to the Maghreb (North African Arab States) and African countries.

They also discussed relations between India and Morocco which are united by a common policy of non-alignment and cultural links.

It was announced in Rabat on July 3 that King Hassan had accepted an invitation to visit India. The invitation was extended by Dr. Hussain. No date was fixed for the King's visit.

During their talks earlier, the King and Dr. Hussain stressed the need for resolving international disputes through peaceful means and felt that common bonds between India and Morocco must be strengthened.

The King evinced keen interest in India's development plans with particular reference to industrial projects.

Dr. Hussain had a series of separate meeting with Mr. Ahmed Balafrej, personal representative of the King, the Prime Minister, Mr. Bahnini, and the Foreign Minister, Mr. Guedira.

Mr. Balafrej gave a lunch in honour of Dr. Hussain. The Indian Ambassador also held a reception for him at his residence.

Dr. Hussain presented to the King a carpet and the Queen a pink brocade piece with a bag. He also brought for the royal couple and other Moroccan leaders choicest varieties of Indian tea and mangoes.

Questions relating to the influences currently at work in Africa were discussed at a meeting that Dr. Hussain had with Mr. Ahmed Balafrej, Mr. Bahnini and other Moroccan leaders. Moroccan leaders emphasized the need for mutual exchange of the experiences of under-developed countries in fighting common problems in the economic field. Both the sides felt that there should be closer commercial and cultural contact between India and Morocco.

The possibility of exchanging Moroccan phosphates with Indian tea and textiles was also examined. Ways and means for exchanging students between the two countries claimed special attention at the meeting.

News Conference:

Addressing a news conference in Rabat on July 4, Dr. Hussain said that his talks with King Hassan had been very interesting. He was impressed by the King's keenness and understanding of problems concerning Africa and the world.

He said that for better understanding between India and African countries it was necessary to establish more contacts beween them. There should be greater exchange of students and artistes.

He said that India's commitment to help those still under colonial domination remained as before.

Giving impressions of his visit to Algeria and Morocco, he said his most vivid impression was that of a people advancing towards a better life and determined to build a better future. Both countries were very friendly towards India.

He also answered a number of questions on India's relations with China and Pakistan and explained India's point of view.

He returned to Rabat on July 4 after a trip of 325 miles through the countryside which took him to the ancient city of Fez. Fez, the old Capital, is a seat of learning and the home of one of the world's oldest universities. Dr. Hussain examined rare manuscripts in Arabic, some dating back to 800 AD. He also visited the tomb of Moulay Idriss, founder of Fez, and offered prayers at the ancient mosque of 200 pillars.

He arrived in Casablanca on July 5 on the last stage of his Moroccan tour.

Speaking at a news conference afterwards, he said he was very happy to visit the Maghreb countries, which were conducting a difficult experiment with a will to build a better future. He expressed satisfaction at the friendly sentiments shown to him during the visit.

In Tunisia:

Dr. Zakir Hussain arrived in Tunis on July 6.

Tunis airport was decorated with Indian and Tunisian flags.

High-ranking members of the Tunisian Government including Mr. Mongi Slim, Foreign Minister and President H. Bourguiba's son were present at the airport to receive Dr. Hussain.

A detachment of the Tunisian Army presented arms as a military band played the two countries' national anthems.

Members of President Bourguiba's ceremonial bodyguard, in white and red silken robes and with white turbans, lined the tarmac with bare sabres in their hands as Dr. Hussain stepped out of the airliner to inspect a guard of honour.

During his talks with Tunisian leaders, Dr. Hussain conveyed India's thanks and sense of gratitude for their support at the time of the Chinese invasion.

He had a 50-minute meeting with Mr. Bahi Ladgham, Minister for Presidential Affairs and National Defence, Mr. Mongi Slim, Foreign Minister, and Mr. Habib Bourguiba Jr., Secretary-General to the President.

The Tunisian leaders told Dr. Hussain that they fully appreciated India's stand on the Sino-Indian border dispute and felt sorry that some countries did not realize the implications of the Chinese invasion and took a different attitude.

On July 7, Dr. Hussain met the Tunisian President, Mr. Habib Bourguiba. The two leaders had talks in private on various problems including India's relations with Pakistan and the problem of Kashmir. Dr. Hussain invited President Bourguiba to visit India in the near future.

The two leaders were understood to have discussed the possibility of increasing economic and cultural co-operation between India and Tunisia, Indo-Pakistan relations, problems of non-aligned States and developing countries, racial discrimination in South Africa and Southern Rhodesia.

During the talks, President Bourguiba paid tribute to the late Mr. Jawaharlal Nehru whom he described as a great champion of freedom. He said he would keep for ever the memory of his visit to India which he had made before he became President.

Dr. Hussain presented gifts to the Tunisian President. These included an ivory chess set, Indian tea and a saree for the President's wife.

Dr. Zakir Hussain travelled to Ben Metir, President Bourguiba's residence about 63 miles from the Capital, after laying a wreath on the tomb of Tunisian martyrs killed in the battle for independence.

Support To India On Border Dispute With China:

Mr. Mongi Slim, Tunisia's Foreign Minister, on July 9 re-iterated his country's unqualified support to India in her border dispute with China.

Mr. Slim, who entertained Dr. Zakir Hussain, to lunch at Hammamet, about 40 miles from Tunis, had a long talk which covered a wide range of subjects.

The two leaders stressed the need for forging closer links between India and Tunisia and mutual exchange of scientists, students and intellectuals was suggested by both the sides.

Earlier, speaking at a reception given to him by the municipality of Sousse, the beautiful port on the eastern coast of Tunisia, Dr. Hussain said that India was fully conscious of the friendship between President Bourguiba and the late Prime Minister, Mr. Nehru, and would do everything possible to strengthen the brotherly links between the two countries. India would continue the foreign policy of Mr. Nehru and stick to non-alignment.

Dr. Hussain arrived in Cairo on July 11 from Tunis after a two-week tour of North African countries and left for home on July 12.

Returns Home:

Dr. Hussain returned to New Delhi on July 13.

In a message to **All-India Radio** on July 14, he said that he had found in the countries he had visited genuine friendliness for India and touching affection for the late Mr. Nehru.

He said he felt that there was ample scope for extending the field of co-operation with these countries in cultural and commercial spheres.

"I wish our people knew these good people more. They are a very fine lot, they work hard and they have a sense of purpose... They are extremely courteous, generous and loyal and have all the qualities one expects in a friend. They can, and I trust will, make our very good friends. I am happy to carry this assuring experience back home."

He said that he saw in the countries he visited evidence of peoples' dedication to the task of reconstructing a good life. "They are engaged in bringing about land reform, in organizing and extending edu-

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cation, in establishing industry and above all in laying firm foundations for the State which should provide the frame-work for all these activities."

He said that ever since his student days, this region had a great charm for him. It had made great contributions to art, ethics and learning. The well organized movements of liberation in the recent past had brought freedom to all the three countries. "One notices the glow of this newly won freedom in these countries at every turn."

(*The Hindu*, Madras and *The Statesman*, Calcutta)

[Prev. ref. 1607:INI:B]

B. **Loan Agreement With Britain:** India will receive a loan of £10 million (Rs. 13.3 crores) from Britain under an Agreement signed in New Delhi on July 28.

The loan is part of an offer of additional aid amounting to £30 million made by the British Government at the meeting of the Aid-India Consortium held in Washington on May 26.

The whole loan of £30 million is to be committed in 1964-65 as part of the British contribution towards the foreign exchange costs of economic development under India's Third Five-Year Plan.

The loan is not tied to any development project and can be used for current import requirements. Official circles have described this as an especially welcome form of aid.

The Agreement brings the aid which the British Government has so far made available towards India's Third Five-Year Plan to a total of £135 million (Rs. 180 crores).

The Agreement was signed by Mr. Govindan Nair, Additional Secretary in the Ministry of Finance, and Sir Paul Gore-Booth, British High Commissioner in India.

(*The Statesman*, New Delhi)

[Prev. ref. 5939:INI:D]

C. **Petroleum Agreement With USSR:** *Tass* reported on July 25 that the State-owned Indian Oil Company had signed another long-term Agreement with the Soviet Union to meet India's demand for petroleum products.

Under the Agreement, which will be operative during 1964-66, the Indian Company will import approximately 1,800,000 tons of oil products—about 500,000 tons in 1964, 800,000 tons in 1965 and 400,000 tons in 1966.

The figure for 1966 is lower because the Indian Oil Company expects by that time to obtain a part of the petroleum products it needs from the three oil refineries under construction in India.

Two plants are being built with Soviet assistance—one in Barauni with an annual capacity of 2,000,000 tons, and the other in Koyali with a capacity of some three million tons. The third plant with a capacity of 750,000 tons is being built with Rumanian assistance near Calcutta.

Among the oil products to be imported are paraffin and diesel fuel.

(*Tass*)

[Prev. ref. 5940:INI:G]

D. **Institute Of Russian Studies:** India and the Soviet Union have agreed to the setting up of an Institute of Russian Studies in New Delhi for the study of Russian language and literature by Indian students.

The Central Education Minister, Mr. M. C. Chagla, announcing this at a news conference in Moscow on July 27, emphasized that the study of Russian language and literature had now become very important for educational and scientific purposes.

The Institute will be set up by July, 1965. The Soviet Union has undertaken to provide Russian professors and books in Russian. It was stated that the Institute will be of great help in giving a short course in Russian language to Indian students proceeding to the Soviet Union for advanced studies in engineering and technology as also for trainees in industrial establishments.

Apart from this, the Institute will provide a three-year degree course in Russian studies.

A board has been set up with five Indians and five Russians for the setting up of the Institute.

(*Tass* and *The Times of India*, New Delhi)

[Prev. ref. 5938:AOA:O]

E. **New Afghan Envoy:** Mr. Mohammad Kabir Lodin has been appointed Ambassador of Afghanistan to India.

Mr. Kabir had been Afghan Ambassador to Britain since 1956.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5896:INI:E]

F. **Measures To Check Food Prices:** The Central Food Minister, Mr. C. Subramaniam announced in New Delhi on July 27 a series of measures finalized at a meeting of the Prices Sub-committee of the Cabinet to meet the food crisis.

He quoted figures of internal production and imports to emphasize that three to four million tonnes more of food was available than last year. But because of the rising prices, producers and traders were holding on to their stocks.

Mr. Subramaniam, who made the announcements at a news conference, said the maximum prices of grain would be fixed in the Southern Zone by August 1. The question of fixing such prices in other zones was being considered and he hoped to take a decision soon.

Notifications would be issued under the Defence of India Rules to make producers, dealers and consumers declare their stocks in excess of particular quantities, as had been done in Maharashtra and Andhra Pradesh.

A Foodgrains Trading Corporation, wholly owned by the Centre and registered under the Company Law, would start operations on January 1, 1965. It would function in competition with private traders, but whenever the Government felt it necessary the Corporation would be authorized to take over wholesalers' stocks at declared wholesale prices. It would deal in rice and wheat.

The Corporation, which would be entitled to utilize co-operatives and private traders for its buying operations, would have a monopoly of movement of grain by train. This, he added, would mean that the private trade would have to depend on road transport and as such movement over long distances under private auspices would become difficult.

About prices, two committees were being appointed. One of these, to be headed by Mr. L. K. Jha, the Prime Minister's Secretary, would be required to work out grain prices for producers, wholesalers and retailers for the coming season beginning in September.

The other committee would study the price problem for the long term. It would have to make a detailed scientific and technical study of the factors that went into the producers' prices and recommend producers' and consumers' prices to be enforced from the 1964-65 season.

A third committee was proposed to be appointed to review the production, price and distribution of sugar for the coming season and suggest a pattern of price and distribution. It would also look into the licensing policy.

Admitting that the controls enforced in October, 1963 on the movement of gur and khandsari had not worked well, Mr. Subramaniam announced the immediate withdrawal of the restrictions on gur. He said some legal complications stood in the way of taking a similar step immediately in regard to khandsari.

In future indiscriminate sale through fair price shops of rice and wheat from Government stocks would be stopped and distribution arranged on the basis of household identity cards.

He did not think it wise to abolish the food zones in the middle of a season, but promised to review the position for the next season.

Reviewing the food position State by State, he said that Punjab, along with Delhi, Jammu and Kashmir and Himachal Pradesh, was in the unique position of going through a period of "low prices for producers".

The situation in Maharashtra and Kerala was critical, but the steps taken so far had helped them to meet their difficulties, although the position could not be said to be very satisfactory.

He called UP the "sick child" and said that more wagons had been allotted to carry wheat to that State; the more important towns were being supplied from Central stocks.

In the eastern region, the position in Assam and Orissa was satisfactory. He was not under much pressure from Bihar, but despatches of food for that State had been stepped up.

He complimented West Bengal for "the heroic manner" in which it was trying to enforce the maximum food prices. The State had done fairly well so far and if it could get over the coming difficult period it would have set a good example for other States in enforcing a price pattern.

(*The Statesman*, New Delhi)

[Prev. ref. 5941:INI:L]

G. **ITI Review For 1963-64:** The Indian Telephone Industry (ITI) sold equipment worth more than Rs. 9 crores during the financial year 1963-64. The increase in the sales over the previous year was estimated at Rs. 1.5 crores.

According to a review of the working of ITI, which is the oldest industrial undertaking set up after Independence in the public sector, ITI has been producing telephones and other tele-communication equipment in ever increasing quantities. Besides meeting the indigenous demand, ITI is exploring markets for exporting its equipment. Equipment worth Rs. 560,000 was supplied to Ceylon, Nepal, Uganda, Egypt, Singapore and Malaysia during the year.

Equipment worth Rs. 345,000 was awaiting customers' inspection. ITI participated in several international fairs and exhibitions in India and abroad.

Several new lines of production were started during the year. The major new items of equipment were co-axial line equipment supplied to the Posts and Telegraphs Department for the Patna-Sasaram section. Special signalling equipment of remote control type was manufactured

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and supplied to the Indian Railways for their electrification projects. Other important equipment among the 37 new items manufactured were flasher units, private automatic branch exchanges, telephones with visual indicators, 15-way intercom telephones and master clocks.

The research and development wing of ITI developed 60 different types of new equipment. Among these were flashing beacons, monitoring telephones, push-button control room equipment, light-weight field telephones and head phones for simultaneous language interpretation system.

(*The Times of India*, New Delhi)

[Prev. ref. 5528:INI:N]

H. **HMT Factory In Hyderabad—Foundation Stone Laid:** The foundation-stone of the Rs. 7.75-crore Hindustan Machine Tools factory was laid by Mr. S. K. Patil, Managing Director of HMT, Bangalore, in Namdar Nagar near Hyderabad on July 25.

The project, which will be constructed on an 850-acre site donated to HMT by the Andhra Government, is expected to be commissioned by the end of 1966. It will be built entirely by Indians with the company's internal resources.

It is the fifth project to be set up by HMT—two units are in Bangalore, the third in Pinjore in Punjab and the fourth in Kalamassery in Kerala. The Kerala unit will go into production by December this year.

(*The Hindu*, Madras)

[Prev. ref. 5463:INI:N]

I. **Jammu And Kashmir Minister Resigns—Four Ministers Appointed:** The Sadr-i-Riyasat, Dr. Karan Singh, accepted on July 25 the resignation of the Jammu and Kashmir Revenue Minister, Mr. Mir Qasim.

Mr. Mir Qasim was appointed on July 24 General Secretary of the ruling National Conference.

On the advice of the Premier, Dr. Karan Singh appointed on July 26 four Ministers of State—Mr. Harbans Singh Azad, Mr. Mohammed Ayub Khan, Kushak Bakula and Mr. Ghulam Rasool Kar.

All four were sworn-in by the Sadr-i-Riyasat the same day.

While Mr. Azad, Mr. Khan and Kushak Bakula were Ministers in the Shamsuddin Cabinet, Mr. Kar is a newcomer. He has been a member of the State Assembly since 1951.

With the appointment of these four Ministers of State, the strength of the Council of Ministers has risen to seven.

Re-allocation Of Portfolios:

Following the addition of four Ministers of State to the Kashmir Ministry and consequent re-allocation of portfolios, the Premier, Mr. G. M. Sadiq, has taken over the portfolios of Revenue, Relief and Rehabilitation and Evacuee Property, Social Welfare and Transport.

He will now have several major departments under him. These are: General Administration; Services and Civil Secretariat: Technical Training; Education, Libraries, Research and Publication; Monuments; NCC, Youth Welfare and Sports; Planning and Statistics; Information and Publicity; Cultural Academy, Technical and Professional Colleges; Ladakh Affairs; Stationery and Printing; Tawaza and Receptions; Law and Judiciary; Franchise and Legislation; Land Revenue and Land Records; Metric System of Weights and Measures; Debt Conciliation Boards; Charitable and Religious Institutions; Relief and Rehabilitation; Evacuee Property; Social Welfare and Scheduled Castes and Backward Classes; and Transport.

Mr. Mohammed Ayub Khan has been attached to the Premier as Minister of State for Revenue, Relief and Rehabilitation, Evacuee Property, Social Welfare and Transport.

Mr. D. P. Dhar will look after Home Affairs, Public Works and Forests. He will also be in charge of Law and Order, Militia, Police, Civil Liaison, Housing, Tourism, Central Purchases and Stores, Designs and Planning, Forests, Games and Fisheries and Labour Organizations and Labour Administration.

Mr. Harbans Singh Azad, Minister of State, will be attached to the Home Minister to look after Food and Civil Supplies, Agriculture, Horticulture, Animal Husbandry, Sheep and Cattle Breeding, Dairy Farms, Co-operation, Community Development and National Extension Services. He will also be responsible for price control.

Mr. Ghulam Rasool Kar, Minister of State, who will also work under the Home Minister, will be in charge of Roads and Buildings, Irrigation, Flood Control, Power and Public Health and Water Supply (Rural and Urban).

Mr. Trilochan Dutta will continue Minister for Finance, Health and Industries and will look after the State Financial Corporation, Excise and Taxation, Commerce, Geology and Mining, Jammu and Kashmir Minerals Limited and Jammu and Kashmir Industries Limited.

Health, Sanatoria and Jails, Municipalities, Town Areas and Notified Areas, Village Planning and Sanitation and Trade Commissions and Trade Agencies will be looked after by Kushak Bakula, Minister of State attached to the Finance Minister.

(*The Times of India* and *The Statesman*, New Delhi)

[Prev. ref. 5716:INI:L]

J. **Release Of 23 Communist Detenus—Supreme Court Order:** The Supreme Court ordered on July 23 the immediate release of 23 Communist workers detained under the Defence of India Act by the Tripura Administration.

The workers were detained for their alleged activities among tribals, which were considered dangerous for the security of the State.

The workers had contended that a review order had not been passed as required by Rule 30-A (8) of the Act.

It had also been contended that the relevant rule required that the decision to continue the detention of a detenu must be reduced to writing and communicated to the detenu. It was submitted that since these two conditions had not been complied with, the continuance of detention was invalid in law.

The Chief Justice, Mr. P. B. Gajendragadkar, who delivered the judgment, said that the requirement of the relevant rule asking the appropriate authority to record its decision clearly and unambiguously had not been complied with.

The Chief Justice said that the order continuing the detention of these persons issued on July 2, 1963 would also be of no avail because it could not be reasonably construed as containing a decision of the appropriate authority under Rule 30-A (8) of the Act. The conclusion necessarily meant that the requirement of the relevant rule had not been complied with and that inevitably made the continuance of detention invalid.

(*The Times of India*, New Delhi)

[Prev. ref. 4922:INI:A]

K. **Mr. Lal Bahadur Shastri Elected Chancellor Of Viswabharati University:** The Prime Minister, Mr. Lal Bahadur Shastri was unanimously elected the Acharya (Chancellor) of the Viswabharati University at a meeting of the Sansad (court) in Shantiniketan on July 25.

(*The Statesman*, Calcutta)

INDONESIA

A. **Bank Of China Suspends Operations:** The Bank of China has halted its operations in Indonesia "on its own request."

The acting Governor of the Bank of Indonesia made this announcement at a conference of banking officials held in Djakarta in the first week of July.

He did not elaborate as to why the Bank had ceased operations in the country.

Earlier this year, however, the Government suspended key activities of the Bank, such as the handling of foreign exchanged traffic. No reason was given for the earlier suspension.

(*The Times of India*, Bombay)

[Prev. ref. 3914:IND:E]

IRAQ

A. **Cabinet Personnel:** In a Decree issued on June 17, the following were appointed members of the new Cabinet by the President, Field-Marshal Abdul Salam Mohammed Arif:

Lt.-General Yahya—Prime Minister and Acting Minister of Defence;

Mr. Subhi Abdul Hamid—Foreign Affairs;

Mr. Rashid Muslih—Interior;

Mr. Abdul Majid Said—Education;

Mr. Abdul Kerim Farhan—Culture and Guidance;

Mr. Kamil Al-Khatib—Justice;

Mr. Abdul Aziz Al-Wattari—Oil;

Dr. Mohammed Jawad Al-Uboussi—Finance;

Mr. Abdul Aziz Al-Hafidh—Economy;

Dr. Shamil El-Samarrie—Health;

Dr. Abdul Kerim Hani—Labour and Social Affairs;

Dr. Abdul Fattah Al-Aloussi—Works and Housing;

Dr. Abdul Sahid Al-Alwan—Agrarian Reform;

Dr. Abdul Razzak Muhyil Din—Unity;

Mrs. Muslih Al-Naqshabandi—Waqfs;

Mr. Abdul Ghani Al-Rawi—Agriculture;

Mr. Muhsin Hussain Al-Habib—Communications;

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Dr. Abdul Hassan Zalzala—Industry; Mr. Ismail Mustafa—Municipal and Rural Affairs; and

Mr. Massoud Mohammed—Minister of State.

Lt.-General Yahya had submitted his resignation on June 18 through a letter to the President of the Republic inter alia stating that "after the signature of the 26th May Agreement between you and your brother President Gamal Abdul Nasser, and after its ratification and legislation and in view of the imminent popular organization and the beginning of a new phase that requires full harmony and solidarity, I submit my resignation to enable you to choose the person who can continue realizing our nationalist aims which you drew up in the morning of 18th November."

In his letter, President Arif referred to Gen Yahya's sincerity, devotion and efficiency and called upon him to form a new Cabinet.

Policy Statement:

The Prime Minister, Lt.-General Taher Yahya in a policy statement said that together with his colleagues, he would continue his endeavours for the realization of the noble aims of the Revolution.

These aims could be outlined in securing the stability of the country and having security prevailed for citizens under the banner of the sovereignty of the law, justice for all, adhering to the unity of national rank, enabling all loyal citizens in this good country to work for the prosperity, progress and development of the country in the various political, economic and social fields.

He said that with his brother Ministers he would do all that was possible for the prosperity of the people. Besides, on the Arab level, he would endeavour for the implementation of the Agreement with UAR and the resolutions of the "Summit" Conference. He would, as well, endeavour for supporting Arab struggle for the liberation of the occupied part of Palestine, the Yemenite South and Oman within a unified policy with Arab League and would go on with the implementation of the Ministerial Programme.

He added that his foreign policy was based on positive neutralism, non-alignment, peaceful co-existence and adherence to the principles of United Nations and the resolutions of Bandung Conference; all these would be within an Arab frame-work.

(*Iraqi Embassy*, New Delhi)

[Prev. ref. 5897:IRQ:A]

B. Trade Co-ordination With UAR: A Cairo message on June 20 said that a joint UAR-Iraq economic committee had recommended the lifting of quota restrictions and avoidance of competition between the two countries.

In a statement issued after nine days' talks aimed at economic co-ordination, the committee said that UAR and Iraq should also revise trade and economic relations with other countries in the light of their attitudes to the "Arab struggle against Zionist expansion". There should be co-ordination of policies towards world economic groupings.

It recommended use of the land-sea route between Baghdad, Amman, Aqaba, Suez and Cairo as a means of communications between Iraq and UAR, "in spite of the establishment of Israel by imperialists to divide the Arab countries".

(*The Times*, London)

[Prev. ref. 5897:IRQ:A]

C. Trade Agreement With Japan: A Trade Agreement with Japan was signed in Baghdad on June 18.

The Agreement is expected to greatly facilitate the expansion of trade between the two countries.

(*Iraqi Embassy*, New Delhi)

JAPAN

A. Move For Revision Of Constitution: An advisory body to the Cabinet on July 3 submitted to the Prime Minister, Mr. Hayato Ikeda, a report urging the revision of the Constitution, including the Article renouncing all war potential.

The advisory body—the Constitution Research Council—consisted of 19 members of the ruling Liberal Democratic Party and 19 experts. The Opposition Socialist Party boycotted the Council.

The report urged that the Emperor should be retained as a "symbol of the State," but said he should be defined as "Head of State" in foreign relations.

The majority of the Council urged clarification of Japan's right to possess military forces for self-defence and to co-operate with UN and other world bodies to maintain world peace.

The Liberal Democratic Party said that the report proved the present Constitution had been compiled under abnormal circumstances and strong occupation leadership.

The same day (July 4) over 2,000 people marched through central Tokyo in Left-wing demonstrations protesting against proposals to amend Japan's "no war" Constitution.

The police arrested nine people, including several students who staged "snake dances" and sit-down demonstrations.

(*The Japan Times*, Tokyo and *The New York Times*)

[Prev. ref. 5779:JAP:B]

B. Mr. H. Ikeda Elected President Of Liberal Democratic Party: In the election to Liberal Democratic Party (ruling party) presidentship held on July 10, the Prime Minister, Mr. Hayato Ikeda, won by a narrow margin.

The victory assured him of continuing as Prime Minister for another two years.

He was the first Liberal Democratic Premier to win a third party term. His majority in the closest and most uncertain party fight since the War was only four more than the required 238 simple majority of the 475 valid votes cast.

His chief rival, Mr. Eisaku Sato, obtained 160, Mr. Aiichiro Fujiyama (72), and one vote went to Mr. Nadao, the Education Minister, a "write in". However, Mr. Sato and Mr. Fujiyama had a coalition in case of a second ballot, so Mr. Sato came within sight of victory.

In the event Mr. Sato was disappointed in his hopes of breaking the traditional hold of the party factions, five of whom supported Mr. Ikeda, though the figures show that he had made serious inroads.

New Cabinet:

On July 17, Mr. Ikeda named a new Cabinet retaining only three of the Ministers who had served in his Government during the last year.

The re-shuffle had little effect on the basic policies of the conservative Government.

Neither Mr. Fujiyama nor Mr. Sato, who challenged Mr. Ikeda to a showdown in the party presidential race, received a post, but their followers were represented in the new Government. The job of Finance Minister was retained by Mr. Kakuei Tanaka, a member of the Sato faction, after it was reported to have been turned down by Mr. Shigesaburo Maeo, an Ikeda backer and former party secretary-general.

Mr. Masayoshi Ohira, Foreign Minister since 1962, was replaced by Mr. Etsusaburo Shiina (66), a businessman and politician who has had no previous background in foreign affairs.

In an appearance on television shortly after his appointment, Mr. Shiina acknowledged that he was not very experienced in foreign affairs. His appointment was interpreted as meaning that Mr. Ikeda would largely determine his own foreign policy, but observers also felt Mr. Shiina would stress the "economic diplomacy" that Mr. Ikeda's Government has been promoting in conjunction with Japan's rapid industrial growth.

The new Cabinet was Mr. Ikeda's fourth since he took office in July, 1960. He was said to have made his own selections without the customary close consultation with competing factions.

However, the shuffle exemplified the sort of "musical chairs" that occurs frequently in Japanese politics, with the party faithful being paid off for their support and incumbents yielding their posts, just about the time they have become familiar with their duties, so that someone else can have a turn. The practice of putting political expediency before job qualification has drawn widespread criticism.

Leaders of the opposition Socialist and Democratic Socialist Parties immediately criticized the new Government and predicted that it would be short-lived.

The new Cabinet consists of:

Premier—Mr. Hayato Ikeda;

Justice Minister—Mr. Hitoshi Takahashi;

Foreign Minister—Mr. Etsusaburo Shiina;

Finance Minister—Mr. Kakuei Tanaka;

Education (also director of the Science and Technological Agency and chairman of the Atomic Energy Commission)—Mr. Kiichi Aichi;

Welfare—Mr. Hiroshi Kanda;

Agriculture and Forestry—Mr. Munenori Akagi;

International Trade and Industry—Mr. Yoshio Sakurauchi;

Transportation—Mr. Shutaro Matsuura;

Post and Communications—Mr. Jitsuzo Tokuyasu;

Labour—Mr. Hirohide Ishida;

Construction—Mr. Osanori Koyama;

Home Affairs—Mr. Eichi Yoshitake;

Director of Administrative Management and Director of Hokkaido Development Agency (State Minister)—Mr. Ichiro Kono;

State Minister (Director of Defence Agency)—Mr. Junya Koizumi;

State Minister (Director of the Economic Planning Agency)—Mr. Mamoru Takashashi;

Chief Cabinet Secretary—Mr. Zenko Suzuki; and

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General Affairs Director of Premier's Office—Mr. Soichi Usui.

(*The Japan Times*, Tokyo and *The New York Times*)

[Prev. ref. 5587:JAP:A]

C. Relations With China And Formosa: Two parallel but apparently conflicting events have developed in Japan's relations with China—one concerning Communist China and the other Formosa.

The first involves final agreement between the Government and private trade circles on the entry terms of Peking trade officials for implementation of the Trade Agreement between the two countries.

The second is the visit of Japan's Foreign Minister, Mr. Masayoshi Ohira, to Formosa to "promote friendly relations and dispel misunderstanding" between Japan and Formosa.

While the former event is acclaimed as a notable milestone in promoting trade relations between Japan and Communist China, the latter is described as a "victory" for Formosa, which has long remained bitterly critical of Japan attempting to enter into close relations with Peking not only in the economic held put in other aspects also, short of full recognition.

Observers believe that Mr. Ohira will face Formosa's critical appraisal of Japan's real intention in regard to the China problem.

Reports from Taipeh indicate that Formosa is preparing four conditions as prerequisites for "normalising" relations with Japan, disrupted since 1963 over Japan's sanction of credit for exporting a synthetic fibre plant worth $20 million and the deportation of a would-be defector back to the mainland last Autumn.

The four conditions are: (1) Japan will not provide long-term export credit to Peking; (2) No such trade arrangement as will suggest a virtual recognition of the Peking regime will be concluded: (3) No political relations of any kind will be established between Peking and Tokyo; and (4) No strategic materials will be sold to Peking.

Mr. Ohira recently wrote in **International Affairs**, published in London: "Japan regards the maintenance of friendly relations with it (Formosa) as a matter of prime importance. For Japan this is the only right and proper position to assume both as a member of the 'free world' and from the standpoint of our own national security."

On the other hand, just before the departure, he agreed to 'generalise and relax" the rigid terms that had earlier been worked out in granting entry permits to five Chinese trade officials from Peking. They are to stay, in Japan, one year at a time, to supervise trade, which is expected to exceed $20 million this year. The figure will be larger than the volume of trade with Formosa.

The entry terms, as generalized, are that the Chinese officials will refrain from participating in political activities. The earlier terms minutely itemized activities such as appearances on television and radio broadcasts. Other terms agreed to include restrictions on travel and residence.

The agreement on trade officials is also interpreted as expediting the exchange of newspaper correspondents, long pending between Tokyo and Peking. The exchange of trade officials and correspondents is considered as a package deal.

Though the Government has moved against granting an export credit for a $30-million synthetic fibre plant, which will have been the second of such projects some time ago, there are moves in the Government in favour of establishing a private monetary institution for providing export credit which is now handled by the Government-operated Export-Import Bank. Also, a high-power economic mission consisting of top economic leaders is expected to visit Peking this Autumn.

Mr. Ohira instructed his Ministry some time ago to study the advisability of holding Ambassadorial contacts with their Chinese counterparts in third country points.

(*The Times of India*, Bombay)

[Prev. ref. 5831:CHI:C, 5911:JAP:C]

D. Claim To Kuriles—Mr. Mao Tse-tung's Support: Members of a Socialist Party delegation who met Mr. Mao Tse-tung in China on July 10 disclosed two days later that he had supported return to Japan of the Southern Kurile islands of Etorofu and Kunahiri, occupied by the Russians since 1945.

The Chinese leader received the leader of the Japanese delegation, Mr. Kozo Sasaki, and its other members in Peking. The meeting lasted over 2-1|2 hours.

The members of the delegation briefed Japanese correspondents in Hong Kong on July 12 about their meeting with Mr. Mao and accounts of the news conference were carried in Tokyo papers.

According to these accounts, the Japanese Socialists asked Mr. Mao for his views on Japan's territorial claims against the Soviet Union in the north and the Chinese leader was said to have expressed his support in principle to the Japapnese demand. He was reported to have declared that the Soviet Union had taken too much land in the Amur area which borders on Manchuria in Northern China, as well as in Eastern Europe.

Mr. Mao's censure of the Soviet Union of "land grabbing" is tantamount to levelling the charge of imperialism against it. Previously Chinese statements had made implied charges that Russia had taken much territory from China by force.

However, this was the first time that China had expressed support to a capitalist country's territorial claims against the Soviet Union.

Support of Japan's claims to Etorofu and Kunahiri is undoubtedly part of the current Chinese campaign to nullify Soviet attempts to gain Japan's support for its co-existence line and especially to preclude the possibility of Japan backing the Soviet Union as an Asian Power.

The Socialists also quoted the Chinese Premier, Mr. Chou En-lai as saying that Peking was willing to conclude a non-aggression pact with Japan after Japan and China established diplomatic relations—regardless of Japan's Security Treaty ties with the United States.

The Sasaki delegation's visit to China followed a visit by an official Japanese Socialist Party delegation to Moscow, where the Soviet authorities were reported to have refused to discuss the question of the Southern Kuriles.

[The Kurile Islands were given to the Soviet Union under the terms of the 1945 Yalta Agreement between the United States, Britain and the Soviet Union, which brought the latter into the war against Japan.]

(*The Hindu*, Madras)

[Prev. ref. 5910:JAP:A]

KOREA (South)

A. Foreign Exchange Position: By the end of 1964 the country's foreign exchange requirement may face a deficit of about $20 million; this compares with an actual net deficit of $30 million in 1963.

Gross official reserves are expected to fall to about $102 million by the year's end. Payments in foreign exchange are also likely to come down by $34 million to some $213 million. This would be due largely to reduced Government spending.

Imports by the private sector are estimated to increase to $132 million, a rise of $7 million. Exports, if they continue with what looks like a favourable trend, may rise above the $105 million level.

Meanwhile, the economy has had to face a new exchange rate for currency. The South Korean currency won was exchanged at the rate of 130 to a US dollar, but under the devaluation it would now be worth 255 won to the dollar.

USA has been known to favour such a devaluation, and the effect on the economy cannot for the moment be ascertained. But, in what seems to be an attempt to reduce the burden of the Government, USA has promised aid in the form of an additional $10 million, plus 250,000 tons of surplus grain, to "cushion the effects of the new exchange rate."

While the economy cannot be considered as heading for any general improvement, plans to strengthen its domestic structure continue to be made.

(*Far East Trade*, London)

[Prev. ref. 5765:KRS:A,B]

MALAYSIA

A. Formation Of Vigilance Corps: Malaysia's National Defence Council decided on June 30 to set up a vigilance corps for Malaya and Borneo to help combat Indonesian saboteurs.

The Prime Minister, Tengku Abdul Rehman told newsmen after a Council session that the "watch-dog service" would be on a voluntary basis similar to the one already set up in Singapore.

He said the Council was briefed on the latest developments involving Indonesian sabotage and guerrilla activities in Malaya and Borneo and "a number of measures will be introduced to deal with subversion."

He said that the Security Committee which had functioned during the anti-communist war in Malaya would be revived and extended to all states to keep the people informed of Indonesian confrontation tactics. There would be special safeguards for Malaysian fishermen who had been robbed of outboard motors, nets and catches by armed and uniformed Indonesians in fast gunboats.

He referred to a proposal by President Macagapal of the Philippines that there should be another meeting of the Foreign Ministers of Malaysia, Indonesia and the Philippines to try to resolve their dispute. He considered that some time should elapse before there was another meeting in view of the failure of the Tokyo talks.

He said on July 3 that Chinese youths from Singapore and other Malaysian states of Johore, Malacca and Perak were receiving military training in Indo-

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nesia and were expected to return to the peninsula soon to begin an attack on the security forces on a large scale.

He said that the Malayan Communist Party, which had withdrawn to the Malayan-Thailand border after its defeat in 1960 after a 12-year struggle, was making plans to launch a new campaign of terror.

He said that the communists "were defeated because they failed to get the support of the Malays. Now they have made contact wtih the Indonesian Communist Party. With their co-operaion they expect to get support from the Malays, who are of the same race, and religion (Muslim) as the Indonesians.

He said that while they had been on the border the Malayan Communist Party had instigated Malays in south Thailand to support them and had promised that if they succeeded in overthrowing the Central Malaysian Government, the provinces in south Thailand would be set free from Thai rule.

Situation In Sarawak And Sabah:

On July 6, the Deputy Prime Minister and Minister of Defence, Tun Abdul Razak, said in the House of Representatives that the situation in Sarawak and Sabah may become more serious "in view of the massive Indonesian build-up along the border and Indonesian declarations of the intention to intensify confrontation."

Malaysia, he said, must be prepared for a protracted war of nerves. The leaders of the 'free world' and others who desired peace and international understanding had the responsibility of assisting in deterring Indonesian aggression because if the present trouble grew many other countries would be involved.

In "this hour of national crisis" he appealed to the House and the country to stand solidly behind the Government to defend Malaysia's independence, integrity and honour.

"Let us show the enemy that we are determined to resist hostility to the bitter end."

The House was told that since December, 1963 89 people had been arrested in Malaya and 60 in Singapore in connexion with Indonesian subversive activities.

(*The Malayan Times*, Kuala Lumpur and *The Times*, London)

[Prev. ref. 5756:MAL:A]

B. New Regulation On Admission To Universities: The House of Representatives approved on July 14 on a voice vote an amendment to the Internal Security Act which would regulate the admission of students to universities and other seats of higher education.

The amendment was stated officially to be necessary because of communist infiltration at Nanyang University, in Singapore, which had resulted in the detention of more than 50 students for alleged subversive activities. It applied from August 1.

The amendment empowers chief education officers to withhold certificate of entry to universities and colleges from students known to be security risks. The Government assured the House that the authority would be used with restraint with the widest possible margin of tolerance. The education authorities will issue the certificates after inquiries made by the Special Branch.

Dato Ismail, the Minister of Home Affairs, who introduced the amendment, said that it was in the nature of a preventive measure, designed to prevent dedicated communists from entering the universities and subverting other students. An opposition member said that the passing of the Bill would make the country the laughing stock of the academic world.

A student who is denied a certificate can appeal to the Minister, who has stated that he will give the appellant the benefit of the doubt. He has also promised that the process will not involve delays; if inquiries are not completed in time for the beginning of the academic year the remaining applicants will be granted permits, which can be withdrawn.

Critics, both in the House and among representatives of the unions and professional organizations, contend that the amendment will militate against academic freedom. The reply is that the communists at Nanyang University themselves inhibited this right by coercing non-sympathizers and by dominating the staff.

Malaysia has three universities—Nanyang in Singapore, a division of the University of Malaya in Kuala Lumpur, and a division in Singapore.

University Vice-Chancellor Resigns:

The Executive Committee of the Nanyang University Council has accepted the immediate resignation of the Vice-Chancellor, Dr. Chuang Chu-lin.

Dr. Chuang, who has been criticized by the Singapore Government, tendered his resignation after the arrest of 51 students of the University for alleged communist activities.

Mr. Lau Geok Swee, the Council's vice-chairman, announced that he would resign from all posts in connexion with the University. A week before, he had persuaded about 500 students to end a hunger strike held in protest at the arrests.

(*The Malayan Times*, Kuala Lumpur and *The Times*, London)

[Prev. ref. 4691:SGP:B]

C. Politics To Be Kept Out Of Nanyang University: After four years of negotiations, the authorities of Nanyang University in Singapore have agreed with the State Government to divorce the institution from politics.

This is obviously a direct result of the arrest of about 50 undergraduates suspected of communist activities to overthrow the Singapore and Central Governments.

The Singapore Government has agreed to recognize Nanyang University degrees and is hoping to persuade the Central Government to be equally liberal.

Nanyang University's main language will be Chinese and the Singapore Government will have six of the 28 seats on the University Central Council.

(*The Malayan Times*, Kuala Lumpur)

[Prev. ref. 2836:SGP:A]

MONGOLIA (Outer)

A. Withdrawal Of Chinese Workers: The last Chinese cadre engaged in Mongolia's development under the 1955 Mongolian-Chinese Treaty left Ulan Bator for home on July 9.

The New China News Agency acknowledged that the last Chinese team had left by "arrangement with the Mongolian Government."

It said that thousands of Chinese working in groups had in the past nine years erected buildings in Mongolian towns and in the countryside with a total floor space of 2,700,000 square metres, built more than 190 bridges and laid more than 200 kilometres of roads and 900 kilometres of power lines.

They had advanced Mongolian industry, agriculture, transport etc. and more than 600,000 Mongolian workers had mastered many techniques from them.

In what, according to the Agency, was a touching farewell gesture, the Chinese, on leaving, presented their fellow Mongolian workers with the tools which they had brought from China.

The Agency did not mention why the Chinese workers were required to leave Mongolia.

(*The Times of India*, Bombay)

[Prev. ref. 5767:MON:A]

NEPAL

A. Seven Aid Agreements With USA: Seven Agreements providing for aid were signed in Khatmandu on July 20 between the US Agency for International Development and Nepal.

Under the Agreement, AID will spend Rs. 1.5 crores (Nepalese currency) on educational, health and social services programmes during the coming financial years.

(*The Times of India*, New Delhi)

[Prev. ref. 5540:NEP:D]

PAKISTAN

A. President Ayub Khan's Visit To Afghanistan, Iran And Turkey: President Ayub Khan arrived in Kabul, Capital of Afghanistan, on July 1 on his way to London to attend the Commonwealth Prime Ministers' Conference.

According to a Kabul message, he had free and frank discussions on questions of mutual interest with King Zahir Shah. The two leaders along with their aides were closeted together for over 2½ hours in the royal lounge at Kabul airport.

A brief joint Press statement issued at the end of the talks said the two leaders had agreed to explore all possibilities to further improve relationship in a spirit of co-operation and understanding.

The statement said they had exchanged views on questions of mutual interest. The exchange took place in an atmosphere of sincerity and understanding.

According to Radio Pakistan the talks covered a number of international problems and matters affecting this part of the world.

The Foreign Minister, Mr. Z. A. Bhutto, who was present during the talks,

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told newsmen that the talks had led to a better understanding between the two countries.

In the course of his four-hour stay in Kabul, President Ayub also exchanged gifts with King Zahir Shah. In addition to a collection of Allama Iqbal's Persian works, Pakistani mangoes, pineapples and bananas were presented to the King.

A plate made of lapiz lazuli was presented to President Ayub Khan by his Royal host. The President's daughter, Mrs. Jamila Ameerzeb, presented a silver brocade and a silver coffee set to Princess Bilqis of Afghanistan.

In Iran:

President Ayub Khan arrived in Tehran (Iran) on July 1 on a two-day visit. He was received at the airport by the Shah of Iran.

Formal talks between the two leaders began on July 2. They were joined by their Foreign Ministers, Mr. Bhutto and Mr. Abbas Aram.

The talks ranged over topics such as Turkish Cypriots, issues concerning the Islamic world, the proposed Second Afro-Asian Conference and the role of CENTO in the Middle East.

Earlier, President Ayub Khan had a two-hour separate meeting with the Prime Minister, of Iran, Mr. Hassan Ali Mansour. Mr. Mansour told Pakistani newsmen later that "no two countries could have better relations than those existing at present.

He said there were no problems in which they differ. They had discussed economic, commercial and political relations between Iran and Pakistan, including the issue of passport and visa and collaboration in the field of oil industry. The CENTO pact and development of even closer relations between Pakistan, Iran and Turkey were also reviewed.

He said: "On Cyprus, Iran shares the feelings of Pakistan that Turkish interests should be saved and that the conflict be solved according to international law.

"I am extremely unhappy to see that our friends, the Turks, have been hurt on the Cyprus issue." He believed that nations everywhere should get their problems solved peacefully and through negotiations."

He made the following other points on international questions:

(1) India-Pakistan relations and Kashmir: The future of Kashmir should be decided according to the will of Kashmir people. "We desire that India and Pakistan settle their differences peacefully.

(2) US aid to India: "I don't think US military aid would be more than what India needs purely for purposes of defence and the US will ensure that this aid is not used for aggressive purposes. Iran condemns any type of aggression from the side of any country."

(3) Afghanistan: "President Ayub's visit to Kabul proves that he has sincere desire to promote good relations with Afghanistan. The Shah has played an important part in bringing Pakistan and Afghanistan closer. Afghanistan is a Muslim country with the same culture and common background with Pakistan and Iran. There are no complicated problems which, given goodwill, could not be solved."

In Turkey:

Replying to an address of welcome on arrival in Ankara (Turkey) on July 3, President Ayub Khan said that the Turkish and Pakistan peoples would "stand by each other through thick and thin."

The people of Pakistan had complete faith and full reliance on the people of Turkey and "I am confident that the Turks will have faith and reliance on the people of Pakistan."

President Ayub Khan disclosed at a news conference in Ankara on July 4 that he had proposed a new "united front between Turkey, Pakistan and Iran" in his talks with Turkish leaders.

He said: "We need each other. If anything happens to Turkey, the effects of this shall be seen in Iran and Pakistan. Let us come together and raise our voice jointly."

In a broadcast to the Turks from Radio Ankara the same night, he again emphasized the need for closer collaboration between the three Muslim countries.

He called for greater co-operation in as many fields as possible to preserve the vital interests of the region. "It was in this way that the three countries could build sound economies and raise their peoples' standard of life."

In his broadcast, he said such ideas were not new and had been talked of before. The time had now come to translate them into concrete terms. He said "if Turkey, Iran and Pakistan were to collaborate in such a manner as would impart strength to their economies and bring about greater understanding, it would establish a new era for our peoples. It would not benefit only our own countries but would also be a massive contribution of peace in the area, and also to the cause of world peace."

At a news conference, he said that only through the united front would it be possible to take these countries under guarantee. "Both your and our important case is to reach stability in the political and economic field."

The following is the text of the joint *communique* issued at the end of the talks between President Ayub Khan and President C. Gursel:

"President Ayub Khan of Pakistan paid a visit to Turkey from July 3 to 5, 1964, at the invitation of Gen. Cemal Gursel, President of the Republic of Turkey. The President was accompanied by Mr. Z. A. Bhutto, Minister for Foreign Affairs of Pakistan and other members of his party.

"During this visit the two Heads of States conferred together. Also present at the talks were Mr. Ismet Inonu, Prime Minister of Turkey, the Deputy Prime Minister and Minister of State, Mr. Kemal Satir, the Foreign Ministers of both countries, Mr. Bhutto and Mr. Feridun Cemal Erkin, as well as their respective advisers. In these talks the world situation in general and the problems of the area in particular were reviewed.

"The two Heads of States expressed grave concern over the worsening situation in Cyprus. They re-affirmed that pending the achievement of an agreed solution to the problem of Cyprus the Constitution and treaties creating the Republic of Cyprus constituted the only valid legal basis for the restoration and maintenance of law and order and normal life in the Island.

"Stressing their belief in the sanctity of international treaties and agreements embodied in the preamble of the UN Charter as a basis for the conduct of international relations, the two Presidents expressed their conviction that the efforts of the United Nations to establish law and order in Cyprus will be in conformity with the existing Cypriot Constitution which continues to enjoy the full force of law. They expressed their firm hope that the persecution of the smaller community which formed part of the Cypriot people and had the equal right to live in peace and harmony would be immediately stopped and their right to life, liberty and property would be effectively protected and ensured by the UN Force in fulfilment of the principles of the UN Charter and the Declaration of Human Rights.

"The two Presidents expressed their regret that the Kashmir dispute which posed a serious threat to the stability of the region still remained unresolved. They agreed that the continuance of the dispute impaired the growth of friendly relations between Pakistan and India. The two Presidents called for an early solution of this dispute in accordance with the Security Council resolutions.

"The President of Pakistan reviewed the problem of the eviction of the Muslim minority from India. Hope was expressed by both Presidents that this human problem would be resolved expeditiously through negotiations between India and Pakistan and that the solution of this question would constitute a positive factor in fostering friendly relations between the two countries.

"The two Presidents welcomed the decision arrived at the Djakarta Conference to convene the Second Afro-Asian Conference which they believe, will render a positive service to the cause of Afro-Asian unity and to world peace.

"The two Heads of States happily noted once again that full harmony existed in their views and they re-affirmed their determination to continue to contribute their share to the maintenance and promotion of world peace and security and to join their efforts to safeguard a just and durable peace in the general area of the Middle East.

"The two Heads of States also noted the progress achieved within CENTO.

"The talks were held in an atmosphere of extreme cordiality and friendliness which have always marked the relations between the brotherly and allied nations of Pakistan and Turkey."

Foreign Ministers Of Pakistan, Turkey And Iran Agree To Meet Thrice A Year:

The Foreign Ministers of Pakistan, Turkey and Iran have decided to meet three times a year to achieve greater collaboration among their countries in the fields of developmental and cultural activities.

A communique, issued in Ankara on July 5 on the conclusion of the two-day talks held between Mr. Z. A. Bhutto of Pakistan, Mr. Feridun Cemal Erkin of Turkey and Mr. Abbas Aram of Iran, said that they would next meet in Tehran from October 22 to 23.

The Foreign Ministers, who reviewed the world situation, with particular emphasis on their region, found complete conformity of views on all issues.

Regarding international co-operation in regional planning, while appreciating the resolution adopted by the Trade and Development Conference of United Nations, they affirmed the necessity of further co-operation between the three countries in economic, technical and cultural fields.

Finding that there exists a field co-operation beyond the frame-work of CENTO, they decided to collaborate in national projects in the sphere of communications, agriculture, mineral resources, education and health through technical co-operation.

They also reached a decision for increased cultural contacts in view of the common heritage they share through the ages.

On Cyprus, they held the view that the Constitution and treaties on which the Republic was founded could be the only logical basis for the restoration and maintenance of law and order.

They also noted with regret the continuance of the Kashmir dispute and called for an early solution of this dispute in accordance with the Security Council resolutions.

They expressed their firm belief that the strict observance of treaties and international agreements is one of the basic principles governing international relations.

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A despatch in The Times, London on July 3 said the announcement of the tripartite talks had aroused interest in diplomatic circles in Ankara, as they gave the impression that the three "regional" members of CENTO want to get together without the presence of Britain, or of the United States, which, though not officially a member of CENTO, participates in all its work.

There is unofficial talk in the Turkish Capital of the possibility of some new line-up between the three countries outside CENTO and that an approach is contemplated by the three Powers to Afghanistan, which was visited by President Ayub Khan on his way to Turkey.

It was also significant, in the light of recent anti-Western feeling in Turkey over Cyprus, that Turkey should be taking part in talks with Iran and Pakistan, both of which had in recent years adopted a more flexible policy towards the Soviet Union and China.

President Ayub Khan left Ankara on July 5 for London.

Visit To Ireland:

President Ayub Khan visited Ireland from July 16 to 19.

In a joint *communique* issued on July 19, the Prime Minister of Ireland, Mr. Sean Lemass, expressed "concern at the continuation of the Kashmir dispute" and hoped for its peaceful settlement through negotiations between India and Pakistan.

The communique said the President had conveyed to Mr. Lemass the "....appreciation of the people and Government of Pakistan for the initiative taken by the Government of Ireland to sponsor in the United Nations Security Council the resolution of June, 1962."

According to the communique, "this resolution, re-affirming the previous resolutions passed by United Nations which called for the settlement of the Kashmir dispute by the application of the principle of self-determination, urged early negotiations between the Governments of Pakistan and India with a view to arriving at a peaceful settlement of the question."

The communique added: "The Prime Minister (of Ireland) expressed concern at the continuation of the Kashmir dispute, particularly in view of the many existing dangers to peace in Asia and elsewhere, and voiced the hope that negotiations between the Governments of Pakistan and India—with each of whom Ireland has the most friendly relations—would lead to a peaceful settlement so that both Governments could co-operate whole-heartedly for the benefit of their two peoples and for the cause of world peace."

President Ayub Khan returned to London on July 19.

(*Dawn*, Karachi and *The Times*, London)

[Prev. ref. 4735:INI:B]

B. Barter Agreement With India: Pakistan and India signed in Rawalpindi on July 17 a Barter Agreement under which Pakistan will supply "kangni" and "joshi" rice to India valued at Rs. 3.65 crores. In exchange, India will supply coal, railway equipment and other "specified commodities".

While the rice will be supplied in six months, supplies from India will be spread over one year.

By another Agreement the two countries will exchange fresh fruit worth Rs. 50,00,000 each way during the next 12 months.

Pakistan assured the Indian delegation which signed the Agreement that she would be ready to supply more rice if necessary. A spokesman said that Pakistan was in a position to spare more rice to help India tide over her food shortage.

The Rice Agreement was signed by Mr. Y. T. Shah, Joint Secretary, Ministry of Finance, and leader of the Indian delegation, and Mr. M. Khurshid, Secretary of the Pakistan Food Ministry.

The Agreement for the import of Indian goods was signed by Mr. Shan and the Pakistan Commerce Secretary, Mr. M. Aslam.

Mr. Shah said under the two Agreements India and Pakistan would exchange goods worth Rs. 8.50 crores. "It is a worthwhile figure".

A joint communique issued at the end of the negotiations, which started on July 1, said: "The Governments of Pakistan and India today concluded an agreement under which Pakistan would supply 'kangni' and 'joshi' rice to India valued at Rs. 365,00,000 during the next six months. In exchange India would supply Pakistan coal, railway equipment and other specified commodities over a period of 12 months".

Both Indian and Pakistani representatives declined to disclose the price at which rice was being sold to India on the ground that prices in the Agreement were of a commercial nature and were not usually disclosed. It was, however, learnt that the quantity that India would buy would be between 60,0000 and 70,000 tons.

According to Indian delegation sources, Pakistani rice will be unloaded at Bhavnagar, Bombay and Cochin. Indian ships will carry the rice from Karachi.

Mr. Khurshid told newsmen after the signing ceremony that his country was satisfied with the Agreement and added they should have more such Agreements.

Mr. Aslam said that coal was the principal commodity that Pakistan would be importing from India. Other items in the list were railing equipment, spices, bidi leaves, stone boulders, limestone, etc.

Commodities which Pakistan would import were those for which she had been paying in sterling earlier.

(*Dawn*, Karachi)

[Prev. ref. 5436:INI:C]

C. Progress Of Indus Valley Road: A despatch from Rawalpindi on July 15 said that the Indus Valley Road along the Karakoram Range which would link Gilgit with Pakistan is expected to be completed by October, 1965. Now only 36 miles of the 168-mile road remains to be built.

Pakistan Army engineers are busy round the clock in this difficult terrain to finish the work three months ahead of schedule.

The Indus Valley Road, being financed by the Ministry of Communications, is essentially a civil project designed to provide a land route between the settled areas and the northernmost regions of West Pakistan. The road will provide a snow-free motor road to Gilgit through Swat and Hazara. The distance from Rawalpindi to Gilgit via Swat and Abbottabad will be 470 miles and 420 miles respectively.

The road starts at Karora, about 52 miles north-east of Saidu, and meets the Indus at Hesham, nine miles from Karora, and follows the river almost till Gilgit. Another road from Abbottabad joins the Indus Valley road at Hesham for the onward journay.

At present Gilgit is linked with Rawalpindi by a land route through the most difficult terrain of Kaghan. The narrow jeepable road crosses the 13,690-foot Bahusar Pass and is open to traffic only for three months in the year. All the essential supplies consequently have to be airlifted.

The Indus Valley Road will link the northernmost part of Hunza with Rawalpindi. The road passes through virgin mountains which in places are not even mapped. From Abbottabad it will run along the foot of Pir Sar where Alexander the Great fought his famous battle in 326 BC. The estimated cost of the road is Rs. 33 crores. So far the project has claimed 23 lives.

(*The Statesman*, Calcutta)

D. Third Plan Allocation For Family Planning: The Central Minister for Health, Mr. Abdallah Zaheeruddin Lal Mian, disclosed in Lahore on July 16 that the Centre had allocated Rs. 15 crores for the implementation of family planning schemes during the Third Five-Year Plan.

He said that family planning was a very important task before the Government and if implemented successfully would help strengthen the economic condition of the people.

He said that more lady doctors were required for the successful introduction of family planning in the country. The Government had also decided to establish a few more medical colleges for women so that the required number of lady doctors were trained.

These medical colleges, he added, would be set up during the Third Plan. Research facilities in birth control would be made available at these institutions.

(*Dawn*, Karachi)

[Prev. ref. 5309:PAK:E]

TURKEY

A. "Summit" Talks Between Pakistan, Iran And Turkey: "Summit" talks began in Istanbul on July 20 between President Ayub Khan of Pakistan, the Shah of Iran, and the Turkish Prime Minister, Mr. Ismet Inonu.

Mr. Inonu in his opening speech, urged closer economic ties between the three countries.

Following Mr. Inonu's speech, Turkey's Finance Minister, Mr. F. Melen, read a working paper prepared earlier in Ankara.

A proposal for setting up a joint airline by Turkey, Iran and Pakistan was placed before the meeting.

The joint airline, which may be called Aviation Tupair or by some other name representing the three member-States, will have an initial share capital of $15 million and it is expected to merge most of the existing international services operated by Pakistani, Turkish and Iranian airlines. The joint airline is not likely to concern itself however with domestic air services in either of the three member-States.

The services to China now operated by the Pakistan International Airlines and those to Israel by the Turkish Airlines will likewise be excluded from the new airlines schedules.

As for the PIA services to London via Moscow, these may come under the joint airline or continue independently under PIA.

By contributing nearly half of the joint airline's share capital, PIA is ex-

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pected to become its major share-holder. The registration of the aircraft in the names of its three partners will be covered by their respective shares.

Joint Statement:

The following is the text of the Joint Statement issued by the Heads of State of Iran, Pakistan and Turkey at the end of their summit talks on July 21:

"The Heads of State of Iran, Pakistan and Turkey, Shah Mohammad Reza Pahlavi, President Ayub Khan, and President Cemal Gursel, met on July 20 and 21, 1964, in Istanbul.

"The Heads of State re-affirmed their belief that regional co-operation is an essential factor in accelerating the pace of national development and in contributing to peace and stability.

"They expressed their conviction that the strong cultural and historical ties which bind the peoples of their countries and have already provided them with a solid basis for collaboration should be strengthened further and developed for the common benefit of the peoples of the entire region.

"To this end the Heads of State resolved that appropriate ways and means should be adopted to enlarge and develop further co-operation in the existing relations in all fields.

"They unanimously expressed the belief that this new collaboration should be carried out in a spirit of regional co-operation notwithstanding their activities as members of other organizations of a regional character.

"The three countries would be pleased to consider the participation of other countries of the region in this co-operation.

"Having reviewed the practical steps taken by the Foreign Ministers in the field of co-operation among the three countries during their meeting on July 3 and 4, 1964, in Ankara, the Heads of State expressed their full appreciation for the progress already achieved in this respect. They endorsed the recommendations made by the Ministerial pre-summit meeting of the three countries held in Ankara on July 18 and 19, 1964, on subjects of common and regional interest.

"The Heads of State noted with approval the creation of a Ministerial Council composed of the Foreign Ministers with the participation of other Ministers of their respective Governments in order to take and implement appropriate decisions on matters of common interest.

"They noted with satisfaction the decision of the three Heads of Governments to establish a regional planning committee composed of the Heads of the three plan organizations dealing with work relating to regional collaboration and harmonisation of development plans. To this end they have worked to establish secretariat arrangements to serve the Regional Planning Committee and the Ministerial Council.

"They agreed in principle: (1) to free movement of goods through all practical means such as the conclusion of trade agreements; (2) to establish closer collaboration amongst existing Chambers of Commerce and eventually a joint Chamber of Commerce; (3) to the formulation and implementation of joint purpose projects; (4) to reduce the postal rates between the three countries to the level of internal rates; (5) to improve the air transport services within the region and the eventual establishment of a strong and competitive international air line among the three countries; (6) to investigate the possibilities of securing a close co-operation in the field of shipping, including the establishment of a joint maritime line or "conference" arrangements; (7) to undertake necessary studies for construction and improvement of rail and road links; (8) to sign at an early date an agreement with a view to promoting tourism; (9) to abolish visa formalities among the three countries for travel purposes; (10) to provide technical assistance to each other in the form of experts and training facilities.

"Furthermore, the Heads of State have directed to explore all the possibilities for expanding the co-operation in the cultural field among countries of the region. Cultural relations should be particularly oriented towards creating mass consciousness of the common cultural heritage, disseminating information about the history, civilization and culture of the peoples of the region inter alia through the establishment of chairs in Universities, the exchange of students, the grant of scholarships, the establishment of cultural centres and the joint sponsoring of an institute for initiating studies and research on their common cultural heritage.

"The activities planned within the present scheme of collaboration shall be carried out under the name of Regional Co-operation for Development.

"The Heads of State expressed the hope that the spirit of perfect harmony and of regional solidarity which prevailed throughout the celebrations of the Istanbul Conference would ensure the attainment of the objectives formulated at this Conference.

"They are confident that the combined efforts of their peoples to this end will open new vistas of hope and opportunity for them and thus contribute to world peace and to the prosperity of the whole region."

Regional Co-operation For Development:

Under the plan of "regional co-operation for development" agreed to by the Heads of State on July 20, there would be annual summit meetings as well as more frequent meetings of the organization's Ministerial Council in the Capitals of the three member-States by rotation.

During the first year of the existence of tripartite organization to promote "regional co-operation for development", its headquarters will be located in Tehran and the Shah of Iran is to be its chairman.

The body's Secretariat will be provided by the Planning Department of the Iranian Government.

The Conference set up 12 working parties to work out detailed implications of the decisions announced in the communique and these working parties will set themselves to the task immediately and prepare reports for the first meeting of a Ministerial Council to be held in Tehran in October. The Regional Planning Committee will also meet in Tehran on September 7.

According to Conference sources, the Secretariat will rotate between the three countries in the beginning, but the position will be reviewed after a year or 18 months.

The Airlines Committee will start work in August and present a detailed study report to the Tehran conference.

Working groups will prepare reports on co-operation in the fields of air, sea and ground transport. Another working group on commercial affairs was set up to study action for developing trade.

One working group will deal with co-operation in the field of prospection, exploitation, transport and distribution of oil and natural gas.

Another working group will establish the ways of applying the decision made in principle concerning the removal of visa formalities for trips between the three countries.

Still another working group will draw up measures to be taken for co-operation in the field of banking and insurance.

The Regional Planning Committee will aid the Ministerial Council. It will look after all problems concerning regional co-operation, will hold detailed preparatory discussions, and will make recommendations to the Council. It will have at its disposal the reports of the working groups, which will be linked with it.

Comment:

A London despatch on July 21 said:

"The meeting which began on July 20 on the Bosphorus between the President of Turkey, President Ayub Khan of Pakistan, and the Shah of Iran is to formalize the understanding which already exists between the three to stand by each other in their international claims and ventures, according to diplomatic sources in London.

"The claims are Kashmir in the case of Pakistan, Cyprus in the case of Turkey and general support for Iran against the Arab States' hostile propaganda.

"President Ayub Khan visited Tehran and Ankara three weeks ago on his way to London to attend the Commonwealth Conference. It had been reported then that he had obtained assurance of backing on Kashmir from Iran and Turkey and had promised the latter specific support on Cyprus.

"The Pakistan part of the undertaking was put into effect by President Ayub Khan on the second day of the Commonwealth Conference when he supported the claims of Turkish Cypriots. During the discussion on the communique, his Foreign Minister, Mr. Z. A. Bhutto, strongly opposed an effort of the Cyprus Foreign Minister, Mr. Kyprianou to get into the communique a reference to a democratic solution of the Cyprus problem, which would have implied a majority decision.

"The Turkish Cypriots are in a minority and Mr. Bhutto would not have for Cyprus what he urges for Kashmir and the reference was watered down. Indeed during the Conference, Pakistani correspondents were briefed that the Indian delegation was siding with the Greek Cypriots and that a tussle had occurred in the Conference between the two delegations.

"A call by Mr. Kyprianou on Mrs. Indira Gandhi to convey condolences on her father's death was also depicted by them as a political mission.

"The present meeting in Turkey is expected to formalize the understanding between the three countries. All are members of the CENTO, but for various reasons, including alleged lack of support on Cyprus and Kashmir, Pakistan and Turkey are annoyed with their Western allies and are forming an inner ring of Muslim States outside the CENTO. They hope, according to diplomatic observers in London, to get Afghanistan into their company eventually.

"The association will be represented as purely one of non-Arabic Muslim States and as such non-aligned, though individual members may pursue independent policies. The entry of Afghanistan will, in the Pakistan calculation, go a long way in healing the differences which have existed between them for many years."

(*Dawn*, Karachi)

[Prev. ref. 5899: AOA: A]

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AFRO-ASIAN RECORDER

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ADEN

A. Aden Government Dissolved: A proclamation dissolving the Aden Legislative Council was issued on July 25 by the British High Commission.

It appears that the Government of Mr. Zain Abdul Baharoon has decided to hold General Elections for a new Legislative Council. The proclamation said nothing about the future elections, nor has the Government yet fixed polling day. It is expected, however, that the elections will take place in the first week of October. Under the 1955 ordinance, elections must be held within three months of dissolution of the Legislative Council.

Under the 1962 agreement on Aden's merger with the South Arabian Federation, the Council's four-year term was extended by one year, and last year Mr. Baharoon, the Chief Minister, extended the Council's life by a further six months in order to hold elections. In March he amended the elections ordinance to restrict the vote to all males aged 21 and above who were born in Aden or whose fathers were born in Aden or were British naturalized subjects. They must also be domiciled in Aden and able to speak and understand Arabic. Only 9,635 males out of Aden's estimated population of 220,000 have registered, and the authorities believe that this figure includes nearly everybody qualified to vote under the amended ordinance.

The new Government emerging from the elections will have the responsibility of negotiating with Britain Aden's status in the South Arabian Federation, which is expected to obtain independence before 1968.

Many members of the Baharoon Government are expected to contest the elections, but the Chief Minister, when asked about his own intentions, said: "At the moment I do not think I am interested."

(*The Times*, London)

[Prev. ref. 5001:ADN:A, 5699:ADN:A]

B. British Aid To South Arabian Federation: According to Mr. Abdullah Salem Basendwah, the Federal Finance Minister who returned to Aden on July 19 after attending financial talks in London, Britain had made a grant of about £9,000,000 towards the South Arabian Federation's Budget for 1964-65.

The Federal Budget, normally brought before the Federal Council (the legislative body) on April 1 but this year delayed pending the allocation of the grants, is now expected to be submitted for the Council's approval before September.

The amount includes £3,300,000 in a grant to the Federal 1964-65 Budget and £1,200,000 for the development budget for the period ending March, 1966, covering health, education, agriculture and road schemes. A further £500,000 is allocated for current development projects.

Mr. Basendwah said the British grant also included about £4 million for the 1964-65 Federal defence budget for the Federal Regular Army and the Federal National Guards. The Federal Army has now four battalions and a fifth is being formed.

It was learnt that the Federal delegation, which also included the Federal Ministers of External Affairs and Defence and the Emir of Beihan, asked for more aid, and the British Government was said to be urgently considering the request, particularly for the development of rural areas like Radfan, where British and Arab forces for the past three months have been trying to subdue the dissident tribesmen.

(*The Times*, London)

[Prev. ref. 5856:ADN:B]

AFGHANISTAN

A. Progress Of Five-Year Plan: It was stated on July 17 that work on the projects of the Second Five-Year Plan was progressing satisfactorily.

Communications at present have priority in the development programme. The road between Torkham, on the Pakistan border, and Kabul is almost complete and the asphalting should be finished in a month or two. It is also hoped to have the Salang tunnel in the Hindu Kush ready for use before the next snowfall.

The Agency for International Development has authorised a loan of $7.7 million for the construction of an all-weather highway from Herat to Islam Qala, on the Iranian border.

In the field of industry, Afghanistan is now producing textiles, sugar, cement and light engineering requirements and has a well-developed marble industry. To meet the needs of these developing industries, planners are giving their attention to power potential. The main source of hydro-electric power is in the Pamirs and it is hoped to exploit this when heavy industry is taken up in Afghanistan. To meet the shortage of man-power the Government has decided to mechanize agriculture and to take steps to encourage women to take over many office posts at present filled by men.

(*Middle East Economic Digest*, London)

[Prev. ref. 5604:AFG:A]

CEYLON

A. Budget Proposals: The Finance Minister, Dr. N. M. Perera, presented to Parliament on July 30 Budget proposals for the next financial year.

The estimated Budget deficit of Rs. 658 million, arising from the expanding social services, food subsidies and provision for economic development, was covered, but a sizeable surplus was anticipated depending upon the extent of hoarded currency and wealth to be recovered before the end of the year.

Much relief was afforded to income-tax payers below the Rs. 15,000 income level and there was a slight wage increase for over 90,000 public servants at the lowest rung of employment.

Over 70,000 teachers will pay less by way of pension contributions. A five-day week with increased working hours has been proposed instead of the present 5½ days. The Budget deficit is to be covered by revenues provided in the estimates, leaving a surplus of Rs. 14 million.

Dr. Perera announced that exchange tax on remittances abroad by non-nationals had been increased from 10 per cent to 20 per cent.

Retirement funds, however, will continue to be exempted from this tax.

At present, non-nationals are allowed to remit Rs. 25,000 per year out of the balance of their assets remaining in Ceylon. Now no subsequent annual instalments would be allowed to be remitted.

Hitherto the remittance abroad of profits, interest and dividends had been freely permitted. The total of such remittances in 1963 amounted to about Rs. 7,00,00,000.

He said: "Considering the present critical position of the country's foreign exchange reserves, I have decided to declare a moratorium on all remittances of profits, dividends, interest and other investment income for a period of one year in the first instance. When the external assets position improves, it would be possible to reconsider this decision."

He also announced the proposal to create a new Export-Import Banking Corporation which would be jointly owned by the Government and the foreign banks. Fifty-one per cent of the capital of this Corporation would be subscribed by the Government and 49 per cent by the nine foreign banks, if they accept this proposal.

He, however, did not make it clear what the position would be if the banks did not accept the proposal.

The Budget Proposals:

The Budget proposals numbered over 40, but the more important were the following:

(1) A tax of 33.33 per cent on hoarded assets (cash, gold, gems and jewellery) during the amnesty period.

(2) Wealth tax, which so far has been used to raise revenues, will in future virtually fix the ceiling on wealth of over Rs. 1 million to Rs. 2 million with a penal tax of 5 per cent.

(3) Perhaps one of the most important measures proposed is a tax on houses and on property over and above one residence of whatever value, and on other house property to the value of Rs. 1,00,000 there will be a penal rate of 12 per cent of the value from August, 1965.

(4) Rent control will be extended to all houses, and tenants will be helped to purchase their houses on easy terms. This measure is regarded as a painless way of liquidating the idle rentier class which has charged blackmarket rents.

(5) There is to be a moratorium on remittance abroad of profits, interests

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and dividends, which last year amounted to Rs. 10 million.

(6) Ceilings have been placed on the transfer of capital assets and the maximum has now been reduced to Rs. 1,50,000 for the non-Indian group and Rs. 75,000 for the Indian group. Subsequent annual remittances of Rs. 21,000, which are at present allowed, have also be stopped.

(7) To control foreign banks, it has been proposed to set up a new Import-Export Banking Corporation with a Government holding of 50 per cent and foreign banks' holding of 49 per cent of the shares.

All existing foreign banks will be made branches of this new bank and business will go on as usual. This is regarded as a major step in which foreign banks are brought under State control.

(8) The duties on petrol, kerosene and diesel oil have been increased, but the increase will be absorbed by the Petroleum Corporation and not passed on to the consumer. Similar duties have been imposed on tobacco, but not to be passed on.

(9) Pending the report of the Press Commission, advertisement tax has been imposed on advertisement income of the daily and Sunday newspapers at the rate of 33.33 per cent on advertisements in excess of 20 per cent of the total printed column space.

Classified advertisement on social and domestic events, public meetings and cultural events are excluded. This tax is intended as a warning to the monopoly trade interests.

The Budget proposal included measures which bring even the private sector industry and commerce into the sphere of planned economic priorities, price fixing and quality control.

State trading in essential goods and *total control over all imports will be insisted on to prevent malpractices.*

Important measures to increase economic activity and production in the rural sector were announced. There have also been significant changes in the system of taxing the tea industry. Whereas earlier there has been an ad valorem export duty on tea depending on the price (this had led to malpractices), in future there will be a flat rate of export duty and acreage tax depending on the quality of tea produced.

(*The Times of Ceylon*, Colombo and *The Hindu*, Madras)

[Prev. ref. 5399:CEY:A]

B. Film Commission's Report: The Film Commission, appointed by the Government, has recommended an immediate reduction by one-third of the import of Indian films into Ceylon.

The Commission felt there should be a quota for the import of the Indian films (which get about 65 per cent of the screen time in the Island now). South Indian films are the principal competitor, against which the indigenous films must be protected.

The quota system was necessary, the Commission said, not only to grant economic relief to the indigenous film industry "but also to arrest the infiltration of a foreign cultural outlook and to prevent the debasing of taste of local film audiences."

At present, Sinhalese films get only 29 per cent of the screen time. The Commission expected the output of Sinhala films to double in the near future, and the screen time for this must come out of the time made available to Indian films.

The Commission suggested the formation of a National Film Corporation, which would take over the distribution of films in the Island. It would also provide facilities for the training of technicians.

(*The Hindu*, Madras)

CHINA

A. Opposition To World Communist Conference: It was made public in Peking on July 30 that China had told Russia it would "never take part in any international communist conference."

It said the Chinese Communists were "firmly opposed to a schismatic meeting" convened by leaders of the Soviet Communist Party.

Peking's refusal to attend a show-down meeting of the world's communist parties was contained in a letter dated July 28 from the Central Committee of the Chinese Communist Party sent to the Soviet Communist Party.

The Chinese letter said that the Soviet Communist Party, in its letter of June 15, laid down "a divisive organizational line" for an international meeting of the fraternal parties. "This shows that you are determined to prepare and call such a meeting arbitrarily, unilaterally and illegally, with the aim of effecting an open split in the international communist movement... you want to convene a grand assembly for a split—rather it should be called a minor schismatic gathering."

It said that there were some parties which "dance obediently in response to your baton, but their number is dwindling." "Since you have made up your minds, you will most probably call the meeting. Otherwise, by breaking your word would you not become a laughing stock down the centuries? As the saying goes, 'You can't dismount from the tiger you are riding'. You are caught in an insoluble dilemma. You are falling into a trap of your own making and will end by losing your skin.

"If you do not call the meeting, people will say that you have followed the advice of the Chinese and the Marxist-Leninist parties and you will lose face. If you do call the meeting, you will land yourselves in an impasse without any way out. In the present historical juncture this is a grave crisis for you revisionists, a crisis of your own making."

The Chinese letter denied a Soviet charge that the Chinese party had made a volte face in first agreeing to a meeting of international Communist Parties and subsequently opposing it. It said the Chinese position had consistently been that a conference of this nature should be very carefully prepared and that there should be no hurried conference in an attempt to split the international communist movement.

It was the Soviet Party that had made a volte face and was trying to prepare and convene an international conference in "a blitzkrieg-like manner" Only in February of this year China had suggested first a resumption of bilateral talks between the Chinese and Soviet Communist Parties (including the parties of Cuba, Japan, Italy, and France).

The letter accused the Soviet Party of having in February sent a letter "directed" against the Chinese party to fraternal parties in a plot to take "collective measures" against the Chinese. "We have repeatedly asked you to send us a copy of this letter. However, to this day you have refused to do so, and still have an obligation to us on this score."

Another passage of the letter said: "In substituting the concept that 'the imperialist reactionaries are led by the wild men of the United States and other imperialist Powers' for the concept that 'United States imperialism has become an enemy of the people of the whole world' ...you actually want to ally yourselves with the United States ruling clique, whom you call 'wise men' and in partnership with United States imperialism to carve up the world and oppose the revolutionary struggles of the people of all countries."

The letter referred more than once to the Soviet Communist Party waving its "baton" and said it regarded all the fraternal parties as puppets "qualified to move only at your command". It said that such practices were permeated with the spirit of Great Power chauvinism and of "a patriarchal father party".

It strongly re-iterated charges that the present programme of the Soviet Communist Party was "revisionist", as were the 20th and 22nd Congresses of the Soviet Party in 1956 and 1961. It said that these two Congresses (the first of which denounced Stalin and declared there was more than one road to socialism) were the root causes of the present divisions within the international communist movement.

It also declared that it was the Soviet party, not the Chinese, which had begun the polemics and "kindled the fire". It said that the number of communists in the world who really believed in revisionism was only a small fraction and they were "bound to come to grief."

The letter concluded with an appeal addressed to "Dear Comrades" which said: "Once again we sincerely advise you to rein in on the brink of the precipice and not to prize such false and useless face-saving. But if you refuse to listen and are determined to take the road to doom, well, suit yourselves."

(*The Statesman*, Calcutta and *The Times*, London)

[Prev. ref. 5905:CHI:A]

B. Military Training: China announced on July 29 that regular military training was being given throughout the country to thousands of students and workers by officers and men of the country's regular army.

A New China News Agency report said that in the Peking area alone tens of thousands of students and workers had taken part this Summer in "military camping activities."

More than 5,000 student militia men from Peking's universities and colleges attended army camps around the capital. Militia men in factories, schools and Government offices in Nanking, Wuhan and other cities were being drilled. Thousands of students were participating in military exercises at camps set up by the armed forces in Shanghai.

The military works of Mr. Mao Tse-tung, Chairman of the Chinese Communist Party, were being studied by the trainees.

The Peking correspondent of the Soviet Government newspaper **Izvestia** in a despatch published on July 28 said "total militarization" was now underway in People's China.

It reported that the general staff and the political leadership of the Chinese Army had issued a decree setting up "military camps" to give military training to the Chinese population. "Large masses of workers, employees and students are to be trained in these camps."

The paper added: "In addition to military training they will digest the spirit of the people's army of liberation" and taught "correct political foundations."

The paper reported that slogans advocating discipline and an organization on the pattern of the armed forces had been posted even in primary schools. Chinese newspapers were also paraphrasing a poem by Mr. Mao Tse-tung in the form

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of a slogan: "Chinese women do not like smart dresses. They like arms."

The paper said that alongside the slogan, pictures were displayed showing Chinese women firing rifles, machine-guns and pistols.

(*The Times of India*, Bombay)

[Prev. ref. 5331:CHI:C]

C. Supply Of Explosives To South Africa: According to *Borba*, the Yugoslav official newspaper, China has been supplying explosives to South Africa and also carrying on trade in other goods with that country in complete violation of the call by Afro-Asian countries for a total trade boycott of South Africa.

Borba quoted a UN report on international trade to point out that China was supplying explosives to the racist regime in South Africa. It culled material from official Chinese data to call "the Chinese bluff" that Peking had joined other countries which had applied trade sanctions against South Africa.

It said that China had imported from South Africa goods worth £3 million and exported to it goods worth £700,000 and that this two-way trade "is being intensively continued."

"These data," it said, "are hardly compatible with the ultra-revolutionary phrases from Peking on China's solidarity with the enslaved peoples and her support to the free African countries."

Observers in Belgrade said the Chinese behaviour, as revealed by Borba, was in contrast with that of even some of the Western Powers which, while not agreeing in principle to trade embargo, have refrained from exporting to the Verwoerd regime weapons and accessories capable of being used against demonstrators.

The article in Borba also dealt with China's new foreign trade orientation, analysing its economic relations with socialist countries and the West.

It said the facts available belied the Chinese allegation that Russia had applied pressure on China by drastically cutting down its aid. It said that until the open conflict between the two countries, a third of the entire Soviet aid to socialist ountries went to China. "China received practically as many machines and experts as she wanted and even more than she could absorb usefully."

On the question of recent development of trade relations between Peking and the West, Borba expressed the view that the West was obviously not yet ready to replace Russia in providing assistance for intensive industrialization of China, possibly in view of Chinese inability to repay debts.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5574:AOA:A]

INDIA

SUMMARY: Chinese Military Activities In Ladakh; Issue Of Supply Of British Frigates; Air Agreement With Nepal; Supply Of US Wheat.

A. Chinese Military Activities In Ladakh—Indian Protest: A strong protest has been lodged with China by the Government of India against her continued military activities in Ladakh.

In a Note handed over to the Chinese Embassy in New Delhi on July 28, the Government of India said that on May 30 Chinese military personnel were seen eight miles north of Fukche, well within the demilitarized zone specified in the Colombo proposals.

Recalling earlier protests against Chinese intrusions south of Longju in April, 1963 and also at Rezang La in July, 1963, the Indian Note pointed out that Peking's efforts to convey the impression that it had accepted the Colombo proposals stood exposed by continued activities by Chinese troops in the demilitarized zone.

In another Note India rejected the Chinese charge that Indian aircraft had intruded into Tibet.

Texts Of Notes:

The following are the texts of the Notes exchanged between the Government of India and the Chinese Government:

[Note given by the External Affairs Ministry to the Chinese Embassy in India on July 28]:

"The Ministry of External Affairs presents its compliments to the Embassy of the People's Republic of China and has the honour to draw their attention to certain serious and objectionable activities of Chinese military personnel in Ladakh, and to firmly protest against the continuance of these military activities in this region.

"On May 30, 1964, seven armed Chinese military personnel were observed eight miles north of Fukche in Ladakh. This area, as China is aware, falls in the 20-km demilitarized zone specified by the Colombo proposals.

"The Chinese military personnel returned towards Changla, after coming all the way up to Dumchele. Similar military activity was also observed in the Kongkala, Jarala, and Changla areas. These Chinese intrusions amply prove the falsity of the statement in the Chinese Government's Note dated March 31, 1964 that 'Chinese frontier guards have never entered the 20-km zone' after the so-called unilateral withdrawal by Chinese forces in February, 1963.

"In their Note dated May 27, 1963, the Government of India had lodged a protest about the intrusions by a Chinese party into Indian territory in the area south of Longju on April 26, 1963. The Government of India in its Note dated June 7, 1963, had again protested about the intrusion at Rezangla in Ladakh by a Chinese force of 200 men with 80 or more horses.

"In its Note dated July 5, 1963, the Government of India had protested about the Chinese military patrols which had intruded into Sikkim near Sebula. These land intrusions, it must be stated, were over and above a number of violations of Indian air-space by Chinese aircraft.

"The Chinese Government has so far sought to convey the impression that it has accepted the Colombo proposals in principle, although it has continued to maintain reservations of substance in regard to these proposals. This posture of the Chinese Government stands fully exposed by the above-mentioned Chinese action in the 20-km demilitarized zone.

"The Government of India hereby lodges a strong protest in regard to this continuous military activity by Chinese troops in Indian territory. This aggressive activity, the Government of the People's Republic of China should realise, not only adds to tensions in the area, but is in open contravention of the provisions of the Colombo proposals and the declarations of the Chinese Government itself."

[Note given by the Ministry of Foreign Affairs of the People's Republic of China to the Embassy of India in China on June 4, 1964] :

"The Ministry of Foreign Affairs of the People's Republic of China presents its compliments to the Indian Embassy in China and has the honour to state as follows:

"At noon time on May 24, 1964, an Indian aircraft intruded into China's air-space and wantonly carried out reconnaissance and harassment for a long time over a number of important cities and towns in Tibet.

"The Indian aircraft intruded into the air-space over Tibet around 12.05 hours on May 24, flew successively over Tsona, and Damshune, turned westwards to overfly Gyantse, Shigatse, Lhatse and other places and then left in the south-west direction. Its illegal flight over Tibet lasted over four hours and 20 minutes and the scope of its intrusion exceeded 230 kilometres from south to north and 430 kilometres from east to west.

"The Chinese Government hereby lodges a strong protest with the Indian Government against this serious incident in which an Indian aircraft intruded into the air-space of Tibet, China, for prolonged reconnaissance and harassment over vast areas in such an unbridled way."

[Note given by the Ministry of External Affairs, New Delhi, to the Chinese Embassy in India, July 28, 1964]:

"The Ministry of External Affairs presents its compliments to the Embassy of the People's Republic of China and has the honour to refer to the Chinese Government's Note dated June 4, 1964, alleging that an Indian aircraft had 'carried out reconnaissance and harassment for a long time over a number of important cities and towns in Tibet.'

"This allegation is not only completely baseless but is, obviously, yet another attempt by the Chinese Government to serve the ends of its anti-Indian propaganda. The fictitious and propagandist nature of the charge is demonstrated by the fact that these false allegations were first publicised in a New China News Agency report of May 26, 1964 and the same have been incorporated in a formal Note of the Chinese Government more than a week later.

"The Chinese Note under reference dated June 4, 1964 has made the fantastic allegation that the flight of Indian aircraft 'over Tibet lasted over four hours and 20 minutes and the scope of its intrusion exceeded 230 kilometres from south to north and 430 kilometres from east to west.' This Chinese charge appears particularly absurd in the context of the Chinese Government's statement in its Note of October 17, 1962 that the Chinese side, upon discovering any intruding alien aircraft in China's air-space, will immediately force them to land or shoot them down.' It is patent that the Chinese Government has concocted these false allegations for propaganda purposes only, in order to step up tension on the Sino-Indian border.

"As has been stated repeatedly in earlier Notes of the Government of India, all Indian aircraft have strict instructions to keep within the international frontiers of India and these instructions are being scrupulously observed. There is, therefore, no question of any Indian aircraft having at any time intruded into Chinese air-space. The Government of India accordingly firmly rejects the Chinese protest in its Note of June 4."

(*The Times of India*, New Delhi)

[Prev. ref. 5968:INI:B]

B. Violation Of Cease-fire In Jammu And Kashmir—UN Observers' Verdict Against Pakistan: A clear verdict of violation of the Cease-fire Agreement was given against Pakistan by the UN Chief Military Observer in Kashmir in five instances during the last week of June.

In one of his awards relating to the

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Poonch sector, the UN Chief Military Observer found Pakistani troops guilty of "crossing the cease-fire line, raiding an Indian post, killing two Indians and taking away one of the bodies."

It may be recalled that about 50 Pakistani troops armed with sten-guns, light machineguns and grenades, raided an Indian post in the Poonch sector in the early hours of June 21. As a result of the raid two Indian police personnel were killed.

The other four awards related to violation of the Cease-fire Agreement by Pakistan in the Tithwal sector on June 27, Mendhar sector on June 25 and 30, and in the Akhnur sector on June 25.

More instances of Pakistani troops firing on Indian posts and patrols were reported in the Poonch and Akhnur sectors on July 27 and 28.

Five Razakars crossed the cease-fire line five miles south-west of Poonch on July 27. The Indian posts in the area fired on the intruders. One Razakar was seen dropping while the others fled across the cease-fire line. Simultaneously, Pakistani troops fired at Indian posts from across the cease-fire line. The firing was ineffective. A complaint of violation of the cease-fire line has been lodged with the UN Observers.

In the Akhnur sector also, the Pakistani troops fired at five Indian posts and a patrol in the area, 25 miles west of Akhnur, on July 27 and 28. The firing was ineffective.

Pakistani troops were seen digging trenches and constructing bunkers in the Uri sector on July 27. New sangars (stone breastwork) and bunkers were seen at two places, a few miles south-west of Poonch. The digging of communication trenches and laying of wires at the new post by Pakistani troops numbering about 20 were also observed in the same area on July 28.

Another Incident:

Yet another protest was lodged with UN Observers following the unprovoked firing by Pakistani troops on an Indian post, eight miles from Tithwal village, on July 28.

There were no casualties on the Indian side.

This was the sixth incident in one week in this sector in western Kashmir.

Pakistani Use Of American Bombs—Mr. C. Bowles' Denial:

Pakistani troops fired on Indian posts and patrols at different places in the Naushera and Chamb sectors and in Poonch on July 23 and 24. Besides using medium and light machine-guns and mortars, the Pakistani troops were reported to have also used 81 milli-metre bombs, stated to be of American make, in the firings.

The Pakistani troops fired without provocation three rounds of American-made 81-mm bombs on an Indian patrol at a place ten miles south-east of Naushera on July 24.

The US Ambassador, Mr. C. Bowles, told a news conference in New Delhi on July 30 that "81-mm" bombs were not produced in USA.

He was replying to a question whether it was a fact that Pakistani troops had recently fired "81-mm" bombs of American manufacture against Indian border patrols across the cease-fire line in Kashmir.

(*The Times of India* and *The Hindustan Times*, New Delhi)

[Prev. ref. 5969:INI:C]

C. Supply Of British Frigates—Sir Alec Douglas-Home's Statement In Commons: The British Prime Minister, Sir Alec Douglas-Home, said in the House of Commons on July 28 that the question of British frigates for India raised the whole balance between economic and military aid which Britain gave to India.

He was questioned about Leander frigate deals with India and Spain.

He described the Spanish deal as a matter of "straight trade". The Indian deal was quite a different matter and a "red herring".

Mr. John Stonehouse (Labour) asked Sir Alec what answer he gave to the official request of the Indian Prime Minister for supply of frigates to India.

Sir Alec replied that he received no such request from the Prime Minister of India. The Government of India had been negotiating with a British firm in connexion with their project for the manufacture of Leander class frigates in India. Britain greatly valued this commercial service link.

The Government of India had estimated its requirement of foreign exchange at £13,660,000 spread over 10 years, and had asked the British Government for financial assistance. As far as this was concerned, Britain was already giving India considerable economic and military aid.

The Indian Defence Minister, Mr. Y. B. Chavan, was going to discuss this during his visit to Britain, but his visit had to be postponed because of the death of Mr. Nehru. He would now be coming to Britain later this year.

Mr. Stonehouse asked if this meant that Sir Alec was now willing to grant the credits India required to buy these supplies. Was it not abnormal, he asked, that these negotiations had had to go on for so long and as a result India had to look elsewhere? This was not the only example where a Commonwealth country had endeavoured to obtain supplies from Britain and had been "fobbed off" for quite a long time.

Sir Alec objected to the use of the expression "fobbed off" and said that as it had been used by Mr. Stonehouse he would tell the House something of what had been done.

In September, 1962, the British Government offered £19,000,000 to India—more than £15,000,000 had already reached India. In August, 1963, Britain offered to supply further military aid and equipment. Agreement was reached and the equipment was on order. In May, 1964, more military aid was offered, and discussions as to the type of equipment to be supplied were now in progress with the Indian Government. Over the last six years, military and economic aid from Britain to India had been more than £200,000,000.

Replying to questions by Mr. John Biggs-Davison (Conservative), Sir Alec said that Britain had tried and he thought had succeeded—in consultation with the Indian Government—to give India the type of military aid she wanted at the time. Then there was danger of a land attack on India. If priorities changed, the British Government would consider them.

Mr. Harold Wilson asked whether Sir Alec was aware that the request for frigates for India had been going on now for 18 months. In view of the repeated insistance that full employment in Britain could only be based on exporting frigates, Mr. Wilson asked why there was this delay.

Sir Alec replied that the kind of military aid Britain gave to India depended on the threat to India. The threat up to now had been a land attack. If Mr. Chavan wished to change the priorities, Britain would consider the matter of frigates.

Mr. Wilson asked: "In view of the haste which the Prime Minister has shown in supplying frigates to non-Commonwealth countries, will he say what kind of attack he envisages in respect of Spain?"

Sir Alec, in his reply said that "the matter of frigates for Spain was a matter of straight trade. This particular matter of India raised the whole balance between economic and military aid which this country gives to India. That is quite a different matter and a red herring raised by Mr. Wilson."

(*UK High Commission*, New Delhi)

[Prev. ref. 5679:INI:D]

D. Air Agreement With Nepal: The Indo-Nepalese air talks ended in New Delhi on August 1 with the initialling of a draft Agreement.

The agreed text was approved by the two Governments.

The Agreement envisages possibilities of increased operation of air services between the two countries. The Nepalese delegation was said to have indicated that at a suitable future date, the Royal Nepal Airlines might operate services beyond India.

At the invitation of the Indian Government the Nepalese delegation visited the Avro factory at Kanpur and other factories in Bangalore before returning to Khatmandu.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5080:NEP:B]

E. Supply Of US Wheat: The US Ambassador, Mr. Chester Bowles, announced in New Delhi on July 30 that the US Government would supply 4,000,000 tons of wheat to India during the seven months from July, 1964 to February, 1965.

He explained that the wheat would arrive at the rate of 500,000 tons a month during the first few months.

He also announced a programme of substantial US assistance to Indian agriculture. "In response to the urgent request of the Government of India, USA is doubling the rate of wheat shipments."

The new decision will mean that two ships (each of 10,000 tons) laden with wheat will be arriving daily in Indian ports.

He said USA was sending 15 per cent of its total wheat production and an equal share of its rice output to India. "We have no intention of letting you down in the future."

Asked about the prospects of a fresh Wheat Agreement between India and USA, he said legislation on the subject might take a little more time, but the intentions of the US Government to continue supplying wheat on a large scale to India were never in doubt.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5750:INI:F]

F. US Loan To Aluminium Corporation: A loan of $11 million to the Hindustan Aluminium Corporation Ltd of Bombay was approved on July 29 by the Export-Import Bank, a US Government agency.

The company plans to build additional plant to increase its annual production capacity to 48,000 metric tons of alumi-

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lum. The total cost of the project will be about $30 million.

Hindustan Aluminium is owned partly by US businessmen and by Indian investors.

The loan is to be repaid in 10 years beginning in 1968.

(*The Times of India*, Bombay)

[Prev. ref. 5908:INI:D]

G. Air Marshal Arjan Singh Takes Over As Chief Of Air Staff: Air Marshal Arjan Singh took over from Air Marshal A. M. Engineer as Chief of the Air Staff in New Delhi on July 31.

In a special Order of the Day to all ranks and civilians of the Air Force, Air Marshal Arjan Singh said: "It is indeed an honour to be appointed the Chief of the Air Staff and I have taken over the duties today from Air Marshal Engineer, who has retired after serving the Indian Air Force with distinction for a period of 32 years. I am sure you will join with me in wishing him luck in his new assignment as Ambassador of India to Iran. My thoughts turn to our late Chief, Air Marshal Mukerjee, the father of the Indian Air Force, for his distinguished service to the IAF, and also to those hundreds who have sacrificed themselves in building up our Air Force. You have served the country loyally and often under very trying conditions. During the operations against the Chinese, our Air Force was able to assist the Army with skill and courage, and the credit goes to all of you. You will always bear in mind the increasing danger to our Motherland and the vital role our Air Force has to play in her defence in future. Due to service requirements you are living in remote places lacking in proper accommodation and amenities. It will be my endeavour to provide these essentials as early as possible. The expansion of the Air Force has made inevitable many quick changes and postings. I shall try to reduce these to the minimum, in keeping with the operational efficiency of the Air Force. I wish you all—officers, airmen and civilians—the very best of luck in your service to the country and the Air Force."

Air Marshal A. M. Engineer's Farewell Message:

In a farewell message to all ranks and civilians of the IAF on the eve of his departure on leave preparatory to retirement, Air Marshal A. M. Engineer said:

"On the eve of relinquishing my appointment as Chief of the Air Staff, I convey to all of you who are serving with the Indian Force my thanks for the loyalty and support I have at all times received from you. It has indeed been my privilege and good fortune to have had the opportunity to command such a fine Service as the Indian Air Force—a Service which I have seen develop from a small flight in the early days into the powerful force that it is today. During this period we have had our trials and tribulations, but, working as a well-knit team, we have managed to overcome all obstacles. I will always cherish many happy memories of my association with the Indian Air Force. The Service will now be in the capable hands of Air Marshal Arjan Singh and we all look forward to a still brighter future for our Air Force. In bidding you farewell, I say this to you now—have the fullest confidence in your own ability, for I have no doubt that you will, in co-operation with the other two Services, hold the frontiers of our country inviolable at all times against any aggressor. I wish you the very best of luck in the years to come."

(*The Times of India*, New Delhi)

[Prev. ref. 5858:INI:C]

H. Hoarding Of Foodgrains In Delhi—Prevention Order Promulgated: The Chief Commissioner of Delhi promulgated on July 31 an order making it a cognizable offence for any person to stock more than 10 quintals of any type of foodgrain or a total of 25 quintals of all types of foodgrains without permit.

The order, called the Delhi Prevention of Hoarding of Foodgrains Order 1964, was issued under the Defence of India Rules.

In the case of cultivators, the minimum stock limit is 25 quintals of any type of foodgrain and 40 quintals for all types of foodgrains. This limit will apply to the cultivator's own produce only.

All persons having excess stocks have been directed to declare their stocks within a week and get the necessary permits.

The new Order is not applicable to the wholesale and retail foodgrain dealers who are governed by the Delhi Foodgrains Licensing Order promulgated earlier.

Prices of foodgrains, pulses, edible oils, gur and sugar have recorded an unprecedented rise during the past one year.

A survey in the Capital showed that some coarse grains now cost about 100 per cent more than during the corresponding period last year, and are costlier than wheat. Gram and some pulses are about 75 per cent dearer. Mustard and groundnut oil prices have soared by 50 to 60 per cent.

The following are the comparative wholesale prices of important commodities prevailing in July this year and last year:

(Prices per quintal)

Commodities	July, 1963	July, 1964
Jowar	28.00 to 32.00	57.50 to 67.00
Barley	32 to 34.00	64.25 to 66.50
Bajra	36.00 to 39.00	59.00 to 60.25
Maize	33.50 to 36	60.50 to 62.25
Gram	42.50 to 44.25	71.00 to 72.31
Wheat	41.50 to 52.25	48.25 to 59.00
Moong	56.00 to 72.00	104.50 to 110.00
Moth	28.50 to 31.00	67.00 to 68.50
Masoor	55.00 to 63.00	80.50 to 87.00
Mustard Oil	206.00 to 212.00	335.00 to 385.00
Groundnut Oil	190.86 to 190.25	268.00 to 261 50
Til Oil	176.84	273.50
Sugar	116.75 to 119.00	138.65 to 139.95
Gur	80.00 to 83.00	98.00 to 100.00
Shakkar	86.00 to 88.00	108.00 to 110.00

Maximum Prices For Rice Fixed:

The Central Government announced on July 31 the maximum price—wholesale and retail—for different varieties of coarse rice grown in Andhra and Madras.

The Governments of Andhra, Madras, Kerala and Mysore were asked to fix the prices of various varieties within specified limits. For this purpose, powers under the Essential Commodities Act were delegated to the State Governments.

Under the notification, the range of the maximum wholesale price of Andhra coarse rice within the State will be between Rs. 58.87 and Rs. 65.62 per quintal. The maximum retail prices are between Rs. 59.75 and Rs. 66.62 per quintal.

The price range for Andhra coarse rice in Madras will be Rs. 61.50 to Rs. 68.60 per quintal (wholesale) and Rs. 64.60 to Rs. 72.05 per quintal (retail). In Mysore it will be Rs. 64.30 to Rs. 71.05 per quintal (wholesale) and Rs. 67.50 to Rs. 74.60 (retail).

In Kerala, the price range for Andhra rice will be Rs. 64.70 to Rs. 71.50 per quintal (wholesale) and Rs. 67.95 to Rs. 75.10 per quintal (retail).

The price limits for different varieties of Madras coarse rice will be as follows: in Madras Rs. 65.50 to Rs. 70.45 per quintal (wholesale) and Rs. 67.45 to Rs. 72.55 per quintal (retail); and in Kerala Rs. 70.10 to Rs. 75.05 per quintal (wholesale) and Rs. 73.60 to Rs. 78.80 per quintal (retail).

The Central Government has also asked the Governments of Kerala and Mysore to fix the prices of rice grown in their respective States.

(*The Times of India*, New Delhi)

[Prev. ref. 5841:INI:L]

I. Rajasthan Deputy Ministers—Allocation Of Portfolios: It was announced in Jaipur on July 30 that four Deputy Ministers had been given additional portfolios by the Rajasthan Chief Minister, Mr. M. L. Sukhadia.

Mr. Chandan Mal Baid, Deputy Minister of Industries, who withdrew his resignation a week eariler following assurances that more work would be allocated to him, has also been entrusted with work relating to the Appointments Department.

Mr. Parasram Maderna, Deputy Minister of Power and Relief, will assist the Chief Minister in work relating to the Political Section of the General Administration Department.

Mrs. Kamala Beniwal, Deputy Minister of Planning and Agriculture, will assist the Minister of Food.

Mrs. Prabha Mishra, Deputy Minister of Health and Social Welfare, will assist the Minister of Public Relations.

(*The Statesman*, New Delhi)

[Prev. ref. 5583:INI:N]

J. Registrar Of Newspapers' Annual Report: According to the annual report of the Registrar of Newspapers for 1964, there were 7,790 newspapers and periodicals published in India in 1963 compared with 7,397 at the end of 1962.

The report estimated an increase of 5.4 per cent in the circulation of newspapers and periodicals in the country during the period under review. The total circulation attained by 4,570 papers in 1963 was 202,91,000 compared with 192,58,000 by 4,467 papers in 1962.

The rate of rise in the circulation might have been higher but for the continuing need to ration newsprint and other allied requirements of newspapers because of the difficult foreign exchange position. The rate of increase in 1963 compared unfavourably with that in 1962, that is, 8.8 per cent. The abnormal momentum which the Press had received in 1962 owing to the Chinese invasion and the General Elections gradually petered out and was replaced by a more steady tone during 1963.

The report revealed that the Congress Party owned the largest number of papers, namely, 29, followed by the Communist Party of India which had 25 papers. The Praja-Socialist Party came next with nine papers. From the point of view of circulation, however, the Communist Party led with a circulation of 82,920.

Monopolistic trends continued in the newspaper industry in 1963, but their growth was retarded by curbs on newsprint allocation to combines because of the foreign exchange.

The report for the first time included papers published from Goa and Pondi-

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cherry with the extension of the Press and Registration of Books Act to these Union Territories. From Goa 24 papers were being published and from Pondicherry 20.

Dealing with common ownership, the report said that "six papers owned by big business enjoyed a monopolistic position." The number of dailies under common ownership increased from 130 in 1962 to 143 in 1963. The 143 dailies controlled 68.4 per cent of the total circulation of dailies in the country as against 65.9 per cent commanded by 130 papers in 1962. The actual circulation increased from 35,40,000 in 1962 to 33,17,000. Nine owners —four chains, three groups and two multiple units—among them published 43 dailies and commanded a total circulation of 23,35,000 or 41 per cent of the total circulation of all dailies.

The total number of newspapers controlled by chains, groups and multiple units during 1963 was 203 and they had a total circulation of 50,37,000—an increase of 4,20,000 over last year.

The increase in the circulation of papers under chains, groups and multiple units was not due to an increase in the number of papers but to improvement in their circulation. The percentage of circulation of papers under common ownership to the total circulation of all papers rose from 23.9 per cent in 1962 to 24.8 in 1963.

The report incorporated a study made for the first time to assess the local monopolistic position of different papers in various regions and languages. The study revealed that six daily papers owned by big business enjoyed a monopolistic position in their respective language or regions and eight daily papers not connected with big business also enjoyed a similar monopolistic position. (A monopoly has been defined to exist where a paper *enjoyed a circulation of more than 50 per cent in a particular language or region.)*

The report said that from the study conducted, it was evident that "monopolistic trends continue to exist. This growing trend would have been higher and the rate of growth much faster had it not been for the inevitable curbs which had to be placed on the allocation of newsprint to newspaper combines who have, during the past 18 months, from time to time, approached the Government for additional quota to bring out new publications, dailies, weeklies and monthlies. It is, therefore, the shortage of foreign exchange that is retarding the growth of these combines.

"Of late there has also been some informal moves by the big newspaper combines to purchase and merge with them some medium and small newspaper units which offered for sale their undertakings. Some of the small and medium newspapers which are unable to withstand competition and lack financial and economic stability have made these offers. Such merger, had they come through, would have accelerated the growth of monopolies. But this was not possible under the existing newsprint control restrictions."

Based on a study of ownership pattern in respect of 4,737 papers, the report noted that the predominant form continued to be "individual" accounting for 50.2 per cent of the total. The other pattern were societies and associations (22.8), firms and partnerships (7.5), joint stock companies (8.1) and others (1.4).

Taking the language-wise break-up of circulation, the report said that English continued to command the highest circulation (52,57,000 compared with 47,59,000 in 1962). Hindi papers (142) followed with a circulation of 35,08,000 compared with 33,64,000 the previous year. Tamil came third with a circulation of 26,05,000.

In 1963 there were 1,648 Hindi papers including dailies showing an increase over any other language paper.

An important change introduced in the report was a study of Press statistics confined to what is formerly called "A" category of papers. The former "B" category papers including market bulletins, school magazines and house and publicity organs have been separately dealt with. The differentiation has been made in line with practice in USA and other countries where publications of limited circulation are excluded from the scope of the national Press statistics.

The total number of papers and periodicals including these miscellaneous papers at the end of 1963 stood at 9,750. Among them there were 503 dailies: (Hindi 142, Urdu 64, English 54, Marathi 41, Malayalam 39, Kannada 34, Gujerati 33, Tamil 29, Punjabi 15, Telugu 13, Bengali nine, Oriya five and Assamese and Sanskrit one each). There were 11 dailies in other languages.

Nine dailies had a circulation above 1,00,000, taking into account only single edition. The highest circulation of 1,46,819 was claimed by a Bengali daily, **Ananda Bazar Patrika**, Calcutta. In periodicals, the highest circulation of 2,68,074 was attained by a Tamil weekly **Kumudam**, Madras.

Statewise, Maharashtra had the largest number of daily papers (74). The report observed that shortage of foreign exchange made prospects of adopting latest tele-type setting and other production methods dim. Five thousand one hundred and ninety-nine journalists were engaged in the production of 308 dailies.

During 1963, circulation claims of 467 papers including 179 dailies at 28 centres were investigated by the Press Registrar. As a result, circulation of these papers was reduced by a total of 9,27,075 copies. A consequent national saving of Rs. 24,00,000 in foreign exchange on account of newsprint quota was estimated.

(*The Times of India*, New Delhi)

[Prev. ref. 4816:INI:G]

K. "Rivers Of Mud" Below Bay Of Bengal—US Scientists' Survey: American scientists on July 26 reported finding a score of huge channels at the bottom of the Bay of Bengal off the coast of India, carved out by "rivers of mud" which move with avalanche force about once or twice each century.

This was stated by the coast and geodetic survey oceanographic research vessel **Pioneer** which was on a 27,000-mile cruise that ended on August 11 at Oakland, California.

Dr. Robert Dietz, one of three American oceanographers taking part in a 20-nation study of the Indian Ocean, said: "These channels are of enormous dimensions. The largest surveyed by our scientists, located about two miles below the surface of the sea, was about four miles wide and 300 feet deep.

"We estimated that it carried a volume of water 25 times larger than that of the Mississippi river. We followed it for about 200 miles before we lost it."

He explained that mud is deposited on the continental shelf by many rivers that flow into the Bay of Bengal. "Possibly about once or twice each century, this mud suddenly moves with compelling force from the shelves, across the bottom of the sea through these huge channels. What triggers these sudden avalanches of mud at the bottom of the sea is not known.

"But the mud is apparently funneled down submarine channels cut into the steep continental slopes, which link the continental shelves and the ocean bottom, and pours across the almost flat sea floor for hundreds of miles. At some time in the distant past, the mud avalanches cut these enormous channels out of the sea bottom."

Each time this phenomenon occurs, he said, "it fills the sea channel to overflowing with huge, massive fluid rivers of mud. The volume is so great that in overflowing the channels it builds its own levels or walls, just as the Mississippi river does on land. These mud rivers run along the bottom of the sea like a flood of mercury."

He said it was not known how long the avalanches lasted, but he described them as a "truly remarkable phenomenon of the sea."

(*The Indian Express*, Bombay)

INDONESIA

A. Dr. R. Subandrio's Visit To USSR: The Soviet Premier, Mr. N. Khruschev, and other leaders reiterated their support to the Indonesian policy of "confrontation" with Malaysia during the visit of the Foreign Minister, Dr. R. Subandrio, to Moscow in the second week of July.

Indonesian reports suggested that the Soviet Union had agreed to give Indonesia a wide range of arms. This military aid would supplement the estimated $1 billion worth of arms already provided on easy purchase terms.

Earlier, the Soviet Deputy Prime Minister, Mr. Anastas Mikoyan, paid an 11-day visit to Indonesia. The visit ended on July 2. He declared the full support of the Soviet Union to Indonesian opposition to Malaysia and also discussed with Indonesian leaders the draft for a long-term Trade Agreement apart from military assistance.

The Communique:

The following are excerpts from the joint Indonesian-Soviet *communique* issued on July 17 in Moscow at the conclusion of Dr. Subandrio's visit:

"The Indonesian Government delegation held important talks with the Chairman of the Council of Ministers of USSR, N. S. Khruschev, which went smoothly in a cordial and friendly atmosphere prevailing between the representatives of Indonesia and the Soviet Union.

"The delegation also held talks and meetings with A. I. Mikoyan, the First Deputy Prime Minister, the Foreign Minister of USSR, A. Gromyko, the First Vice-Premier for Defence of USSR, Marshal A. Grechko and the Chairman of the State Committee for Foreign Economic Relations, S. A. Schejkov, together with other Soviet Union officials.

"During these talks mutual understanding was reached regarding important international questions which have the attention of the two States, especially in their common struggle against imperialism, colonialism and neo-colonialism.

"The Soviet Union, as was stated by N. S. Khruschev, sympathizes with the freedom struggle of the people of North Kalimantan and together with the Indonesian nation and other nations, opposes the British schemes of neo-colonialism in Malaysia and other regions of Asia.

"Both parties realise that, especially in this struggle against colonialism and imperialism, the solidarity of all progressive forces in the world which are anti-imperialist and anti-colonialist must be constantly promoted and strengthened, whilst it must be ensured that these huge combined forces are not divided and split.

"Various important spheres of co-operation between the two States could be

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further strengthened, both in the field of defence and in the field of Indonesian economic development.

"Special talks were held in this connexion, including talks held by the Commander-in-Chief of the Army, Lt.-General, A. Yani, the Minister for Fisheries, Commodore Hamzah Atmohandoyo, and Deputy to the Minister for Foreign Affairs, Umaryadi, with the officials of the Government of the Soviet Union concerned.

"In the fields of defence, questions were discussed of the further despatch of military equipment for the needs of the Indonesian Armed Services in execution of their task of defending the Republic of Indonesia. In the fields of co-operation in Indonesian economic development, besides discussion of implementation of agreed projects, an agreement on co-operation between the Government of the Republic of Indonesia and the Government of the Soviet Union in the field of fisheries was also signed. An Agreement was reached in the sphere of trade to increase the exchange of goods between the two States on the basis of the Agreement just signed in Djakarta between the Government of the Republic of Indonesia and the Government of the Soviet Union.

"In connexion with the agreements which have been reached, a delegation of civil and military experts will shortly be sent from Indonesia to Moscow.

"The two Governments express their satisfaction with the results and common understanding reached in the discussions between the delegation of the Government of the Republic of Indonesia and the Government of the Soviet Union.

"The delegation of the Government of the Republic of Indonesia extends its thanks to the Government and the people of the Soviet Union who received the delegation of the Republic of Indonesia with deep feelings of sincere friendship and a sense of being engaged in a common struggle for the liberation and independence of nations. While in Moscow, the delegation from the Government of the Republic of Indonesia also had an opportunity to further promote Indonesian-Soviet Union friendship, amongst other things through giving lectures and information to the Soviet society.

"The two Governments are convinced that the recent visit to Indonesia of the delegation of the Soviet Union's Supreme Soviet, headed by the Soviet First Deputy Prime Minister, A. Mikoyan, followed by the present visit to Moscow of the delegation of the Government of the Republic of Indonesia, under the leadership of the First Deputy Prime Minister/Foreign Minister, Subandrio, has further strengthened the friendly relations and the common struggle of the Republic of Indonesia and the Soviet Union to oppose imperialism and wipe out all vestiges of colonialism in whatever form, for the sake of the independence, peace and happiness of mankind".

Supply Of Guided Missiles And Warships:

On July 20, Rear-Admiral Eddy Martadinata, the Indonesian Naval Chief of Staff, announced in Djakarta that more guided missiles and rocket-equipped warships would arrive soon from the Soviet Union.

He said that 58 anti-submarine helicopters would also arrive this year from France and the Soviet Union.

Malaysian Criticism:

The Soviet offer of increased military assistance to Indonesia was strongly criticised by Malaysian leaders and spokesmen of the British Government.

Britain's High Commissioner to Malaysia, Lord Head, said in Kuala Lumpur on August 2 that the Soviet Union must not involve itself in the border incursions by Indonesian guerrillas in the Borneo territories. Otherwise it would eventually lead to world war.

He called on Russia to stop giving military aid to Indonesia for its anti-Malaysia campaign.

He was speaking to newsmen at the airport on his return to Kuala Lumpur from a brief visit to Singapore.

He referred to Tengku Abdul Rehman's request to President L. B. Johnson of USA to use his influence to stop the Soviet aid to Indonesia and said that the United States should take a "firm stand on this vital issue."

(*The Times*, London, *The New York Times* and *The Malayan Times*, Kuala Lumpur)

[Prev. ref. 5548:IND:A]

B. Dutch Export Credit: The Netherlands Government has approved an export credit of $30 million to Indonesia for 1965.

This was stated in Djakarta on the departure of the Dutch Foreign Minister, Dr. Joseph Luns, after an eight-day official visit. Details of the credit are to be worked out at The Hague.

Dr. Luns, who returned the Indonesian Foreign Minister, Dr. R. Subandrio's visit to the Netherlands early this year, (see pages 5792 and 5839) discussed with Indonesian officials economic and technical co-operation, establishment of Embassy replacing the office of Charge d'Affaires and expansion of trade between the two countries.

Dr. Luns' visit is of major significance for Indonesia. Indonesian-Dutch relations were severed in 1957 and were partially resumed only in 1962 after the Netherlands transferred Irian Barat to Indonesia. Since then there has been steady improvement in their relations.

(*The Hindu*, Madras)

[Prev. ref. 5839:IND:C]

IRAN

A. Review Of Economy: The economic state of the country was spotlighted late in June by statements of the Prime Minister, the President of the Chamber of Commerce, and by the annual report of the Central Bank.

The Central Bank report for the financial year March, 1963-March, 1964 indicated that credit extended to both public and private sectors last year was three times that of the year before—3.7 billion rials as opposed to 1.2 billion rials. This increase had been made possible because money was being taken out of savings and put into current accounts, a trend away from the hoarding practice that became widespread during the recent period of recession.

The Prime Minister claimed that after three months in office his Government had led the way to the recovery which had now been achieved. Prices had remained stable and development funds had been increased from 145 to 2,000 billion rials, the construction industry showed signs of recovery, while administrative and legislative reforms such as the creation of new Ministries of Water and Power and Housing and Development, the setting up of a Stock Exchange and the new tax regulations were all designed with a view to increasing the country's economy.

The President of the Chamber of Commerce did not share the Prime Minister's optimism, but after analysing the situation produced some practical suggestions for recovery. He suggested that the Government, the merchant community and the banks, all of whom he blamed for the recession, should co-operate more closely together. Banks should also co-ordinate their credit policies and be prepared to grant longer-term credits, the business community must adapt itself to modern business methods, while the Government should by the revision of taxation and company laws take the lead in creating an efficient administration.

In an interview on June 28, Mr. Mohammad Khosrowshahi, the Chamber of Commerce Chairman, praised the recent Trade and Payments Agreement signed with the Soviet Union as the most important step ever taken to improve trade relations with the Soviet Union, which had in the past often been the most important importer of Soviet goods. Owing to the proximity of USSR, deliveries and settlement of accounts took place quickly, allowing for the capital of the exporter to be turned over several times a year, whereas only one turn-over a year or perhaps three in two years is possible with exports to Europe.

(*Middle East Economic Digest*, London)

[Prev. ref. 5863:IRN:A]

B. Phosphate Discovery In Fars: It was reported on July 5 that a large phosphate deposit near Kazerun in Fars Province had been discovered. This was the first such recorded find in Iran.

If it proves capable of commercial exploitation it should allow the production of chemical soil fertilizers in Iran. Hitherto the fertilizer plant at Shiraz has been exporting ammonium nitrate and urea because lack of local sources of phosphates had prevented the manufacture of a chemical soil fertilizer. Iranian soil requires large quantities of phosphate-based fertilizers to counteract excessive salinity.

The UN Technical Assistance Board has appointed Mr. R. E. Stevens, on American, as Chief Chemist at the Geological Survey Institute in Iran for a period of three years. This Institute with its four departments covering the fields of Geology, Mineral Resources, Ground Water and laboratory work was established two years ago as a joint venture by the Iranian Government and United Nations. Iran will contribute $2,765,400 and UN $1,425,300 towards the project over a six-year period.

(*Middle East Economic Digest*, London)

C. Budget For 1964-65: The Prime Minister, Mr. Hassan Ali Mansour, presented the Budget for 1964-65 to the Majlis on July 12.

As anticipated, it was a deficit Budget, an expenditure of 144,426,000,000 rials being offset against revenues of 140,952,000,000 rials (212 rials=£).

The overall Budget comprises the Government's ordinary Budget, the Plan Organization Budget, and the Budget for special Government agencies, as detailed below:

Revenues (million rials)

	Ministries and Government	Specialized Agencies	Total
Ordinary Budget	50,604	49,748	100,352
Plan Budget	40,600	—	40,600
Total	91,204	49,748	140,952

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Expenditures (million rials)

	Ministries and Government	Specialized Agencies	Total
Ordinary Budget	54,078	46,498	100,576
Development	36,600	3,250	39,850
Non-Development	4,000	—	4,000
Total	94,678	49,748	144,426

This Budget shows an increase in expenditure over the provisional March Budget of 2,000 million rials, which the present Government claims is largely accounted for by additional calls for credit by official agencies and Ministries, and by the repayment of foreign debts, both items having been largely ignored by the Alam Government. An increase in revenue of 3,200 million rials over the March Budget is made up of an estimated 1,000 million rials from direct taxation, 500 million rials from customs revenues, 800 million rials from unexpended allocations from last year and a small increase from most other Government service operations.

The figures of 50,604 million rials in revenues and 54,078 million rials in expenditures, producing a deficit of 3,474 million rials for this year's ordinary Budget may be compared with last year's ordinary Budget which showed a deficit of 3,003 million rials (revenues of 52.145 million rials offset by expenditures of 55,148 million rials) this year's deficit thus being approximately 16 per cent higher than last year's. Last year the special Budget was made to balance, which has been the normal procedure up to now.

The Plan Organization Budget is also a deficit budget, expenditure of 40,600 million rials being set against revenues of 26,700 million rials, i.e. a deficit of 13,900 million rials. Details are as follows :

Revenues (million rials)

Oil revenues share	21,600
Existing foreign loans	4,500
Miscellaneous	600
Total	26,700

Expenditures (million rials)

Development (less Tehran refinery)	32,500	
Tehran refinery	4,100	36,600
Non-development (administration and loan financing)		4,000
Total		40,600

Deducting the 4,000 million rials required for administration and loan financing, 36,600 million rials remain for investment, of which 4,100 million rials are earmarked for the Tehran Refinery. The Central Bank will provide credit for the sum required for the refinery this year and a further 3,000 million rials for other development projects. Treasury bonds should produce 1,000 million rials, but a further 5,800 million rials (of which 2,800 million rials are under negotiation) remain to be borrowed. While such heavy borrowing might not prove feasible, it is likely that this sum may not in fact be required and if the Central Bank's credit for the Refinery is allowed to be diverted to other projects, the Plan Organization Budget may yet balance.

(*Middle East Economic Digest*, London)

[Prev. ref. 5260:IRN:B, 5365:IRN:C]

IRAQ

A. Economic Protocol With Italy: An Economic Protocol was signed in Rome on July 3 between Iraq and Italy in accordance with the Agreement for economic and technical co-operation signed between the two countries in 1963.

The leader of the Iraqi delegation, Mr. Abdul Hady el Hafez, Under-Secretary in the Ministry of Economy, said the two sides exchanged views on the credit facilities offered in Italy to companies wishing to tender for development schemes in Iraq.

He added that the Italian side said it was willing to set up vocational training centres in Iraq and send Italian experts to work in industry projects for generation of electricity. A number of Iraqis would also receive training in Italian institutes.

He said that Iraq offered several schemes in which Italy could co-operate. They included a number of factories for petro-chemicals, textiles, sugar, dates, cement, paper, spare parts, the assembly of motor cars, storage, packing and surfacing of roads. Iraq had also sought technical advice on major irrigation and rural development schemes.

[Article 4 of the Agreement for technical and economic co-operation between the two countries calls for the setting up of a joint committee to supervise the Agreement and to study the technical, economic and financial aspects of schemes planned for the execution under the Agreement. The joint committee also encourages exchange of technical information and views between the two countries, exchange of information on economic legislation and exchange of literature containing technical information, exchange of experts and registration of patents. It also assigns engineers, technicians and skilled workers for the execution of schemes and establishes contact between economic, technical and scientific organizations in the two countries in the fields of industry, agriculture, construction, transport, trade and tourism.]

(*The Egyptian Gazette*, Cairo)

B. Economic Integration With UAR—Co-ordinating Committee's Recommendations: A joint *communique* was signed by the two parties of the Co-ordinating Committee for economic integration between UAR and Iraq at its meeting in Cairo on June 29.

The Committee held talks with a view to putting into effect the Economic Integration Agreement which was concluded between the two countries in November, 1958 and which had been kept in abeyance by the former "deviationist, regionalist rule in Iraq."

Important recommendations were made by the Committee's nine specialised sub-committees in various aspects of economic integration between the two countries.

The following is the text of the communique:

"In an atmosphere of genuine Arab brotherhood, for the purpose of putting into effect the Economic Integration Agreement which was concluded between the two countries in November, 1958, in application of Article 5 in the Agreement and in order to complete the economic talks which took place in Baghdad in February, 1964, the Iraqi Republic representatives led by Mr. Taleb Jamil, the Economy Ministry Under-Secretary, and the UAR representatives led by Mr. Mohammed Aly Amer, the Economy Ministry Under-Secretary, have held several fruitful meetings in Cairo.

"The meeting of the two parties came after the disappearance of the deviationist, regionalist rule in Iraq, the regime which, from the moment of the signing of this important Agreement, had prevented such brotherly meetings and had done its utmost to isolate Iraq from its sisters in the Arab homeland. The two parties did, in fact, meet to establish an obvious reality, which is one of the Arab demands for comprehensive unity, and to proceed with the operation of planning, development and construction, together with the rising Arab march to achieve their aspirations, raise their living standards, and to crush their common enemy.

"The Committee decided at its first meeting that nine specialized sub-committees should be formed of its members to study all the necessary methods for the attainment of economic integration between the two sister countries in various economic fields.

"These sub-committees were the Customs and Transit Sub-Committee; the Financial Affairs Sub-Committee; the Currency Affairs Sub-Committee; the Trade Affairs Sub-Committee; the Agricultural Development Sub-Committee; the Co-ordinating Sub-Committee for Industry, Planning and Oil Wealth; the Labour and Social Affairs Sub-Committee; the Economic Sub-Committee; and the Communications Sub-Committee.

"In addition, there was the tenth Sub-Committee entrusted with drawing up the international system for regulating the work and meetings of the Permanent Economic Co-ordination Committee.

"Each sub-committee has made important recommendations. The Customs and Transit Sub-Committee has recommended lifting import quota restrictions between the two countries; giving preference to importation of products of the two countries; encouraging the establishment of joint investing companies; and regarding manufactured products in which man-power and local raw materials represent 25 per cent of their production cost as homemade instead of the former 50 per cent principle.

"The Customs and Transit Sub-Committee has also recommended that the foreign commercial representation offices, trade centres and exhibitions of the two countries should work in full co-operation and direct contact in serving the two countries together. The import and export systems in the two countries should co-operate on a large scale and co-ordinate import and export operations in such a way as to avoid any competition between them on foreign markets and to ensure obtaining the best terms and prices.

"The Sub-Committee, in implementation of the Arab Summit Conference resolutions, has recommended that the two countries should reconsider their economic and commercial relations with all other countries in the light of their attitudes towards the legitimate Arab struggle against Zionist ambitions. They should also co-ordinate their economic policies vis-a-vis economic blocs.

"The Communications Sub-Committee has recommended large-scale co-operation between the Iraqi Marine Transport Company and the Egyptian General Marine Transport Organization as a nucleus for co-operation between the UAR and Iraqi merchant fleets. It has also recommended using the Baghdad-Amman-Aqaba-Suez-Cairo road as a means of linking the two countries geographically, despite the establishment of Israel as a barrier erected by imperialism to divide the Arab countries.

"The Economic Planning and Industrial Co-ordination Sub-Committees have recommended that the development plans in the two countries should be co-ordinated.

"The other Sub-Committees have made recommendations for the unification of legislation and systems, the co-ordination of agencies in the two countries, the ex-

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change of experts, and the exchange of personnel for training in various fields in order to effect economic integration.

"Thus, the outcome of these meetings has laid the foundations of economic unity as a pillar for the political unity sought."

(*The Egyptian Gazette*, Cairo)

[Prev. ref. 5897:IRQ:A]

C. Nationalization Of Banks And Firms: The Government announced on July 14 that it was nationalizing banks (including two British branch banks), insurance companies and 32 leading industrial firms.

The announcement, by Lieut-Gen. Taher Yahya, the Prime Minister, over Baghdad radio, came on the sixth anniversary of the Revolution which overthrew the monarchy.

He said that employees of the nationalized companies would get 25 per cent of the profits in future.

Financial sources in Baghdad estimated that the total capital of the nine banks affected by the decree was about ID10 million (£10 million). The nationalized firms include cement works, textile factories, and import-export concerns. He said that owners of firms taken over would be given State bonds redeemable after 15 years.

He assured holders of accounts in nationalized banks that their deposits would not be affected and affirmed that, except for some amendments to the tax laws, the decrees represented "all the Government intends to promulgate in this case".

An economic organization with three departments would be set up to run the nationalized companies. He warned that any one convicted of sabotaging any of the nationalized firms could face the death penalty or hard labour for life.

In addition to the two British concerns —the British Bank of the Middle East and the Eastern Bank—other banks affected included the Credit Bank, formerly the Ottoman Bank, which has combined Anglo-Iraq capital.

Charter Of Arab Socialist Union:

President A. S. Arif later announced at a mass rally the Charter of Iraq's Arab Socialist Union, into which all Iraq parties and organizations will be merged.

Reviewing Arab history over the past few years, he said that the Suez campaign had been a turning point in contemporary Arab history. "Today we are on the threshold of the building stage."

He said the Charter was similar to that of the Egyptian Arab Socialist Union in asserting the faith in unity of thought, organization and common objectives of the Arab nation. (The Egyptian Arab Socialist Union is the one political organization permitted in the United Arab Republic.)

He added: "We consider the United Arab Republic the national liberation base in the Arab homeland and the nucleus of Arab unity".

(*The Times*, London)

[Prev. ref. 5692:IRQ:B]

D. Iraqi-Tunisian Economic Talks —Joint Communique: A joint *communique* on the economic talks between Iraq and Tunisia was issued in Tunis on July 6.

The communique said:

"As a result of the visit of Mr. Mongi Slim, the Minister of Foreign Affairs of the Republic of Tunisia, and Mr. Habib Bourguiba Jr., Minister of State for Presidential Affairs to Iraq last month, a joint communique was issued in Baghdad providing for sending an Iraqi economic delegation to Tunisia to discuss the possibilities of developing and increasing the size of commercial exchange between the two brotherly States, and the consolidation of brotherly relations existing between them.

"Accordingly, an Iraqi delegation visited Tunisia during the period between June 30-July 7, 1964. The Iraqi delegation held many meetings with the Tunisian delegation which was presided over by Mr. Bashir ar-Naji, Chief of the Diwan of the Minister of Planning and Finance, during which they reviewed the possibilities of developing economic co-operation between their countries. The Iraqi delegation visited the Ministry of Commerce, the Ministry of Grain, the Tunisian Navigation Company, Oil Refining Company, and other economic firms where they held similar talks. The delegation also met a great number of Tunisian exporters.

"In Tabarca city, the delegation was received by His Excellency Habib Bourguiba, the President of the Republic of Tunisia, in the presence of the Minister of Planning and Finance, and the Ambassador of the Republic of Iraq. The delegation put forward before the President the great possibilities available for economic co-operation between the two brotherly countries. The delegation also interviewed the Minister of Planning and Finance. They visited other Tunisian cities, i.e. Manzil Bourguiba, Bizerte, and Susa where they saw the Cotton Factory, and the Oil Factory at an-Nafidha. Then they visited Qairwan and Monastir.

"As a result of the contacts of the Iraqi delegation, it became clear that there were great possibilities for increasing commercial exchange between both countries, and that Iraq could import large quantities of Tunisian goods. The Iraqi party offered to extend any technical assistance the Republic of Tunisia wished to make use of, by deputation of technicians and experts. The Tunisian party welcomed the offer. The Iraqi party put forward the possibility of establishing co-operation between the Iraqi Maritime Transport Company, and the Tunisian Navigation Company by establishing a joint transport company, by opening joint navigation lines, and by co-operation in all transport and navigation affairs. The Tunisian party welcomed this offer too. It was decided that experts of both companies should study that proposal immediately. They also agreed to establish co-operation between insurance and re-insurance companies in both countries.

"To facilitate the import of Tunisian goods, the Iraqi party proposed that the Government Purchasing Service should represent Tunisian companies and establishments. The Tunisian party agreed. They also agreed to the proposal of establishing a commercial fair in co-operation with the Tunisian Ministry of Commerce in order to sell Tunisian goods at Iraqi markets. Both parties agreed to encourage participation in the fairs established by each of their countries.

"As an immediate measure for selling Tunisian goods at Iraqi markets, the Iraqi party expressed their readiness, through the Government Purchasing Service, to purchase Tunisian goods to the value of ID500,00 covering oil, olives, tomato paste, all kinds of juices, sardines, other canned food, and butter.

"The Iraqi party also expressed the readiness of its Government to give priority to Tunisian exports in importation. Among these exports are lead, zinc, cork, chemical fertilizers, batteries, bottles, wine, oils, hides, and high quality leather.

"It is expected that this will raise Iraqi imports to about ID1,000,000 next year. The Tunisian party requested the cancellation of the payment agreement concluded between both countries on January 28, 1960 so that payments between both countries could be settled in any exchangeable currency agreed upon by both parties.

"The Iraqi party agreed to cancel the above agreement, and to amend Article 7 of the Commercial Agreement so as to ensure settlement of payments, in free currency. In order to facilitate importation of Tunisian goods to Iraq and to ensure the privilege of customs exemption and discount, the Iraqi party stressed the importance of Tunisia's joining the Economic Agreement concluded within the frame-work of the Arab League, including the Agreement Facilitating Commercial Exchange And Regulating Transit Trade between nations of the Arab League, which granted exemptions and discounts in terms of customs charges imposed on goods exchanged between the member-countries, and because the Tunisian goods that could be imported to Iraq were provided in the exemption and discount tables annexed to the above Agreement. Until this proposal is fulfilled by Tunisia, the Iraqi party will take the necessary measures to grant Tunisian goods the same exemptions and discounts granted to the countries of the Arab League in accordance with the above Agreements.

"The Iraqi delegation also stressed the importance of joining the proposed Joint Arab Market on the part of Tunisia due to its important contribution to the standardization and co-ordination of foreign commercial policy of Tunisia, Iraq and the other Arab countries, so that these sisterly countries could enter the international market as one mass, a fact that would give Tunisian goods exported to the outside world a great competitive strength. The Tunisian party showed complete understanding of this issue which was under study by the Tunisian authorities concerned at the time.

"A protocol including the points agreed upon by both parties concerning the development of commercial exchanges between both countries and the settlement of payments in free currency was signed."

(*Iraqi Embassy*, New Delhi)

ISRAEL

A. International Trade Fair: The Tel Aviv International Trade Fair, 1964 ended its 19-day run on July 7 with the announcement that the next Fair would be held in 1966.

An average of 32,000 people visited the Fair each day it was open—23 per cent more than in 1962. There were participants from 40 countries, many more than last time. Sales totalling I£50,000,000 were made.

At a signal by President Zalman Shazar, a million watts of light went on over the 9th Tel Aviv International Trade Fair. An audience of over 2,000 invited guests including Ministers of State, members of the diplomatic corps, heads of public agencies and others watched as President Shazar pushed a button which illuminated the Flying Camel which was the emblem of the Fair.

The Fair was initiated in the 1930's and revived in 1962.

The Minister of Finance, Trade and Industry, Mr. Pinhas Sapir and the Mayor of Tel Aviv, Mr. Mordecai Namir, Chairman of the Board of Directors of the Fair management welcomed the guests. Mayor Namir called the names of each of the 40 participating nations and the lights went on over the flagpoles of the 36 nations who were officially represented at the Fair. The Tel Aviv municipal youth-band marched around the podium as each of the exhibits was illuminated.

In his speech of welcome, Mayor Namir pointed out that this year's Fair was the largest held since the 'thirties, with 40 countries participating as compared with 33 in the 1962 Fair. He expressed regret at the non-participation of the Arab countries in the Middle East, whose efforts

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to have the Fair boycotted had not borne fruit. He hoped that the day would not be far off when the Arab nations, too, would contribute their share to this international venture, for the mutual benefit of all peoples of the region.

The Minister of Finance and Commerce and Industry, Mr. Pinhas Sapir, brought the Government's greetings. The large participation at the Fair attested to the power of attraction of the Israeli market. It also proved that Israel was an important factor in international trade and development, as well as a bridge between advanced nations and developing countries.

Welcoming participating nations and industrial enterprises. President Shazar announced the opening of the Fair, and a little later thousands of visitors began to stream into the 17 pavilions, where over 1,100 exhibitors were represented with a variety of goods in eight basic categories: machinery and metallurgy; development and building materials; electronics and electrical goods; agricultural equipment and products; vehicles and automotive equipment; textiles, leather and fashions; glass, ceramics, rubber and plastics; timber and furniture.

Participating countries included 19 European nations, nine from the Americas, four from Asia and eight from Africa. The US exhibit features the latest achievements in the electronic field and has at the entrance a full-scale model of a Mercury manned spacecraft, as well as Telstar and Relay II satellites. The French pavilion, which was three times larger than at the last Fair, exhibited, among other products, some of the best examples of the aeronautics and space industry. The pavilion of Canada, which took part for the first time, dramatized the use of nuclear energy for peace. The Latin American States, which do not ordinarily participate in fairs outside their continent, also made their debut at the 1964 Fair. West and Central African countries presented some of their raw materials, minerals and agricultural products. Many of these nations hoped to find out at the Fair where to get the investment goods for their development, while the industrialized nations expected to find new markets for their products.

Two-thirds of the exhibit area served as a showcase of a cross-section of Israel's industry, including production machinery, electronics, building materials, textiles and fashion goods, chemicals, cosmetics, food, furniture, household appliances, agricultural products and implements, and transport equipment for sea, air and land travel.

To implement business transactions, an Exhibitors Club was established and special buyers' days were held regularly. An Advisory Economic Committee, made up of Government officials and economic experts, stood ready to give advice. An international bazaar, exhibiting the national products of 17 nations, was the only place where the public at large could do some shopping. It offered for sale handicrafts from America, souvenirs from the Philippines, cosmetics from USA, toys and canned goods from Canada, Murano glass from Italy, home-crafts from the Arab villages in Israel and a new edition of the Bible.

Other attractions included a Swiss cable-car swaying over the exhibit grounds, go-cars for driving fans, the Camel Night Club and a 2,000-seat amphitheatre.

(*The Israeli Digest* and *Israeli News*, Jerusalem)

JAPAN

A. Sino-Soviet Ideological Dispute —Communist Party Supports China: Statements were published in Moscow and Tokyo on July 19 by the Communist Parties of USSR and Japan accusing each other of slander and attempting to break up the Communist movement.

The Japanese Communist statement came after the publication by Tass of letters sent by the Soviet Party Central Committee to the Japanese Party.

The Soviet letters said that a delegation of Japanese Communists had visited Moscow only a year after being invited and then "avoided a frank talk" and refused to discuss the joint struggle against world imperialism and a concerted line of action on other important questions.

Accusing the Soviet Party of "distributing slanderous materials to reactionary factions backed by the United States," the Japanese statement said that the Russians had "started the process of disintegration of the international communist movement."

The statement said that the Japanese delegation had been delayed by elections in Japan, and frank discussions had not been possible because the delegation had "no authority... to make frank expressions about the international Communist movement as a whole."

The delegation had been sent only to discuss the partial nuclear test ban Treaty and did not refuse to talk about the anti-imperialist struggle. It had not signed a joint communique because the Soviet Party "tried to force us to issue a joint communique which had nothing to do with the content of our talks...."

The Japanese statement of July 15 was issued after a meeting of Communist workers in Tokyo. It said the Soviet Union had broken an agreement made in Moscow to refrain from publicising matters between the two parties by revealing the contents of the Soviet Party's letters.

The statement, which the Japanese said had been sent to the Soviet Party, said: "What you really want is for us to... unconditionally obey your edicts and follow your opinions. But you have no right to request any such thing. We firmly reject your unjust and unprincipled request."

On July 24, the Japan Communist Party made further polemical attacks on the Soviet leadership, especially Mr. Khruschev for the first time.

The accusation in the sharpest words was contained in two articles printed on four full pages of the newspaper Akahata (Red Flag).

The articles said "it was Mr. Khruschev who opposed the partial nuclear test ban Treaty three years ago. But later he changed his course by making compromise with US imperialism".

The Russians had accused the Japanese Communist Party of opposing the anti-nuclear Treaty signed by Russia, Britain and the United States.

The articles said the Soviet Communist Party had interfered in the internal affairs of the Japan Communist Party by supporting its "anti-party elements."

The Japan Communist Party had expelled two of its leaders—Mr. Yosvio Shiga and Mr. Ichizo Suzuki from the party recently for voting in favour of ratification of the tripartite Test Ban Treaty in the Japanese Parliament.

The paper said the Soviet leaders had increased their attacks on Japanese Communist Party leaders, "trampling down fraternal relations between the two parties and strengthening a policy of splitting the international Communist movement."

Soon after the Sino-Soviet confrontation flared into the open early in 1963, the Japan Communist Party tried to tread an uneasy middle path. Subsequently, however, it has leaned more towards Peking. Mr. Mao Tse-tung has long been the inspiration for Mr. Sanzo Nozaka and other Communist leaders in Japan. Many years before and during the War Mr. Nozaka was in exile at Mr. Mao's headquarters and returned to Japan only after the War.

The total elimination of pro-Soviet elements from positions of leadership in the Japan Party came with the purging of veteran pro-Soviet leaders Mr. Shiga and Mr. Suzuki last Spring.

(*The Japan Times*, Tokyo and *The Hindu*, Madras)

[Prev. ref. 5905:CHI:E]

JORDAN

A. New Cabinet: A Beirut message on July 7 said that a new Cabinet had been formed.

This time King Hussein had chosen again Mr. Bahjat Talhouni, who was Prime Minister from August, 1960 to January, 1962. His predecessor was assassinated. Mr. Talhouni has remained close to the King in the Palace post of Chief of the Royal Cabinet, and since King Hussein attended the Arab "Summit" Conference in Cairo in January Mr. Talhouni has represented him at further talks and meetings there.

In a statement in Amman on July 7, Mr. Talhouni said his Government's policy would continue to be "in accordance with the spirit of the Arab Summit Conference and based on King Hussein's instruction".

Sherif Hussain bin Nasser, the outgoing Prime Minister, became in turn head of the Royal Cabinet. He took over a "caretaker" administration in May, 1963, and formed a Government the following July. He had held office longer than it was thought his health would allow and had lately returned from a holiday in Europe.

Among five new-comers in the Cabinet was Mr. Kadri Toukan, Minister for Foreign Affairs. Mr. Toukan is a professor better known in academic and scientific life than in politics and has had an association with Nablus College, on what is now the west bank of the Jordan, which goes back to Palestine mandate days. He is a member of the Egyptian Academy of Sciences and the good relations both he and Mr. Talhouni have with Egypt point to what King Hussein partly has in mind.

Mr. Toukan's predecessor as Foreign Minister was Mr. Anton Atallah, managing director of a real estate bank, who had been in office only a short time. He had recently visited capitals abroad as part of a chain of travels by Arab Foreign Ministers to try to enlist more support against Israel.

(*The Times*, London)

[Prev. ref. 5612:JOR:A]

B. Field-Marshal A. H. Amer's Visit: UAR's First Vice-President, F-M A. H. Amer paid a visit to Jordan from July 14 to 16.

Waiving protocol formalities, King Hussein greeted F-M Amer on his arrival at Amman airport along with members of the Cabinet. A 21-gun salute was fired as the Field-Marshal got down the plane accompanied by 12 officers and civilians. King Hussein had sent a special mission of honour to Cairo which accompanied the Field-Marshal.

On the first day of his visit, F-M Amer met a number of officers at the Army Headquarters and attended a dinner given in his honour by King Hussein.

The following day, he visited the holy places in Jerusalem and frontier villages, accompanied by the King, with

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whom he had a prolonged exchange of views regarding matters of common interest.

F-M Amer's Statement:

When F-M Amer left Amman for Cairo at the end of his visit, he made the following statement:

"I last visited Jordan about seven years ago. During my latest visit I saw for myself great changes, obvious expansion, construction and progress in all fields.

"His Majesty the King has taken good care of us during our stay in Jordan, and we look upon him as a friend and brother. The mutual sincerity on Arab objectives between Jordan and the UAR has been obvious since the convening of the Summit Conference and the meeting between President Gamal Abdul Nasser and King Hussein.

"I believe that this close co-operation between Jordan and the UAR will continue and grow. The Jordanians are a staunch people convinced of their objectives. So long as Arab objectives are sincere and people believe in their mission, they will be successful. I believe that we have started along the right path.

"The people of the UAR and its Government support the people of Jordan to the furthest extent conceivable—in every field, especially in the face of the Zionist danger. It is inconceivable that Jordan could be left to fight Zionism single-handed. It is inconceivable that the UAR will not support it (Jordan) from the first moment.

"The co-operation which has begun between the two peoples and between the leaders in the two countries will be for the benefit of all Arabs. This statement will be put into actual effect, it is not just high-sounding words. All the Arab peoples will see the result."

On his way home, he sent the following cable to King Hussein:

"Brother, His Majesty King Hussein, of the Hashemite Kingdom of Jordan.

"In my name and in the name of the members of the UAR delegation, it pleases me to thank you for the great hospitality and sincere brotherhood expressed by Your Majesty personally, and by the Government and the brotherly Jordanian people."

(*Amman Radio* and *The Egyptian Gazette*, Cairo)

C. Settlement Of Bedouin—Agreement With FAO: The Jordan Government and the UN Food and Agriculture Organization (FAO) signed on June 22 an Agreement to co-operate in carrying out an experimental programme aimed at the settlement of Bedouin families in the south of Jordan.

FAO, under the World Food Programme, is to contribute $521,000 to provide food and cattle fodder and wages for the Bedouin workers. Underground water in the Jafr desert is to be used to reclaim land for agriculture.

The Agreement also provides means for the improvement of methods of sheep breeding by maintaining a stock of fodder to be used in dry seasons.

(*Middle East Economic Digest*, London)

D. Diplomatic Appointments: Mr. Abdullah Salah, Jordan's Ambassador to India, has been appointed Ambassador to Paris in place of Dr. Yousef Haikal who has been transferred to Formosa.

Mr. Kamal Himoud, acting Under-Secretary in the Foreign Ministry, will replace Mr. Salah.

(*The Times of India*, Bombay)

[Prev. ref. 4203:JOR:A]

E. Canaanite City Discovered: The Minister for Information, Mr. Salah Abu Zeid, announced in Amman on July 26 that an American archaeological team, led by Mr. Joseph Galloway, had discovered a walled Canaanite city dating to 1,200 BC, north of Jerusalem.

Mr. Zeid said that the finds and the results of the excavations proved that the city was Canaanite.

The excavation site is 12 miles north of Jerusalem and near Deirdabwan village. The masonry of the Canaanite city was of the Bronze Age, and buildings included a temple and a palace.

(*Dawn*, Karachi)

[Prev. ref. 5888:JOR:A]

KOREA (South)

A. Martial Law Lifted: Martial Law imposed on June 3 by President Park Chung Hee was lifted on July 29, but informed sources said it did not mean that the situation had become normal.

The measure was taken because of the insistence of the National Assembly, which had grown strong enough to influence policy decisions by the Executive.

No basic solution had been worked out during the nearly two months of military rule. Commodity prices continued to rise while popular resentment and dissatisfaction grew deeper under military rule, even though no violent reaction was discernible.

Both the majority and Opposition political parties had joined forces to bring pressure upon the administration. Never had South Korean politicians co-operated so closely as they did this time.

(*The Times of India*, Bombay)

[Prev. ref. 5912:KRS:A]

KUWAIT

A. Relations With Japan: A Ministerial source said on July 15 that Kuwait had decided not to provide any further facilities to the Japanese-Arabian Oil Company which operates in the neutral zone between Kuwait and Saudi Arabia.

However, the source added, the Kuwait Government had not decided to boycott Japanese trade as reported locally and abroad.

The source said that the decision against the Japanese-Arabian Company was taken in view of Japan's "pro-Israel sympathy".

About 700 employees, including 105 Japanese, work for the Company. The source said in future if the Company submitted a tender and another company submitted a similar one, the Japanese one would be rejected. Certain facilities at present given to Japanese employees of the Company would now be stopped.

The source said that a large number of Kuwaiti traders had decided to restrict their trade with Japan in future because of her "hostile attitude to the Arabs."

Another official source said Kuwait at present traded with Japan on a large scale and Japanese goods were flooding the Kuwait market.

A Kuwaiti newspaper said that the Arab League had advised Kuwait to give Japan another chance to explain the alleged unfriendly treatment of the Kuwait Foreign Minister in Tokyo in April.

The English language **Kuwait Times**, quoting authoritative sources, said the Emirate had decided to delay a demand for pan-Arab action.

Earlier, Kuwaiti Press reports had said the Government had ordered "all forms of economic, technical and commercial" dealings with Japan to stop. The Kuwaiti Government felt Japan's attitude towards the Foreign Minister, Sheikh Sabah al Ahmad al Jabbah called for collective Arab retaliation.

But it added that Arab League member-States felt positive action should not be taken until all other steps were exhausted, and thus advised Kuwait to give the Japanese explanations "some more chance of success."

Meanwhile in Tokyo, the Foreign Ministry said it was embarrassed by reports that the Kuwaiti Government was suspending economic relations with Japan. A spokesman called the affair "a complete misunderstanding", and said that all protocol had been observed during the visit.

An economic boycott could deal a serious blow to Japan, especially if applied to Japan's offshore oil concession from Kuwait which produces an average of 36 million barrels a year. However, Japan's Arabian Oil Company, which runs the Kuwait concession, said it had heard nothing to indicate its operations would be affected. Japanese exports to Kuwait average $25 million annually.

The Japanese Ministry spokesman said the visiting dignitary was met by Japan's Vice-Foreign Minister and other officials at Tokyo airport as called for in such situations.

The visiting Sheikh was received in audience by the Emperor and Empress, and conferred with the Foreign Minister, Mr. Masayoshi Ohira at the latter's office for 45 minutes. The Sheikh said he got only 10 minutes.

Officials in Tokyo speculated that one reason for the Sheikh's reported displeasure may have been that April 29, the day after his arrival, was a Japanese national holiday, as a result of which no programme had been arranged for him.

(*The Egyptian Gazette*, Cairo)

[Prev. ref. 5755:KWT:A]

B. Loan To UAR For Suez Canal: An Agreement between the Kuwait Fund for Economic Development and the Suez Canal Authority under which the Fund will give the Authority a loan of 9,800,000 Kuwaiti Dinars was signed on July 5.

In a speech on the occasion, the Chairman of the Kuwait Fund, Sheikh Sabbah Ahmed el Jaber, said he was glad to see brotherly co-operation established between the Kuwait Fund for Economic Development and the Suez Canal Authority "which are two Arab organizations working for the welfare of the people".

(*The Egyptian Gazette*, Cairo)

[Prev. ref. 5840:KWT:A]

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LAOS

A. New Pathet Lao Offensive: The Ministry of National Defence announced on July 16 that Pathet Lao forces had launched an offensive against Muong Soui, the principal neutralist stronghold in north-central Laos.

The Ministry said that Pathet Lao forces, supported by North Viet-Namese troops, had crossed the Nam Ngum river and were driving westward on Muong Soui. Four battalions were said to have been involved in the attack.

Muong Soui guards the approaches to the road net-work leading south to Vientiane, the administrative capital, and north to Luang Prabang, the Royal Capital.

General Kong Lae, the neutralist military commander, made Muong Soui his main base since his troops were swept westward off the Plain of Jars by the Pathet Lao offensive launched in the middle of May. The position was being held by 2,500 neutralist troops, supported by a number of light, Soviet-made tanks.

The statement said Laotian T-28 fighter-bombers were attacking the Pathet Lao forces.

Earlier, the Prime Minister, Prince Souvanna Phouma, said in an interview that he no longer had any hope of arranging peace talks with Pathet Lao. For several weeks he had exchanged messages with Prince Souphanouvong, the Pathet Lao leader, on the possibility of arranging a summit meeting to discuss terms for sending a unified Laotian delegation to a conference of the 14 nations that signed the 1962 Geneva Agreement on Laos.

The US Ambassador, Mr. Leonard Ungr, said his country might give military support to the forces defending Muong Soui. But he stressed that American action would be based on the developments.

In the following few weeks, the battle continued and many positions changed hands several times. Prince Souvanna Phouma said on July 19 that Neutralist forces, under the command of Gen. Amkha Tukhavong, had launched an attack against Pathet Lao forces in the Muong Soui sector.

He said that according to initial but unconfirmed reports, the Neutralists might have recaptured Phou Koutt hill, about six miles north of Muong Soui.

Russian Proposal For Geneva Conference:

The Soviet Union on July 26 called for a new Geneva Conference on Laos in August and said she was reviewing the question of continuing as co-Chairman of the existing Geneva Agreement on Laos.

Britain is the other co-Chairman of the 1962 Conference which reached agreement on keeping Laos neutral. The Soviet announcement came on the eve of a visit to Moscow by the British Foreign Secretary, Mr. R. A. Butler.

The announcement on **Moscow Radio** said the Soviet Government had suggested a meeting of the 14 Governments which signed the Geneva Agreement to discuss "immediate measures" to bring about a peaceful settlement.

It said that US interference in Laos had caused "extreme aggravation" and the Geneva Agreement was in danger of being undermined.

It said: "In connexion with the continuing deterioration of the situation in Laos, the Soviet Government, as one of the parties to the Geneva Agreements on Laos, deems it to be its duty to call the attention of all the signatories of the above-said Agreements to the following:

"It is becoming more and more obvious of late that some States have embarked upon the road of gross interference in the internal affairs of Laos and of violating the Geneva Agreements, which, as it is known, commit their signatories to respect the independence and neutrality of Laos.

"Contrary to the Geneva Agreements, the United States maintains in Laos its military personnel, various military and semi-military organizations and services, while continuing to render unilateral military aid to the reactionary forces of the country. With the help of the United States these forces staged a coup de force in Vientiane this April, which brought to a head the political situation within the country, paralyzed the activities of the coalition Government, whose establishment in itself constituted a success on the road to the implementation of the principles underlying the Geneva Agreements. This threatened to foil completely the Agreements signed in Geneva.

"Grossly violating the sovereignty of Laos, the American Air Force overflies the territory of the country for purposes of reconnaissance, bombs and strafes areas controlled by the Pathet Lao. Repeated calls of the Soviet Government, as a co-Chairman of the Geneva Conference on Laos, to the United States Government, urging it to discontinue interference in the internal affairs of Laos and violation of the Geneva Agreements, were of no avail. Despite the numerous repeated calls of the co-Chairmen, talks have still not been resumed between the three political forces of Laos on a peaceful settlement in the country in conformity with the Geneva Agreements.

"The Soviet Government was the first to support the proposal of the Head of the Cambodian State, Prince Norodom Sihanouk, on the calling of the new 14-nation international conference on Laos. Considering the tense situation in Laos, the Soviet Government proposed to convene this meeting at Geneva in June, 1964. However, at that time the proposal to call a conference did not meet the support of the United States and some other nations.

"The proposal of the Polish People's Republic to hold consultations with the participation of the three political forces with the purpose of preparing a new international conference on Laos has also been rejected under different groundless pretexts.

"The Soviet Government can no longer put up with a situation when the Geneva Agreements on Laos are being torpedoed, when some of their signatories avoid the discussion of the obtaining dangerous situation in Laos, which threatens the peace and security of not only this country, but of all the South-East Asian region. This stand is dictated by the fact that under the existing conditions the co-Chairmen of the Geneva Conference are placed in a false position, which prevents them from discharging their functions.

"The Soviet Government, therefore, addresses all the Governments that have signed the Geneva Agreements on Laos with the proposal to call this August a 14-nation international conference on Laos to discuss the urgent measures which would guarantee a peaceful settlement in Laos, conforming to the Geneva Agreements of 1962, strict and unswerving fulfilment of these Agreements by all the States concerned. Such a meeting could be held in Geneva or in another city acceptable to all the participants of the conference. This new proposal is dictated by the sincere desire to contribute to the implementation of the Geneva Agreements.

"The Soviet Union is ready, as always, to promote all efforts aimed at accelerating the calling of the above-said international meeting. A negative attitude of other States to this proposal will place the Soviet Government in a position where it will be compelled to consider the question of the possibility of the Soviet Union discharging the functions of co-Chairman, inasmuch as the role of co-Chairmen is being rendered useless and fictitious by the gross and systematic violations of the Geneva Agreements by some States."

American Opposition:

The US State Department re-iterated on July 27 that it could see no useful purpose in a new 14-nation conference on Laos until the fighting there stopped and Pathet Lao forces withdrew to the positions they had held before their mid-May offensive.

Asked for the Department's reaction to the Soviet call for a new Geneva Conference, the Press Officer, Mr. Richard Phillips said that the Soviet Charge d'Affaires had delivered a copy of the Soviet declaration to the Under-Secretary, Mr. George W. Ball.

"We are studying the communication," Mr. Phillips said. "We note that it does not take into account the known position of Prime Minister Souvanna Phouma which we support—that a cease-fire and a Pathet Lao withdrawal to previously-held positions are prerequisites. The Pathet Lao have rejected the Prime Minister's reasonable proposals for a tripartite meeting to discuss these two important points."

British Stand:

Britain told the Soviet Union on July 29 that she would co-sponsor a 14-nation conference on Laos provided new efforts were made to stabilize the situation there.

Authoritative sources said a British message delivered to the Soviet Foreign Ministry on instructions from Mr. Butler listed three main conditions for a conference:

(1) Establishment of a united Government under Prince Souvanna Phouma, the Neutralist Prime Minister;

(2) A cease-fire in Laos; and

(3) The return of rival Laotian troops to positions held in February.

The Soviet Union promised to study the new British call for a cease-fire.

A breakdown of the Geneva Powers on the question of convening a conference immediately shows that those in favour are Russia, France, China, India, Poland, Burma, Cambodia and North Viet-Nam.

The views of South Viet-Nam and Thailand coincide with USA. Canada, like the British, would like to have a conference but obviously does not want to displease the United States, Prince Souvanna Phouma would wish the pre-conditions to be fulfilled.

According to observers quoted in Western Press reports, Russian insistence on a conference may be due to Soviet embarrassment in not being able to exert any influence on Pathet Lao leaders who were stated to prefer heeding Peking rather than Moscow.

ITSC Report:

The International Truce Supervisory Commission (ITSC) for Laos in a majority report dated June 20 expressed concern about the consequences that could flow from the recent changes in military postures of the opposing forces in Laos. They would almost inevitably lead to open civil war.

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The text of the report along with related documents was issued by the British Foreign Office on July 24. The report was approved by the Indian and Canadian members of the Commission, but not by the Polish member who did not take part in its formulation.

As for investigating the allegations regarding the presence of Communist Viet-Minh forces alongside the pro-Communist Pathet Lao, the report said the Commission was again hampered by the persistent refusal by the Pathet Lao to permit it to enter its territory except under very strictly controlled conditions.

"This denial leads the Commission to infer that the Pathet Lao has something to hide. Otherwise freedom of entry and movement within the Pathet Lao area would be readily granted."

New Delhi As Venue For Talks—Proposal Rejected:

A Vientiane report said on July 22 that the Pathet Lao leader, Prince Souphanouvong, had rejected the proposal of Prince Souvanna Phouma that a conference of the leaders of the three factions—Rightist, Neutralist and Pathet Lao—be held in New Delhi.

Prince Souphanouvong, in a letter dated July 20, said that New Delhi "is not at all suitable" for the meeting and reminded Premier Souvanna of a Pathet Lao proposal of Pnom Penh or Djakarta.

Prince Souvanna had refused the Pathet Lao proposal in a letter to Prince Souphanouvong on July 2 and proposed New Delhi.

Prince Souphanouvong in a telegram said the spirit of the meeting was more important than the choice of place.

On July 27, the Pathet Lao leaders asked for the immediate withdrawal of the Indian medical team from Laos.

A New China News Agency message said that the Pathet Lao had urged India (Chairman of the International Commission) "to renounce its position of satisfying the wishes of USA".

It must "correctly discharge its duty" as Chairman, said the statement, issued by the Central Committee of the Neo Lao Haksat, the political arm of the Pathet Lao.

The statement also called on Britain to discharge "correctly" its duty as co-Chairman of the Geneva Conference.

It accused Britain of "collaborating with and following USA in interfering in the internal affairs of Laos".

It also demanded the speedy convocation of a 14-nation conference on Laos. "In the face of the attempt of US imperialism and its lackeys to rekindle the war on a nation-wide scale, the most urgent and practical question is to reconvene the 14-nation conference to settle the Laotian question peacefully."

(*The Times*, London, *Tass* and *The Times of India*, Bombay)

[Prev. ref. 5943:LAO:A]

B. Soviet Proposal For 14-Nation Conference—Chinese Support: In a Note to the Soviet Union on August 2 supporting Moscow's call for a 14-nation conference (see above), China said it "hopes the Soviet Government will truly shoulder its responsibilities as a co-Chairman of the Geneva Conference."

China in its Note urged the Soviet Union to persuade the United States to drop its "unreasonable conditions" for 14-nation conference. (Russia had proposed an unconditional conference in August of the 14 signatories to the Geneva Agreements of 1962 guaranteeing the neutrality of Laos. At the same time it said it was reviewing the question of continuing as co-Chairman—with Britain—of the Geneva Conference because of the "negative stand" of other States).

The Note said Russia should also try to persuade Britain to return to an attitude "in keeping with its position as co-Chairman". (The United States and Britain have said the conference should be held only after a cease-fire and a withdrawal of the pro-Communist Pathet Lao forces in Laos).

British Move:

The British Foreign Secretary, Mr. R. A. Butler, said on August 1 that Britain had asked India, Poland and Canada to try to arrange a meeting of the rival Laotian factions in a suitable neutral territory.

He told a Moscow news conference that he had asked India to take the initiative.

He said it was his earnest hope that Britain and the Soviet Union would "find a way to continue our co-operation" over Laos. "We have no British interests in Laos. We simply have an interest in not allowing this problem to spread into world war."

"I would like to stress the importance of the Soviet Union and Britain working together, as we have done in the last ten years."

He said Anglo-Soviet co-operation in Laos had twice averted a real threat of war and "I want this co-operation to continue."

(*The Hindu*, Madras)

[Prev. ref. 5913:LAO:A]

C. Street Named After Mr. Nehru: The Laotian Government, in pursuance of its decision to rename one of the important streets in Vientiane as "Rue Ne' u", has set up a committee to finalize details of the ceremony which will be held soon.

The Prefect is President of the committee which will include the Military Governor of the zone, police, civilian and public works chiefs of the city, representatives of the municipality, the Foreign and Interior Ministers and two prominent residents.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5880:INI:A]

MALAYSIA

A. Tengku Abdul Rehman's Visit To USA: The Prime Minister, Tengku Abdul Rehman, paid a visit to Washington from July 21 to 23.

A *communique* issued at the end of the visit said that President L. B. Johnson, with whom the Tengku had held talks, re-affirmed US support to Malaysia.

Before leaving for USA, the Tengku told a news conference in London on July 21: "I am not going specifically to ask for aid. If Americans could be a little more firm with Indonesia and, perhaps, give Indonesia sufficient warning of the consequences if they go over in a big way to open warfare with a country that has given them no reason for aggression, it would be a good thing for us.

"In a country like America, which is sympathetic to us, they should make it known in no uncertain way their feeling in this matter. Canada has always shown a great deal of interest in what is happening in Malaysia."

He said that in Canada, which had given Malaysia technical aid, he would buy "small jet planes for reconnaissance," but, if Canada offered a few by way of aid "I would be most happy." "I think Mr. Pearson will be interested to do a little bit more in this question of our resistance to Indonesian aggression."

He said he had no plan at the moment to ask Australia for additional aid. "Australia has been very, very good to us. Whatever I have wanted they have never failed to give." At the moment, Malaysia had asked for and Australia had provided technicians and military engineers, who were building roads and bridges in the Borneo jungles.

Asked if Malaysia envisaged "something more formidable" than engineers if President Sukarno stepped up his aggression, he replied: "We are in constant consultation with Australia. Everything that we have so far discussed with Australia has been very fruitful. I don't think aid from Australia is becoming a problem with us. I think the Australians realize more than anybody else what would happen to that part of the world if Malaysia falls."

In Washington on July 22, the Tengku told another news conference that President Johnson had offered to train Malaysian troops in USA.

He said he had accepted the offer during a conference in which he and the President discussed Indonesia's "confrontation" policy.

He also disclosed that he had asked the President to allow Malaysia to buy jet aircraft for reconnaissance and training purposes, large helicopters to transport troops in the jungle warfare area, and landing craft.

The Tengku said that details were being discussed between USA and Malaysian Defence Secretaries. No decision had yet been taken on the number of Malaysians to be trained in USA.

He feared that the Indonesian threat against Malaysia would take another turn now that President Sukarno had secured the help of the Soviet Union. "They (the Indonesians) are going to use regular troops and modern weapons and spread infiltration in new areas. That should be a matter of concern not only for us but for all the free world."

Joint Communique:

The following is the text of the joint *communique* issued on July 23 at the conclusion of the talks between Tengku Abdul Rehman and President Johnson:

"The President of the United States and the Prime Minister of Malaysia met on July 22 and 23 to discuss matters of mutual interest and recent developments in South-East Asia.

"President Johnson and Prime Minister Tengku Abdul Rehman welcomed this, their first meeting, and the opportunity it presented to become personally acquainted and to review major problems in South-East Asia.

"The President and the Prime Minister discussed the Communist threat to and activities in Laos and Viet-Nam and reaffirmed their support of the cause of freedom in those countries.

"The President noted with appreciation the contribution Malaysia has made to the common cause in Viet-Nam by providing equipment, training and advice based on her own experience in combating Communist terrorism.

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"In turn the President made clear that all South-East Asian countries, including Malaysia could rely on the firm intent of the United States to resist Communist aggression against free Asian nations.

"The Primé Minister reviewed developments in Malaysia with the President and progress made thus far in furthering the economic and social progress of its people.

"The Prime Minister also expressed appreciation for the contribution of American Peace Corps volunteers in this task.

"The President informed the Prime Minister of his special interest in Malaysia's impressive achievements in the fields of education, economic growth and rural development.

"The President noted with admiration the Prime Minister's objective of a happy and prosperous nation upholding the principles of justice, freedom and democracy.

"The Prime Minister outlined for the President the origins of the Malaysia concept and the history of its formation, and in this context reviewed the current activities by a neighbouring State in violation of the territorial integrity of Malaysia.

"The Prime Minister recounted his determined and various efforts to seek an amicable and honourable solution to the problem, including the report of the tripartite meeting in Tokyo.

"He also informed the President of the discussions at the recent Commonwealth Prime Ministers' Conference in London.

"The President re-affirmed the support of the United States for a free and independent Malaysia, and for Malaysia's efforts to maintain her security, preserve her sovereignty and continue her development in peace and harmony.

"*The President agreed to provide military training in the United States for Malaysian personnel, and to consider* promptly and sympathetically credit sales, under existing arrangements, of appropriate military equipment for the defence of Malaysia.

"The President expressed his strong hope that a peaceful and honourable way out of the current and dangerous situation could be found, and his appreciation for the earnest endeavours of the Prime Minister to this end.

"The President and the Prime Minister agreed that while firmness in self-defence is indispensable, it is better to talk than fight.

"The President and the Prime Minister found in the common devotion of the United States and Malaysia to the principles of democratic government and individual freedom a bond of understanding which is cementing their two countries into a constantly closer relationship, and agreed to maintain close contact on problems of mutual interest."

Indonesian Reaction:

The Indonesian Foreign Minister, Dr. R. Subandrio, said in Djakarta on July 25 that Indonesia wished to maintain good relations with USA, but this would depend upon the US attitude to Malaysia.

He was speaking to newsmen following a meeting with the American Charge d'Affaires at which he discussed the visit to USA of Tengku Abdul Rehman.

ANZUS Support:

Earlier, on July 20, Malaysia welcomed the assistance promised by the ANZUS countries—the United States, Australia, and New Zealand —in the event of her territorial integrity being violated.

A communique issued after an ANZUS Council of Ministers' two-day conference in Washington did not refer to Indonesia, but there was no doubt in official circles that it was a warning to President Sukarno that Malaysia had not only Commonwealth support and sympathy but also that of the United States.

Tun Abdul Razak, the Deputy Prime Minister, said in Kuala Lumpur that the ANZUS pledge was a great encouragement and he welcomed President Johnson's reported offer to train Malaysian troops in the United States. He added that it was unfair for Russia to offer Indonesia arms to commit aggression.

Indonesian Operations:

Meanwhile, a despatch in *The Times* (London) said on July 21 that Indonesian military operations against the Borneo territories of Malaysia had moved into a new and potentially dangerous phase.

Major-General W. C. Walker, Director of the Borneo Operations, told The Times correspondent that since the break-down of the Tokyo talks troops of the Indonesian regular Army were being committed to action on a much larger scale.

Instead of sending large and badly organized parties of volunteers, they were now carrying out attacks on villages a few miles inside Sabah (North Borneo) and Sarawak, using groups of 40 or more well-trained troops, often almost entirely regular. When they came into contact with the security forces they operate with great skill and dash, displaying a sound knowledge of British tactical method.

Meanwhile, President Sukarno was reported in Kuala Lumpur to have issued orders to his Navy to sink Malaysian fishing craft and trading vessels in the Straits of Malacca.

Antara, the Indonesian official news agency, was quoted as stating that great concern had been expressed in Djakarta over reports that large amounts of Indonesian rubber were still reaching Malaysian ports. Plans were being made to impose heavy penalties for smuggling, which was described as being an offence against the Indonesian revolution.

(*The Malayan High Commission, The New York Times, The Times*, London and *The Malayan Times*, Kuala Lumpur)

[Prev. ref. 5944: MAL: A]

B. Race Riots In Singapore: Singapore was shaken by racial riots between its Malay and Chinese communities for three days from July 21. By the time peace was restored, 21 persons had been killed and about 1,700 arrested.

The cause of the riot was disputed. The Singapore Premier, Mr. Lee Kuan Yew said it was due to stragglers being asked by a policeman following the Prophet Mohammed's birthday procession, to keep to the procession.

The acting Malaysian Premier, Tun Abdul Razak, said it was due to someone throwing a bottle at the procession of Muslims.

The riot was the first to involve two communities of Singapore. Earlier riots were religious, industrial and communist. In 1950, there was a riot over a Muslim girl joining a convent. It was a riot between Muslims (Indian and Malay) and Christians (the British and the Eurasians). In 1955, there was a riot triggered by an industrial dispute between a bus company and an extremist trade union. In 1956, students rioted. In 1957, there was Island-wide pro-Communist riots. The latest one claimed the largest number of killed and has involved Malays and Chinese.

In Singapore's population of 17,50,000, about 14,00,000 are Chinese, 1,40,000 Malays, 1,10,000 Indians and about 1,00,000 others. Chinese command top positions in business and they are also strong in trade and professions, trade unions and public services. Indians are mostly workers in the harbour board, public works and other technical and clerical services.

Malays are mostly poor; not many are highly educated; only a few are in good positions in the Government or business. But Malays are the indigenous people and they have special rights in Singapore.

In the Singapore Constitution, it is enjoined that the Government should "carry out its responsibilities by recognizing the special rights of the Malays who are indigenous people of this country and (that) it is the responsibility of the Government to defend, protect, assist in promoting and improving the political, educational, religious, economic, social and cultural interests of the Malays as well as their language."

In Malaya, the Malays enjoy some special privileges. Certain trades, if necessary, can be reserved for them. Land can also be reserved for Malays. In Singapore, while they have special rights, they do not have special privileges.

In Malaya, the Government is a coalition of the United Malay National Organization (UMNO, as the senior partner), the Malayan Chinese Association (MCA) and the Malayan Indian Congress (MIC). Communal harmony and the special privileges of Malays are recognized both in practice and in theory by the majority of the Chinese community in Malaya and by the Indian community.

In Singapore, the ruling party, the People's Action Party (PAP) is predominantly Chinese in membership (reflecting the population), but has also members from Malay and Indian communities. Mr. Lee has described his party as non-communal and socialist. In Singapore too, as in Malaya, for practical purposes, communal distinctions have been taken into account as in choosing candidates in elections and membership in the Cabinet.

While racial harmony in Malaya has been built on the recognition of Malays as the sons of the land (Anak Negara), in Singapore, racial harmony has been kept up by avoiding any open propaganda on racialist lines, even during elections. Racial feelings have, however, been felt more strongly in Singapore than in Malaya, but have not been so far expressed in violent eruptions because of the acceptance of the fact that Singapore is predominantly Chinese.

But for some time, especially since the formation of Malaysia and more recently after the entry of the PAP into the Malayan Parliament and its associations with Malayan parties which plead for the Chinese and are against the special position of the Malays, the Malays in Singapore have been thinking seriously about their special rights. Malayan parties like the UMNO, MCA and MIC have their branches in Singapore. While MCA and MIC are not very active in their work in Singapore, the UMNO branches in Singapore have been becoming stronger.

A few weeks ago, at a special meeting of the UMNO branches and Malay leaders in Singapore, the UMNO national Secretary-General, Mr. Syed Albar, charged the PAP with splitting the Malays. (In the 1959 Singapore elections, Malays elected to the Legislative Assembly were UMNO candidates. In the 1964 elections, the Malays elected were PAP candidates). Mr. Albar also said that Mr. Lee's Government was more in favour of the Chinese than the Malays and that Malay special rights were ineffectual. The meeting formed a 'Malay Action Committee'.

Mr. Lee, a week later met representatives of Malay cultural organizations. (He wanted to meet representatives of Malay political organizations later). At the meeting, Mr. Lee said that since the beginning of the Indonesian confrontation,

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there had been intensive propaganda to cause friction between Malays and Chinese and that for 'diverse reasons' the UMNO joined the propaganda.

Mr. Lee said: "We have done nothing which is dishonourable or wrong to the Malays. The Government's decision will have to be based on a balance of all interests, that of the special position of Malays and also the legitimate interests of the 90 per cent non-Malays in Singapore which is also the duty of the Government to advance." After explaining what the Government has done to the Malays, in the fields of education, housing and labour, Mr. Lee also pointed out that "the imbalance in the speed of development in the different communities will take a whole generation to redress."

"There must be a limit," he said, "to UMNO's political propaganda because they are in charge of the whole country, as they are the Central Government. Therefore, if they go beyond the limit, the country will break up and collapse. However, I am bewildered when I see that UMNO has formed a 'Malay Action Committee,' which includes Pan Malayan Islamic Party extremists and racists....It is the intention of this Government to do what is right and fair, and we will not be intimidated from doing our best in looking after the interests of the people of Singapore, including the Malays who have under our Constitution a special position."

Tun Abdul Razak, who flew into Singapore the day following the riots to study the situation first hand, held talks with Mr. Lee and Malay leaders. Later, he said the riots were not racial. He was not sure of Indonesian influences in the riots.

Tengku Abdul Rehman's Allegation:

The Malaysian Prime Minister, Tengku Abdul Rehman, who was on a visit to USA at the time of the riots, blamed Indonesia for the racial violence.

Appearing on a televised interview on July 23, he declared that the Singapore riots had brought about "one of the unhappiest moments of my life." "It appears to me that it is more than a coincidence that this has happened at a time when we are meeting Indonesian aggression. Perhaps we can put two and two together and think that there is a third party behind the clashes in Singapore."

Asked if he was suggesting that Indonesia was provoking the riots, he replied: "I have some evidence to prove my statement."

He said that before Malaysia broke off diplomatic relations with Indonesia, the Indonesian Ambassador and the entire Embassy in Kuala Lumpur "had gone around trying to provoke a clash between the Chinese and Malays in Kuala Lumpur." "Nothing came out of it, but now it happens while I am away from home."

(*The Hindu*, Madras and *The Times of India*, Bombay)

[Prev. ref. 5538:MAL:B]

MONGOLIA (Outer)

A. Charge Against China: The Communist Party leadership has sent a letter to Peking accusing the Chinese of betraying the proletariat revolution.

The letter from the Central Committee of the Mongolian People's Revolutionary Party sent on July 2 said that the splitting activities of the Chinese leaders were not mere errors of delusions. They were due to the "narrow nationalistic aims" of the Chinese leaders, who wished to see themselves in a position of supremacy in the world Communist and the revolutionary movement.

The Chinese activities could not be described except "as an open betrayal of the cause of the proletarian revolution and of the struggle against imperialism" and "as the greatest crime against the world proletariat and the international Communist movement."

It advocated the holding of meetings between the Chinese and the Soviet Communist Parties and the holding of a preparatory conference of all the 26 fraternal parties as soon as possible.

(*The Times of India*, Bombay)

[Prev. ref. 5357:MON:A]

PAKISTAN

A. US Loan For Import Of Iron And Steel: The largest single-purpose $100,000,000 loan ever made by USA to Pakistan was signed in Karachi on July 13. The loan will enable Pakistan to import iron, steel and other commodities.

The loan will particularly benefit the private sector. Approximately $80 million of the $100 million proceeds will go to the private industrial and commercial concerns. The remaining $20 million will be utilized by Pakistan Governmental and semi-Governmental agencies. Major allocations have already been authorized by the Government of Pakistan to industrial producers, commercial concerns and public sector agencies which would provide great impetus to Pakistan's economic development.

The loan was signed for the Government of Pakistan by Mr. M. Ismail, Acting Secretary of the Economic Affairs Division of the President's Secretariat, and for the United States by Mr. Maurice J. Williams, Acting Director of the US Agency for International Development (AID) Mission to Pakistan.

Specific iron and steel items, which will be purchased by $90 million of the total $100 million loan include steel billets, pig-iron, tin plate and steel strips under the current Government of Pakistan Liberalized import policy (also known as "Free List Items") and galvanized steel sheets, nail wire, steel plate and other OGL iron and steel items.

The remaining $10 million of the loan will be utilized for the purchases of such items as tyres and tubes, utility vehicles, auto spare parts, machinery spare parts, dyestuffs, lubricants and medicine and pharmaceuticals.

The total amount in loans, grants and technical assistance which the United States has made available or pledged since 1951 to Pakistan is now approximately $2.93 billion.

The loan is repayable in US dollars in 40 years, including a 10-year grace period during which no repayment is required. Interest on the loan is at a rate of three-quarters of one per cent per year during the first ten years and two per cent per annum thereafter.

(*Dawn*, Karachi)

[Prev. ref. 5932:PAK:B]

B. Political Parties To Form Joint Opposition: Opposition political parties announced on July 24 a nine-point joint manifesto to contest the General Elections jointly for both the National and Provincial Assemblies as well as for the Presidential office in a bid "to oust the ruling Conventionist Muslim League from power".

The manifesto was released in Dacca at the end of a four-day round-table conference of Opposition parties convened by the Council Muslim League President, Khwaja Nazimuddin.

Other parties which participated in the conference were: Awami League, National Awami Party, Nizam-e-Islami and the former Jamaat-e-Islami. Among the leaders present were Maulana Bhashani (NAP), Mr. Nasrullah Khan (AL) and Mr. Yusuf Khattak, leader of the Opposition in the National Assembly.

Among the major points made in the manifesto were: (1) curtailment of Presidential powers; (2) complete legislative and budgetary powers for the National and Provincial Assemblies; (3) establishment of a federal parliamentary structure of government guaranteeing full Provincial autonomy; (4) repeal of all repressive laws and release of all political prisoners; and (5) an independent foreign policy.

The first stage of the election of basic democrats to electoral colleges will begin in November and will be followed by Presidential and legislative elections early in 1965.

(*The Statesman*, Calcutta)

[Prev. ref. 5945:PAK:A]

C. Ban On Jamaat-i-Islami Party Declared Void By Dacca High Court: A Special Bench of the Dacca High Court declared on July 13 that the Provincial Government orders banning the Jamaat-i-Islami Party and sealing its offices at different places of the Province were "void, inoperative and liable to be withdrawn."

The Special Bench, consisting of Mr. Justice A. Sattar, Mr. Justice Ali and Mr. Justice Sayem, delivered judgment on a petition filed by Mr. Tamizuddin Ahmed, challenging the validity of the two Government orders of January 6, 1964 banning Jamaat-i-Islami and sealing its offices, on the ground that the orders were bad as they were passed under the Criminal Law Amendment Act of 1908.

The Special Bench, however, granted a certificate to the effect that this was a fit case for appeal in the Supreme Court because it involved an important question of law as to the interpretation of the Constitution. The Bench further granted two weeks' stay of the operation of the order from the time of the receipt of the certified copy of the judgment by the respondent.

While delivering the judgment, the Special Bench observed that Section 16 of the Criminal Law Amendment Act of 1908, under which the Jamaat was banned, was an unreasonable restriction upon freedom of the petitioner as granted to him by the Fundamental Rights. Therefore, the said Section as well as the Order were void.

The Special Bench also held that though the impugned Order was passed before coming into force of the Fundamental Rights, the Order would be bad, because the effect of these Orders continued even after coming into force of the Fundamental Rights.

(*Dawn*, Karachi)

[Prev. ref. 4879:PAK:D]

D. More PIA Flights To China: The Pakistan International Airlines (PIA) announced on July 20 the commencement of their package tourist service to six cities of China —Wusih, Peking, Canton, Shanghai, Hangchow and Soochow.

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Mr. J. S. Mirza, Commercial Director of PIA, told a news conference that the service would be the first of its kind. The tourists would be able to undertake the tour for eight, 11 and 15 days. A four-day tour would cost only Rs. 352 which would include meals, hotel expenses, cost of interpreter, internal transport and visits to various places of tourist interest.

The Chinese Government, he said, had assured to give visas freely for the tourists. The cost of such tours was very competitive and amounted to less than $20 a day.

The Chinese Government had only imposed restrictions on tourists from Spain, United States, Israel and Taiwan.

He said that to start with, PIA was carrying two parties of Germans to China on this service by the middle of August. One party consisted of 30 tourists and the other of about 40 passengers.

The package service is being operated under an agreement by which PIA has become the agents of the China International Travel Service known as "Luinshe Peking".

Explaining the plan, he said originally only five cities were included, but at the request of PIA the Chinese Government agreed to the inclusion of Peking in the list. One of the features of the new service was that a person travelling to Shanghai could also travel to Peking on the same ticket without paying extra money. The Chinese Government had also opened a visa office on the border at Lo Wu for the passengers coming from Hong Kong and interested to go to Shanghai or Peking to see "something of China". He said the visa "would be given by the Chinese authorities on separate pieces of papers and no endorsement or seal would be put on the passports.

He said that the China service of the PIA "has come up much better than we had expected at the beginning." The PIA proposed to introduce one more service to China by September this year. PIA will have good traffic for the additional service when the Chinese Government invites large delegations for the 15th anniversary of October Day. Previously the additional service was scheduled to start on October 19.

Replying to questions about the service arrangements of the PIA at Canton, Shanghai, Peking and Hong Kong, he said PIA had its representatives at Shanghai, and Canton and at Hong Kong also PIA had taken land for the construction of its office. "We are opening an office in Peking soon and there one representative will be stationed."

In reply to another question, he said that under the Air Agreement between Pakistan and China, "we can operate chartered flights."

(*Dawn*, Karachi)

[Prev. ref. 5731:PAK:F, 5853:PAK:D]

TURKEY

A. Consortium Aid: At its meeting in Paris on June 24 and 25 the "Aid-to-Turkey" Consortium authorized the payment of $149,000,000 during the coming year, whereas Turkey had requested $215,000,000 in programme aid and $35,000,000 in project aid.

Mr. Ferit Melen, the Finance Minister, said on June 26 that he hoped the balance would be forthcoming before the end of the year; however, there is a marked reluctance on the part of some members of the Consortium (mostly EEC countries) to grant loans while Turkey's internal taxation system remains unreformed. The US Agency for International Development told the meeting of a further grant of $35 million project aid to Turkey. Five new credits are involved, the principal of these being $20.4 million for equipment for the Ciceroz Dam 300 megawatt hydro-electric power station and 150 km of 154 power transmission lines. Turkey will spend the equivalent of $41.7 million in local currency in order to complete this project.

(*Middle East Economic Digest*, London)

[Prev. ref. 5924:TUR:A]

B. New Customs Tariff: Further details of the new customs tariff which came into effect on May 25 are now available, showing an average increase of 30 per cent on a wide range of goods and products.

The tariff on raw rubber for the tyre industry has, however, been reduced from 25 per cent to 10 per cent in order to protect the local industry.

Some items affected by the new tariff are:

	New Tariff per cent	Old Tariff per cent
Tea	100	75
Cacao	100	50
Motor cars	75	40
Water heaters	60	20
Refrigerators	60	10
Raw materials for plastics manufacture	50	10
Strip iron	30	5
Sheet iron	30	15
Typewriters	30	10
Yeast	25	10
Zinc	25	5
Cellulose	15	5
Aluminium	10	5

(*Middle East Economic, Digest*, London)

[Prev. ref. 5794:TUR:A]

VIET-NAM (DR)

A. Dr. Ho Chi-Minh Re-elected President: The first session of the third National Assembly of the Democratic Republic of Viet-Nam unanimously re-elected on July 3 Mr. Ho Chi-Minh as President for the third time.

Also re-elected was Mr. Ton Duc Thang, the Vice-President.

Mr. Pham Van Dong was re-elected Prime Minister on the recommendation of Mr. Ho Chi-Minh and unanimously approved by the National Assembly.

Mr. Truong Chinh was re-elected Chairman of the Standing Committee of the National Assembly.

The following were elected Vice-Chairmen of the Standing Committee: Mr. Hoang Van Hoan, Mr. Nguyen Xien, Mr. Tran Dang Khoa, Mrs. Nguyen Thi Thap, Mr. Chu Van Tan and Mr. Nguyen Van Huong.

Mr. Ton Quang Phiet was re-elected Secretary-General of the Standing Committee.

(*Consulate-General of the Democratic Republic of Viet-Nam*, New Delhi)

B. Dr. Ho Re-iterates Need For "Correct Implementation" Of Geneva Agreement: In an interview given to a team of French radio-television on May 7, the President, Dr. Ho Chi-Minh, said there could be no military solution to the Viet-Namese question as, according to him, "US imperialists believe."

He said the only correct solution was the implementation of the 1954 Geneva Agreements.

He said the participants of the 1954 Geneva Conference, including USA must honour their commitments, that is, respect Viet-Nam's sovereignty, independence, unity and territorial integrity and refrain from any interference in its internal affairs. First and foremost, USA must stop at once its aggressive war in South Viet-Nam; completely withdraw its troops and war material from there; and let the South Viet-Namese people settle their affairs themselves on the basis of national independence, democracy, peace, neutrality and afterwards to attain the peaceful re-unification of Viet-Nam in accordance with the programme of the National Liberation Front.

Question: "Can France play a role in the settlement of the conflict?"

Answer: "As a signatory to the 1954 Geneva Agreements on Indo-China, France has obligations concerning the respect and implementation of the said Agreements. Each participant of the 1954 Geneva Conference must not only scrupulously respect and strictly implement the clauses of the Agreements, but also contribute to ensuring the implementation by all the parties concerned of all the commitments they had made.

"The French people, who have a fine revolutionary tradition, supported the struggle for liberation of the entire people of Viet-Nam in the past. Today, they express approval and support for the just struggle of the South Viet-Namese people and the struggle to realize the peaceful re-unification of Viet-Nam on the basis of the Geneva Agreements. The Viet-Namese are very grateful to the French people for their sympathy."

Question: "In case the war drags on what will be the prospects for the economy of the DRV?"

Answer: "During the last 10 years, the northern part of our country has made big strides forward. Ours is a socialist economy. After several short-term plans and in the present Five-Year Plan, we have obtained basic achievements in industry, agriculture and commerce. Of course, we still meet with difficulties, but they are difficulties in the course of development.

"US imperialists and their lackeys have unleashed an aggressive war in South Viet-Nam. They plot to perpetuate the partition of our country and threaten the security of the DRV. For ten years now, they have been endeavouring to prevent the establishment of economic and cultural relations between the people of North and South Viet-Nam. By so doing, they think that they can strangle the economy of the DRV, but the people of North Viet-Nam who ardently love their country, possess the tradition of relying on their own forces and are industrious in their labour, with the generous assistance of the brother socialist countries, have built and are building their new life with success."

(*Consulate-General of the Democratic Republic of Viet-Nam*, New Delhi)

[Prev. ref. 5933:RVN:A]

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ASIAN RECORDER

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AFGHANISTAN

A. IMF Credit: The International Monetary Fund (IMF) announced on August 4 an Agreement to allow Afghanistan to draw the equivalent of $5,625,000 from the Fund to assist its balance of payments position.

The Fund announcement said: "The drawing is intended to assist in dealing with the country's balance of payments difficulties while efforts are being made by the Afghanistan authorities to reduce the budgetary deficit and stabilize the domestic economy."

The Fund said $1,000,000 of the drawing would be in Deutsche Marks, the West German currency, and the balance in US dollars.

Afghanistan made a drawing of $5,625,000 in March, 1963.

(*The Indian Express*, Bombay)

[Prev. ref. 5964:AFG:A]

CEYLON

A. Mrs. S. Bandaranaike On Foreign Policy: The Prime Minister, Mrs. Sirimavo Bandaranaike, in a statement in the Senate on August 4, said she had zealously safeguarded the policy of non-alignment in accepting foreign aid.

She declared that any foreign aid offered to the Government, with strings attached, had not been, and would not be, accepted. "This being so, it is of equal importance to ensure that any form of 'aid' received by private individuals from foreign Governments, foreign agencies, foreign individuals, which could affect their loyalty, which the State has the right to expect of its citizens, is not permitted."

The device of the "prepaid ticket" was a powerful weapon that could be used by foreign elements in their campaign to win over the loyalties of Ceylonese people. "It is no secret to state that there are in Ceylon appreciable sections of people who owe extra-territorial loyalties."

"This device of the prepaid ticket", she said, "has been resorted to by certain foreign elements in both hemispheres to muster the support of our citizens in disputes they may have with third parties—and the views expressed by these persons are presented to the world as views of the "delegates of Ceylon" when the views of the Government of Ceylon are in strict consonance with the policy of non-alignment and with the desire to assist parties to settle their disputes by peaceful methods. The actions of such persons in advocating policies mapped out for them by foreign elements in the interests of such foreign elements have placed this country in embarrassing situations."

In the national interest, she said, it was her responsibility to contain these elements and to ensure that they did not engage in activities prejudicial to the country's interests.

"All foreign missions in Ceylon have been informed by Ceylon's Ministry of External Affairs that any invitations which foreign Governments or foreign agencies wish to extend should be addressed direct to the Government of Ceylon by the mission of the country concerned and that any invitation which stipulates that the selection of persons should be made from any specific organization in Ceylon will not be entertained."

She said several instances had come to her notice "where members of the public, even Government officials and, I regret to state, parliamentarians, have solicited invitations from foreign missions and agencies in this country not only for themselves, but even for their wives and families. Apart from the fact that the individuals concerned have acted quite improperly and displayed a pathetic lack of self-respect in soliciting such invitations, they have thereby placed themselves, and sometimes departments of Government under obligation to these foreign missions and agencies. I will not permit a handful of individuals in this manner, to compromise the good name of Ceylon. The procedure that I have authorised is intended, in some measure to meet this situation."

She said that "instances have come to my notice where Ceylonese have gone abroad with endorsements to go to certain specific countries and who have, once they were abroad, gone to various Embassies and solicited free air tickets to visit certain other countries, without any regard for the self-respect of our country, if not of their own self-respect." Instances were also not lacking of persons who had obtained clearance to go abroad on recommendations of local agencies and who had behaved "in a most unbecoming manner with consequential damage to the good name of Ceylon. The public may not be aware that some members of a recent delegation, which went abroad degraded the good name of Ceylon and their own self-respect. One member of this delegation had solicited the gift of a motor car from his host in the foreign country."

(*The Hindu*, Madras and *The Times of Ceylon*, Colombo)

[Prev. ref. 5435:CEY:B]

B. No Facilities For Aircraft On Military Mission: It was officially stated in Colombo on August 8 that Ceylon had refused flight clearance for six aircraft of the Indonesian Air Force proceeding from Moscow to Medan (Indonesia).

The request for clearance had been received from Indonesia and the Soviet Union.

The refusal was in accordance with the policies of the Ceylon Government of friendship towards both Indonesia and Malaysia.

A communique issued by Ceylon's Ministry of Defence and External Affairs, however, said that no requests for facilities at Ceylon's airports and seaports for British or American aircraft or ships proceeding to Malaysia on military missions against Indonesia had been received by the Government.

The communique made it clear that if similar requests were to be received from or on behalf of the Government of Malaysia, the same considerations as in the case of Indonesian Air Force aircraft would apply to them also.

(*The Times of Ceylon*, Colombo)

[Prev. ref. 5944:MAL:A]

C. Steps Against Illicit Immigration: The Cabinet approved on July 28 several amendments to the Immigrants and Emigrants Act designed to remove certain defects in it and make it more effective.

A communique issued after the Cabinet meeting said that these amendments would make it easier to bring to book those who help and encourage illicit immigrants and also those who employ them.

The communique did not give any details of the amendments, but a memorandum submitted by the Prime Minister to the Cabinet or these amendments earlier had suggested confiscation of assets of illicit immigrants, making overstay of a visa an offence and more effective measures for punishing those who employ illicit immigrants.

The Government is expected to table an amending Bill in Parliament shortly.

(*The Hindu*, Madras)

[Prev. ref. 5291:CEY:E]

CHINA

A. Replacement Of Senior Party Functionaries—Reported Move: The main newspaper of the Communist Party, *People's Daily* of Peking, on August 3 called for re-education of functionaries and re-adjustment of revolutionary ranks.

The document, entitled "Cultivate and train millions of successors who will carry on the cause of the proletarian revolution," stressed it was referring to nucleus party leadership at all levels.

It said in part that "the most pressing task confronting us is to cultivate successors who will carry on the revolution from generation to generation, and to strengthen constantly the nucleus of party leadership at all levels so that the correct line and the correct policies of the party are adhered to at all times."

The importance attached to the editorial was illustrated by the fact that it was splashed over the front pages of all other Chinese newspapers and was regularly broadcast by Peking Radio.

There had been a good deal of speculation among diplomatic analysts that the forthcoming session of the new National Peoples' Congress (Parliament) and the possibility of a new and long overdue Communist Party congress could be the occasion for announcing broad changes in top Government and party posts involving the introduction of younger men. Both could be held around the 15th anniversary celebrations in October.

The editorial was the first during the class struggle campaign which dealt with the future of senior party functionaries.

Observers saw in the editorial a new

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rectification campaign that might lead to large-scale replacement of senior party functionaries.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5967:CHI:A]

B. Indian MPs' Visit To Formosa —Chinese Protest: China denounced on June 29 as open interference in China's internal affairs the visit to Formosa of a 10-member delegation of non-Congress Indian MPs.

The New China News Agency accused the Indian Government of "further poisoning Sino-Indian relations by sending the group to Taiwan" and said that the act of the Indian Government had aroused "serious attention."

Citing unacknowledged Press reports, NCNA said that the delegation's week-long stay in Formosa aimed at "resuming normal diplomatic relations between India and the Chiang Kai-shek gang and of studying the Chiang Kai-shek gang's anti-communist experience."

It was reported, the Agency said, that the delegation's activities included long and extensive talks with the "Chiang Kai-shek gang's ringleaders," and that Generalissimo Chiang Kai-shek had received the group on June 23.

The Agency added that the leader of the delegation, Mr. Dahyabhai Patel, had declared in Taipeh that India shared the anti-Communist convictions of the Chiang Kai-shek regime.

The Chinese Government followed it up with a formal protest Note to India.

Indian Rejection:

The Government of India "categorically" rejected the Chinese protest on the visit of an Indian parliamentary delegation to Formosa in June.

A Note handed to the Chinese Embassy in New Delhi on August 5 said that the delegation had gone in its private capacity and the Government of India had absolutely no responsibility for its visit or any statements that might have been made by its members during or after the visit. "The protest lodged by the Chinese Government is, therefore, completely uncalled for and amounts to little other than an attempt to interfere in the internal affairs of India."

The Chinese, in their Note of June 26, had described the visit as a case of "anti-Chinese activity".

The Indian Note said: "The Chinese Government has struck a heavy blow at the traditional friendship between the two countries by its massive invasion and aggression across the northern Himalayan border of India in October-November, 1962. This invasion was a blow aimed at the stability, prosperity and dignity of the people of India and was a woeful negation of the Five Principles of peaceful co-existence.

"With what face can the Chinese Government give advice about friendship between the peoples when the invading Chinese armies continue to occupy 14.500 square miles of Indian territory in the vital Ladakh region of India?

"Friendship between peoples must be based on other things than violence, aggression and false and malicious propaganda, and the Government of India is waiting to see evidence of this in the China of today."

(*The Statesman*, New Delhi)

[Prev. ref. 5582:INI:D]

INDIA

SUMMARY: Measures To Improve Food Situation; Nagaland Peace Mission; US Loans; Border Roads Programme.

A. Measures To Improve Food Situation—Mr. Lal Bahadur Shastri's Letter To State Governments: It was made known in New Delhi on August 8 that the Prime Minister, Mr. Lal Bahadur Shastri, had asked the State Governments not to resort to penal action against foodgrain traders willing to declare their hoarded stocks within the next two weeks.

In a letter to the Chief Ministers on the critical food situation, he laid down a series of short-term and long-term measures which the Central and State Governments should take to increase food production.

Releasing the letter for publication, he said in an informal chat with newsmen that August and September were going to be "very difficult months." This would be the "leanest period" before the next crop is harvested in early October.

While the Government's ultimate aim was to make the country self-sufficient in foodgrains, there was no alternative but to import large quantities of cereals to meet the present critical situation. The impact of larger imports would begin to be felt by the end of August.

He did not try to minimise the seriousness of the food situation. In some States the problem was quite acute. But he was quite confident that in spite of the tremendous difficulties the Government would be able to tackle this "baffling problem" in the long run. It was important that there should be a sense of self-confidence.

He had advised the State Governments to have the necessary administrative machinery ready for the introduction of rationing in large cities like Calcutta, Bombay, Madras and Delhi. In the rural areas, the village panchayats should ensure that there was no starvation.

He also deplored the "natural tendency" on the part of surplus States to hold on to their stocks. He wanted the food problem to be tackled on an all-India basis with both the surplus and the deficit States playing their part in stepping up food production and conserving the available supplies for the common good of the whole population.

He also appealed to the people to ease the food situation in various ways. Hotels and restaurants could easily cut down their consumption of rice and wheat. Non-vegetarians could curtail consumption of cereals. People in Punjab, Delhi, Uttar Pradesh, Madhya Pradesh and Rajasthan could give up rice during the present crisis, while those in the Southern States could do without rice for at least one day in a week.

At the political level, the present situation called for a "national all-party approach" and "common constructive thinking at all levels. He hoped that political parties would not thoughtlessly resort to direct action to highlight the people's plight and thereby worsen the situation.

He said he was equally concerned about the rise in the prices of other essential commodities. "The problem of high prices has been receiving the Government's attention at the highest level and it was determined to do all that was possible to check the present inflationary trends in the economy."

"I can assure you," he said with considerable emphasis, "that we will take the most radical steps, if necessary, to handle the present economic situation."

The two important long-term steps the Government proposed to take were the fixation of prices for rice, wheat and other cereals and the setting up of an all-India Foodgrains Corporation. He wanted the agricultural prices commission, which was to be appointed shortly, to fix the prices in such a way as to provide the necessary incentives to the producers to grow more foodgrains. He also wanted the Foodgrains Corporation to function in competition with the trade to keep the prices down at reasonable levels without resorting to all-out State trading in foodgrains.

He advised the State Ministers and others to frequently visit villages to see for themselves how the steps taken by them to encourage food production were being implemented. He proposed to tour the rural areas as and when possible.

He indicated that he would write to the Chief Ministers whenever there was any important national issue or problem with a view of taking them into confidence and sharing with them his view. He would not wish to send fortnightly letters to the Chief Ministers. (The late Mr. Nehru used to write to the Chief Ministers every fortnight on current matters).

Financial and economic questions had been receiving a good deal of attention from the Government. "One of your colleagues is rather doubtful about our capacity to take radical measures. The difficulty is that some people want to function quietly and sometimes they create a wrong impression also.

"I do not want to claim much but the bigger financial and economic problems have been receiving a good deal of attention, I have been giving thought to them and, of course, the Finance Minister himself is keen to deal with some aspects of the questions which have led to inflationary tendencies resulting in high rise in prices."

He said he had discussed these matters with his Secretary, Mr. L. K. Jha, "who is an expert on economic matters," and others. "I can assure you all, especially the friends who have some doubts about me, that the Government will take the most radical steps, if called for, to handle the economic situation. Those friends might criticise me or my Government but we will take only those steps which we consider absolutely essential, maybe in a slightly different direction.

"I would not like to concretise but I am putting it rather vaguely. I do not know whether that approach will be generally liked. Still if I feel that a particular approach is the only correct approach I shall have to accept it. If the Government fully agrees with it, it will have to be fully implemented."

He welcomed the recent proposal of the Central Finance Minister, Mr. T. T. Krishnamachari, for effecting a cut of about Rs. 70 crores to Rs. 80 crores in Central Government expenditure, and said he would be writing to his colleagues to consider possibilities of reduction in the programmes in their Ministries.

(*The Times of India*, New Delhi)

[Prev. ref. 5979:INI:F]

B. Nagaland Peace Mission—Mr. Lal Bahadur Shastri's View: The Prime Minister, Mr. Lal Bahadur Shastri on August 8 expressed high praise for the efforts of the Nagaland Peace Mission and offered it his "whole-hearted support."

Mr. Shastri, who was talking informally to the Press, said the members of the mission—Mr. J. P. Narayan, Mr. B. P. Chaliha and the Rev. Michael Scott—had worked very hard and he hoped their endeavour would bring "peace and solace" to Nagaland.

The Mission, it seemed, might succeed in persuading the hostile Nagas to hold talks. The Central Government was expecting a reply from the Nagas soon.

First, he made it clear that in seeking a rapprochement with the hostile elements the Central Government was in

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no way by-passing the Government of Nagaland. "Whatever is being done in Nagaland, has been undertaken in full consultation with the Nagaland administration and Dr. Shilu Ao, its Chief Minister. We do not wish to move even an inch without consulting the State Government."

Secondly, he emphasized that whatever solution might be found of the Naga problem would be strictly within the frame-work of "our Constitution." If within that area the Nagas came forward with some suggestions and demands, "we should consider them with an open mind."

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5836:INI:Q]

C. **Four US Loans:** Four new loans totalling $62.3 million were announced in New Delhi on August 6 by the US Ambassador, Mr. Chester Bowles.

The largest of these, amounting to $59 million, is a non-project loan and will be used for financing the purchase of a wide range of industrial raw materials. These include steel, lubricants, machinery and machinery parts, chemicals, components, sulphur, rubber carbon black, caustic soda and insecticides.

Twenty-five broad-gauge diesel engines are to be bought under a second loan of $7.2 million.

The third loan of $3.1 million will meet the foreign exchange cost of an 18,100-kw generator in the Sharavathy project in Mysore State.

The last loan, of $2 million, will cover the costs of consulting services of American firms and individuals for a variety of public and private sector projects.

(*The Times of India*, New Delhi)

[Prev. ref. 5939:INI:D]

D. **Border Roads Programme:** The Central Government has spent over Rs. 100 crores in the past four years in carrying out a crash programme to build an extensive network of border roads along the 2,400-mile-long northern frontier.

These roads, built after surmounting unparalleled engineering and organizational problems, have made it possible to move men and material to the far-flung border posts and also develop areas that had been inaccessible for centuries.

The entire programme, drawn up in March, 1960 at the initiative of the late Prime Minister, Mr. Nehru, has been carried out by the Defence Ministry's Border Roads Organization (BRO).

BRO has built up the largest civil construction force of its kind in the country. Known as the General Reserve Engineering Force (GREF) it is a completely non-military and highly mobile organization including engineers, technicians, doctors and signalling experts.

The GREF worker has to work under all conditions—driving rain, high velocity winds of up to 60 miles an hour and in temperatures ranging from 20 degress C to —30 degrees C. His life is always in danger, working as he is on the treacherous mountainside. The number of GREF personnel who have been killed in the past four years in various accidents or have died due to illness runs well into three figures. Judged against the magnitude of the tasks achieved and the dangers involved the number of lives lost is not considered excessive. Care has been taken to ensure that compensation is promptly paid to the bereaved families.

One of the great mountain highways nearing completion is the Hindustan-Tibet Road which runs from Simla right up to the Tibetan border. Work on this road began in 1951 and was taken over by BRO in September, 1961.

Another major highway, which is being built on a priority basis, is the road linking Manali with Leh. This road, which will connect Punjab directly with Ladakh, will pass through the 13,500-foot-high Rohtang Pass. It is estimated to cost Rs. 20 crores.

There is already another road to Leh, running from Pathankot to Srinagar and from Srinagar to Leh.

A number of feeder roads have been built from Leh to various points on the border. One such road is called the "highway on the roof of the world"—because it passes over the summit of an 18,000-foot-high mountain.

In the eastern sector, several major roads have been built linking the hinterland with Sikkim, Bhutan, N-EFA and the forward area.

One major road has been built from Tezpur to Towang and beyond via Bomdila, and the existing road from Tezpur to North Lakhimpur is being improved to carry heavy traffic.

To speed up the economic development of the areas along the Himalayan foothills, the Government is building a trunk road connecting Bareilly in UP with Amingaon in Assam. The road will cost about Rs. 100 crores.

The Border Roads Organization has achieved 50 per cent of its initial target of building 2,500 miles of new roads and improving 1,500 miles of existing ones.

A new programme has now been drawn up to construct another 3,100 miles of new roads and to improve 850 miles of existing roads.

GREF not only builds roads but also maintains them. The force lays telephone lines too, wherever considered essential.

(*The Statesman*, New Delhi)

[Prev. ref. 5776:INI:H]

E. **Changes In Social Security Department:** The controversy over the transfer of certain subjects from the Labour Ministry to the newly created Social Security Department has been settled with the issue of a Presidential order on August 7.

It has been decided that the administration of the Minimum Wages Act, which had been included in the charge of the Social Security Department earlier, should be transferred back to the Labour Ministry.

The Labour Ministry's plea for getting back the administration of the Employees' State Insurance Scheme, the Employees' Provident Fund and the Coal Miners' Provident Fund has not been accepted. These stand transferred to the Social Security Department.

Development of electronics has been included as a new subject in the Department of Industry under the Presidential order. This underlines the growing importance of electronics in the sphere of industrial development.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5894:INI:A]

F. **All-India Muslim Consultative Convention:** Addressing the All-India Muslim Consultative Convention in Lucknow on August 8, Dr. Syed Mahmud, former Central Minister, appealed to the Convention to concentrate its attention on thinking out a remedy for "the manifold injustices and prejudices" to which the community was subjected on the cultural, political and economic planes.

The strategy of shedding tears or complaining against the Government or a particular group of citizens, he said, had not succeeded. The need of the hour was detachment and large-heartedness.

The two-day Convention, held at Darul Uloom Nadwatul Ulema, a centre of Muslim theology, was a representative gathering of Muslim leaders of all shades of political and religious opinion, since Independence.

It was attended, among others, by Maulana Taiyab, a divine of Deoband, Mr. Mohammed Ismail, President of the All-India Muslim League, Mr. M. R. Sherwani, MP, Mr. Mazhar Imani, Mr. Mustafa Fakhri, former Minister of Bombay, Mr. Ghulam Rasool Qureshi of Sabarmati, Dr. A. J. Faridi, MLC, Maulana Fakhruddin and Maulana Atique-ur-Rehman, President and working president of the Jamait-ul-Ulema-Hind.

Referring to the recent communal riots in India, Dr. Mahmud said: "To what unhumanity and barbarism you were not exposed. If the tales of woe are related, you will seldom find a brazen-hearted man who will not be moved to tears. It is well known that the death of our beloved Prime Minister was precipitated by these communal disturbances. When he died he left the country in the grip of this canker, which, if not crushed, will eat into the vitals of our social and cultural life."

He suggested that a deputation on behalf of the convention should meet the President, the Prime Minister, the Central Home Minister and the Congress President and have plain talks with them about the recent riots. The problem of communal disturbances was a national and an administrative one.

It was true, he said, that those who had been elected to State Assemblies and Parliament through Muslim votes—to whatever community they might belong—did not seem to be the least moved by the unhappy and inhuman events that rocked the whole of northern India.

Hatred and contempt, he said, could be cured with love. Only those had ultimately triumphed who had given out love for hatred and justice for cruelty. These moral weapons had to be used in India today.

If on the one hand, he said, Muslims were made victims of aggression on all sides, on the other it was also a reality that such barriers of estrangement and hostility had stood between Muslims and the people of the country as did not allow the majority community to sense the gravity of these aggressive activities.

He suggested that a deputation consisting of Muslim leaders should tour the country. It should establish contacts with non-Muslims. It should also take note of the educational, economic, moral and religious backwardness of Muslims in each State. After surveying the whole situation it would be possible to chalk out a programme for the uplift of Muslims.

Dr. Mahmud drew the attention of the convention to six aspects of the situation in the country vis-a-vis Muslims:

(1) Muslims should dismiss the idea that they were unwanted and persuade others to come closer to them.

(2) The need of the hour was unity among Muslims. This was a basic need without which neither individuals nor society could prosper. The Convention should explore all possibilities of unity and integration.

(3) The communal disturbances had put Muslims in a peculiar state of confusion, helplessness and despair and they were intent upon leaving their homeland. The Convention should find ways and means of eliminating the possibility of such disturbances and restore the confidence of Muslims.

(4) Muslims had been isolating themselves from the social and political curr[illegible] the country. This state of affairs

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was neither happy for the country nor for the Muslims.

(5) It could not be denied that on religious and cultural levels Muslims were exposed to a number of threats.

(6) Muslims had been lagging behind in the field of education and commerce.

The Convention, he said, was meeting at a time when the Muslim minority was passing through a very critical period of history. The country had fixed its gaze on the Convention and Muslims had nursed hopes in their hearts. The leaders should talk frankly on all issues. They should not misunderstand any one. Before they dispersed they should take unanimous decisions so that the confidence of the Millat might be restored.

Resolutions:

The Convention decided on August 9 to set up a 21-man committee for the implementation of the resolutions passed by the Convention and devise ways and means of solving the problems facing the community.

Dr. Syed Mahmud is the chairman of the committee.

The Convention authorised him to announce the personnel of the proposed Muslim Majlis-e-Mushawarat (Muslim Consultative Committee) in consultation with Maulana Mufti Aliq-ur-Rahman, working President of the Jamiat-ul-Ulema-i-Hind, Maulana Asad Miyan Mandi, General Secretary of the Jamait-ul-Ulema-i-Hind, Mr. Mohammed Ismail, President of the Muslim League; Maulana Abdullais Nadwi, President of the Jamaat-e-Islami; Maulana Manzoor Ahmed, editor of Afurgauan; Maulana Syed Abdul Hasan Nadwi (Ind); Mr. Mohammad Muslim, editor of Dawat and Mr. Suleiman Seth, Muslim League MP from Kerala.

The committee has been empowered to make representations to the Government in the light of the resolutions passed at the Convention and to send a deputation to various parts of the country to acquaint non-Muslims with the grievances of the Muslim community.

The Convention passed a resolution condemning attacks on Muslims in West Bengal, Orissa, Bihar and Madhya Pradesh. It described the riots as a great danger to the unity and solidarity of India, a secular State.

It accused the Government of having failed in discharging its duty of protecting the lives and property of Muslims and demanded that action be taken against those officials whose carelessness had resulted in loss of life. It suspected the hand of some political and some semi-political organizations and even of some officials behind the disturbances.

The resolution demanded a judicial inquiry into the disturbances, imposition of punitive taxes in disturbed areas and rehabilitation of riot victims. It said that the riot victims should be treated on a par with East Pakistan refugees in respect of resettlement.

It appealed to Muslims not to migrate to Pakistan or be frightened by the disturbances. It exhorted them to have the courage to face the situation, frustrate the designs of reactionary elements and take legal and other steps to protect their lives, property and honour.

It condemned what it described as the misuse of the Defence of India Rules under which about 100 Muslim victims of riots were arrested in Bengal and Bihar. The resolution demanded their release.

It appreciated the Central Government's policies, but condemned the Governments of four States which, according to it, had not respected the laws framed by the Central Government.

It further demanded recruitment of Muslims to the Central Reserve Police and Criminal Investigation Departments at the Centre and in the States.

The Convention also passed a resolution condemning those who advocated an exchange of population.

It passed two condolence resolutions—one on the death of the Prime Minister, Mr. Nehru, and the other on those killed during the disturbances.

The resolution on Mr. Nehru referred to him as a great revolutionary who believed in secularism and democracy and who always rose above parochialism and narrow-mindedness.

By another resolution, the Convention appealed to the Pakistan Government to create conditions of security for the minority community. It was a matter of anxiety that numbers of Hindus had been driven out of their hearths and homes. The Pakistan Government should create such conditions that they could return to their homes.

(*The Times of India*, New Delhi and *National Herald*, Lucknow)

[Prev. ref. 4045:INI:D]

G. Research Programmes In National Laboratories—CSIR Review: The reviewing committee of the Council of Scientific and Industrial Research (CSIR), headed by Dr. Ramaswamy Mudaliar, has suggested that research programmes in the national laboratories should be oriented in such a way that 80 per cent of the efforts were related to applied research.

The applied research projects, it said, should be time-targeted, not exceeding a limit of three to five years.

It has called for the bridging of the gaps both between industrial programming and research planning on the one hand and between research and its application to industry on the other.

One of the major recommendations of the committee is greater support by CSIR to universities in the training of scientific and technical personnel and building up institutes of advanced research. This would create a strong supporting base for expansion of science and technology.

The committee has recommended that CSIR should also, in co-ordination with the Indian Council of Medical Research, give vigorous support to research on population control and to communication and application of results in the widest and most efficient manner. Unless the birth rate was controlled, economic development would suffer.

The committee has welcomed the "reorientation" in the work of CSIR headquarters in recent years by the creation of a number of technical services sections, such as central designing and engineering, research co-ordination, industrial liaison and extension, and survey and planning.

It has also noted the efforts of CSIR in giving greater autonomy to national laboratories and other research institutions and adds that the steps already taken towards decentralization should be pushed further "with courage and expedition."

The committee has also given its approval to most of the Fourth Five-Year Plan proposals of CSIR and supported the plea for a four-fold increase in research expenditure over the Third Plan provision. The committee is reported to have urged that the CSIR part of the Fourth Plan should be implemented to the full and also expanded where fresh needs arose.

Developing countries, in its view, should initially spend a greater proportion of their national income on research compared to advanced countries. They should also develop methodology to utilize their research much more effectively by way of returns in terms of national economic development.

The reviewing committee, the third of its kind, was appointed by the late Prime Minister, Mr. Nehru in November, 1962 in his capacity as President of the governing body to review the work and progress of CSIR and to recommend the lines on which its activities should be directed in the national perspective.

The committee included British scientists, Sir Charles Goodeve and Sir Patrick Linstead, Dr. D. S. Kothari, Chairman of UGC, and Mr. Baldev Singh (Secretary). The committee's draft report was finalized in London and it has been sent to the Central Education Minister, Mr. M. C. Chagla.

The committee has observed that to enable CSIR to play an effective role in helping to create a modern industrial State, it was necessary to strengthen its autonomy. CSIR and its laboratories should be left unencumbered by Government rules and red-tape. It has called for a "bolder policy of central headquarters of CSIR divesting itself of responsibilities of routine administration, retaining only co-ordination, policy-making and enforcement.

It has urged that CSIR should maintain its central position as an overall agency for planning, co-ordination of scientific research and development in the national perspective and evolution of a national science policy. It says that the technical sections of CSIR should be enlarged and that CSIR's co-ordination with other technical and research departments and councils in other Ministries and the Atomic Energy Commission strengthened in order to maximize research efforts.

Referring to industry, it says the "biggest weakness" was the failure of industry to take a share in research. It has suggested that industry should be given incentive to start its own research or to undertake research with financial support from CSIR.

On the National Research Development Corporation, it takes note of "general opinion" that it had "failed to match" the country's need, and says it should be substantially strengthened and brought under the overall charge of CSIR for operational purposes.

It has also suggested a review of work of CSIR every five years, preferably during the year preceding the beginning of each Five-Year Plan.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5532:INI:G]

H. Record Production By Rourkela Steel Plant: The Rourkela Steel Plant registered a record rate of production in July.

The plate mill, which has a monthly rated capacity of 14,200 tonnes, produced 20,529 tonnes of plates, 144.5 per cent of the rated capacity. This was the highest production achieved so far, 838 tonnes more than the previous best achieved in August, 1963.

Tin plate production was 1,859 tonnes, also the highest achieved so far.

The total finished steel production during the month was 57,092 tonnes—2,055 tonnes more than the previous best, achieved in August, 1963.

The two blast furnaces produced 68,834 tonnes of pig-iron which was about 110 per cent of the rated capacity.

The production of ingot steel was 70,920 tonnes, 8,989 tonnes more than the previous month's production. The slabbing mill produced 63,037 tonnes of slabs, 6,315 tonnes more than the previous month's production.

The hot strip mill produced 37,894 tonnes of hot rolled coils, 1,515 tonnes more than the previous month.

Along with this increased rate of production the despatches were also main-

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tained at a fairly high level. Despatches of finished steel from the plant during July were 60,337 tonnes—15,493 tonnes more than the previous month's despatches.

(*The Times of India*, New Delhi)

[Prev. ref. 5407:INI:P]

I. **Weather Probes Over Indian Ocean:** What is being done to probe the weather over the Indian Ocean was described in *UNESCO Features* published on July 31.

The article says:

"From artificial satellites 450 miles up in outer space, from research vessels and merchant ships plying a lonely sea, from anchored buoys automatically registering data and from aircraft flying straight into cyclones, information on the weather of the Indian Ocean has been pouring into a low building on the southern tip of Bombay.

"This building in the Colaba Observatory compound houses the International Meteorological Centre, the main contribution of the Government of India to the meteorology programme of the International Indian Ocean Expedition. Opposite a radio room which receives every day up to 400 observations by ships and nearly 2,000 observations by land stations is the office of the Expedition's director of meteorology. From this small room which he shares with two secretaries, Dr. Colin S. Ramage co-ordinates, for the UNESCO-sponsored Inter-Governmental Oceanographic Commission a $5,000,000 programme financed largely by the United States.

"Dr. Ramage, an American meteorologist born in New Zealand and on leave from the University of Hawaii, has been in Bombay since August, 1962 and the International Meteorological Centre was established at the observatory in January of the following year. It has become the headquarters for a vast international probe into the mysteries of Indian Ocean weather.

"Recently, Dr. Ramage was able to report on the first results of the Expedition's meteorological programme. Observations already made have enabled meteorologists to understand the general circulation in the atmosphere over the Indian Ocean.

"The Expedition has also brought in new evidence to show that the equatorial region of the Ocean running from 110 degrees North to 10 degrees South is governed by an entirely different set of processes from those prevailing in temperate or tropical regions.

"'In the higher latitudes, weather systems generally move eastward and, in the tropics, they generally move westward,' Dr. Ramage stated. 'But, in the equatorial region of the Indian Ocean, they do not seem to move in any regular fashion. They simply develop and decay in the same region.'

"This peculiar behaviour of Indian Ocean weather complicated the task of the meteorologist. Wind prediction for aircraft, for example, must be based on normal wind values, but no wind chart exists for the Indian Ocean as it does for the Atlantic and the Pacific. Similarly, fishermen need readings of sea temperatures and this information is only becoming available now.

"One of the most spectacular achievements of the Expedition's meteorological programme was a series of flights in 1963 by five aircraft from the United States Weather Bureau Research Flight Facility and the Woods Hole Oceanographic Institution.

"Dr. Ramage was aboard one of the planes on a flight out of Bombay in which observations were taken simultaneously from the air and sea in co-ordination with the Anton Bruun, an American research vessel.

"The weather plane, a four-engined converted transport bristling with probes recording temperature, wind, atmospheric pressure and turbulence, met the Anton Bruun west of Ceylon. The ship turned into the wind and the plane flew over her on the same course at an altitude of 3,500 feet with all equipment aboard recording observations on magnetic tape at the rate of 40 times a second. Then, in 500-foot stages, the plane dropped to an altitude of 500 feet and finally to 300 feet while the Anton Brunn recorded surface air temperature, the sea temperature and wind strength.

"Mr. C. R. V. Ramage, chief research forecaster for the International Meteorological Centre, was aboard another flight when the weather plane penetrated the eye of an Arabian Sea cyclone.

"'I thought the aircraft was falling to pieces,' he recalled. 'We dropped 300 feet in a single second. As we crossed the eye of the storm, the wind changed from 100 knots south-south-west to 101 knots north-north-east.'

"Three hours before the research plane flew into the storm, the same cyclone had been photographed by a weather satellite, Tiros VI. Comparison of photos taken from the aircraft and the satellite have provided, for the first time, a two-dimensional picture of a tropical cyclone in the Arabian Sea with its eye as a clear area twelve miles in diameter and its wall clouds rising as high as 53,000 feet.

"While it may have less appeal to the imagination, the daily work of the International Meteorological Centre is just as important as these flights by scientific daredevils. On an average day, 100 ships report observations to the centre in Bombay and in particular, big oil tankers are providing standard meteorological data every six hours around the clock. Dr. Ramage has succeeded in obtaining stereoscopic photographs from British transport planes flying across the Equator, while other transport planes have been equipped with time-lapse motion picture cameras that make an exposure every two seconds, compressing a 6-hour flight into a 100-feet roll of film. These pictures, made at a cruising altitude of 23,000 feet, are then compared to photos supplied by satellites and research aircraft.

"Other observations come in from research vessels and island meteorological stations using sounding balloons that are tracked by radar to determine wind speeds. NOMAD, an automatic weather station powered by wind-driven generators and developed for the United States Navy, is to be anchored in the Bay of Bengal where it will transmit observations every six hours.

"While balloon-borne instruments only go up to an altitude of 100,000 feet, a higher layer of the atmosphere is to be explored in the Indian Ocean region by rockets. During 1964, meteorological rockets are to be fired from five stations to sample winds and temperatures up to 250,000 feet. The launchings will be made as part of the International Quiet Sun Year.

"One of the most fascinating meteorological experiments of the Expedition is being undertaken by the University of Washington at Seattle in the United States. Attempts in the past to learn exactly what happens in the exchange of energy between the sea and the atmosphere have always been hampered by the presence of the experimenters' ship, which affects temperature, humidity and wind speed in the environment.

"The University of Washington has designed a 30-foot mast that is to be towed into the Ocean 150 miles north-west of Bombay in a horizontal position. Then it will flip upright and measure temperature, humidity and wind stress from the surface of the sea to the top of the mast, transmitting this information to scientists aboard a tug tethered to the end of 1,500 feet of cable.

"A satellite readout station has been set up on the roof of the Bombay centre so that photos from a weather satellite can be immediately received by facsimile, an important tool for immediate forecasting. Up to now, it has taken six months to obtain these photos. Now, as a satellite passes over Bombay, it can transmit pictures directly to the centre.

"Finally, an electronic computer capable of processing 20,000 observations an hour, is being installed at the centre under a United Nations Special Fund project in which the World Meteorological Organization is the executing agency.

"Dr. Ramage is looking forward to this with understandable eagerness. 'We will certainly have enough work to keep it busy,' he said. 'Without it, we would need ten men working for six months to process those 20,000 observations.'"

(*UNESCO Features*)

[Prev. ref. 4969:INI:H; 5498:INI:G]

NEPAL

A. **Dr. K. I. Singh Sentenced:** The former Prime Minister, Dr. K. I. Singh, was sentenced on August 5 to two years' imprisonment and fined Rs. 2,000 by a three-man special tribunal headed by a Khatmandu magistrate, Mr. Balaram Pyakural.

He was found guilty of defaming, showing contempt and insulting the Government by his action in March, when he issued a statement announcing his intention to organize countrywide satyagraha "for restoration of democracy".

Mr. Jujubhai Rajbhandari and Mr. Keshab Chandra Gautam, two of Dr. Singh's associates, were sentenced to one year's imprisonment and Rs. 1,000 fine and one year's imprisonment and Rs. 500 fine, respectively, on the same charges.

These two persons had allegedly tried to help Dr. Singh's projected agitation by distributing leaflets and shouting slogans.

(*The Statesman*, Calcutta)

[Prev. ref. 5757:NEP:A]

PAKISTAN

A. **National Awami Party's Manifesto:** A 36-point manifesto of the National Awami Party calling for the establishment of a socialist society was announced in Karachi on July 26.

Mr. Mahmoodul Haq Usmani, Secretary-General of the Party, said the programme was adopted by the Central Organizing Committee, whose meeting was held at Peshawar on July 15 and 16 under the presidentship of the Party Chief, Maulana A. H. Bhasani.

The following is the text of the Press summary of the manifesto:

"(1) To pursue an independent and non-aligned foreign policy with a view to establishing national sovereignty, raise Pakistan's prestige in the comity of nations and to promote world peace. With this end in view the Pakistan National Awami Party shall:

(a) Work for a peaceful settlement of the Kashmir dispute and ensure the people of the Valley the right to determine their future by means of a plebiscite.

(b) Strive for immediate withdrawal from military alliances, CENTO and S-EATO, which had been designed by

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imperialist Powers to subvert national sovereignty of Pakistan.

(c) Pursue a policy of friendship towards all and malice towards none and extend it to establish our relations with socialist bloc on firm footing.

(d) Strive to further strengthen the Afro-Asian solidarity.

(e) Stand for the abolition of colonialism and neo-colonialism.

(f) Work for complete disarmament and ban on underground nuclear tests.

(g) Accept aid without strings and diversify the sources of aid, with a view to avoid heavy dependence on any single Power and secure untied economic loans and credit on favourable terms and conditions.

"(2) To establish a socialist society in which every citizen shall be guaranteed food, employment, shelter, education, medical aid, security and justice.

"(3) In this democratic and social system all citizens will be equal before law, irrespective of their geographical situation, religious belief, caste, community, race and sex and would have full opportunity for development. With this end in view the Party shall:

(a) Accord top priority for radical land reforms and give land to the tillers and landless peasants on the basis of subsistence and economic holdings.

(b) Organize multi-purpose agriculture co-operatives and promote co-operative farming, special stress on marketing co-operatives to ensure fair price to peasants.

(c) Supply peasants with improved argicultural equipment, manure, cattle, seeds and adequate long-term loans with low interest.

(d) Launch short and long-term plans for checking water-logging and salinity in West Pakistan and flood control measures in East Pakistan.

(e) Reserve virgin lands for tillers and their co-operatives.

(f) Develop cottage industries based on local raw materials.

(g) Set up heavy and basic industrieds such as steel plants, machine making industries etc. and expedite the exploitation of mineral resources.

(h) Establish all key industries and public utilities in the public sector.

(i) Guarantee to all industrial workers and other working people proper housing, medical aid, adequate bonus and adequate provisions for social insurance. Women workers shall be guaranteed maternity benefits with full pay.

(j) Introduce free and compulsory education up to secondary level and raise the pay scales of teachers considerably.

(k) Impart education in the mother-tongue of the respective nationalities and encourage development of all regional languages.

(l) Work for achieving parity in per capita income between East and West Pakistan.

(m) Abolish discrimination between claimants from agreed and non-agreed areas and provide for immediate settlement of claims and payment of compensation to them.

"(4) To establish full democracy in the country:

(a) Adult franchise and direct elections at all levels.

(b) Supremacy of the legislature over the executive.

(c) Justiciability of fundamental rights.

(d) Repeal of all black laws like Safety and Security Acts, FCR and Section 124-A etc. and all laws repugnant to the fundamental human rights and authorising the Executive to detain political workers and leaders without trial in open courts.

(e) Repeal of the Press Ordinance and its amendment to ensure freedom of the Press.

(f) Release of all political prisoners and detenus and withdrawal of warrants of arrest against political workers.

(g) Separation of the judiciary from the executive.

(h) Recognition of the right of the working people to form trade unions and their right to strike and collective bargaining.

(i) Liberalize the existing labour legislation and implementation of the ILO Conventions regarding the welfare of the workers.

(j) Guaranteeing to all citizens the freedom of expression, freedom of movement, freedom to organize meetings, form associations and organize peaceful processions and demonstrations.

(k) Give full regional autonomy to both the Wings of Pakistan by making Central Government responsible only for defence, foreign relations and currency.

(l) Breaking up of One-Unit and the restoration of the former provinces on the basis of cultural and linguistic homogeneity and geographical contiguity."

(*Dawn*, Karachi)

[Prev. ref. 5945:PAK:A]

B. Trade With China And Indonesia: The Central Commerce Minister, Mr. Wahiduzzaman, said in Karachi on July 24 on his return from a 14-day official visit to China and Indonesia that immense possibilities existed for economic co-operation with China and Indonesia.

While "important proposals" had been put forward by the Chinese Government for expanding the volume of trade between the two countries, Indonesia also offered a potential market for Pakistan's cotton textiles.

He said he would present the Chinese proposals to President Ayub Khan for consideration. He declined to elaborate on the nature of the proposals. When pressed by the correspondents, he said they related to "trade expansion".

Replying to a question, he confirmed that Pakistan was interested in the import of capital goods and machinery from China. He said it was for the businessmen to import any item from China, and added that a businessmen's team had "just returned" from a tour of that country.

He said that the Chinese leaders "were deeply interested in economic co-operation with Pakistan" and he was convinced that Pakistan could increase her trade with that country "to a great magnitude".

China could, on her part, import a large quantity of commodities from Pakistan, including jute goods, cotton yarn and leather, boots and shoes, while Pakistan could import cement, coal, machinery and other capital equipment.

Replying to a question, he said China had made rapid progress and she was in a position to meet all the requirements of Pakistan for machinery and other equipment needed for industrialization.

He spoke very highly of the Chinese people and the devotion of their leaders to accelerate the pace of economic development for the benefit of the masses. "China was developing very fast on the basis of self-reliance and self-denial". He thought that was the best way for all the countries of the world to progress and achieve prosperity.

About Indonesia, he said that that country was willing to purchase cotton textiles worth over $10 million from Pakistan. Export of Pakistan's cotton yarn to Indonesia on "temporary credits" was also under consideration.

Referring to the joint communique issued from Djakarta on the conclusion of his tour, he said: "We agree in principle to co-operate with Indonesia in the sphere of shipping". This question was under consideration by both the countries. A delegation from Indonesia was necessary to come to Pakistan to discuss and finalise matters with the Government.

He said Pakistan could greatly increase the number of items and the size of her exports to Indonesia. Pakistan could also import from Indonesia a "good number" of commodities, including rubber, timber and spices etc. to the mutual benefit of both.

He said that under an earlier Agreement, Pakistan processed cotton yarn for Indonesia and shipped the same to that country. "This sort of co-operation could be increased to a great extent in future."

He added that Indonesia with "a high standard of living" offered a potential market for Pakistani goods. He dispelled doubts that Indonesia had a poor standard of living. On the other hand, he pointed out, Indonesia had vast resources.

Mr. Wahiduzzaman said in Lahore on July 26 that Indonesia proposed to buy goods worth $10,000,000 from Pakistan under a recently concluded Agreement.

The terms of payment, he said, were being considered and as soon as they were settled Indonesia would be sending a delegation to make the purchases. Among other things, Indonesia would buy cotton textiles, yarn, raw cotton and jute goods.

(*Dawn*, Karachi)

[Prev. ref. 5649:PAK:B, 5728:PAK:B]

C. Chinese Consulate In Dacca: The Chinese Government has established a consulate in Dacca in addition to its Embassy in Karachi.

The consulate will issue visas to intending visitors to China and will deal with Sino-Pakistan trade matters, particularly concerning East Pakistan.

The consulate is expected to facilitate increased tourist traffic between Pakistan and China following extension of Pakistani air service to several cities of China.

(*The Statesman*, Calcutta)

[Prev. ref. 5444:PAK:B]

D. Chinese Loan Offer: The Central Commerce Minister, Mr. Wahiduzzaman, disclosed in Rawalpindi on July 31 that China had offered a $60,000,000 interest-free loan to Pakistan for the current year.

Repayment of the loan will be on long-term basis, extending up to 30 to 40 years.

Mr. Wahiduzzaman expressed the hope that Pakistan would accept the Chinese offer. He said that the loan could be utilized for importing heavy machinery and complete plants for sugar and cement production. Some of the machinery produced by China was of good quality and compared well with Western equipment.

China, he said, was willing to accept the repayment of the loan in primary commodities and manufactured goods.

This was the first-ever loan offered by China to Pakistan. The loan is in addition to normal trade between the two countries.

China is willing to offer rail coaches and is also prepared to build railways in the

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country. The cost of railways built by the Chinese would not be higher than built by Pakistani engineers.

He said that China was ready to extend services of its technical experts to Pakistan. Services of Chinese experts would not be costlier than Pakistani or Western experts. Machinery, to be imported from China under the loan, would be at international prices and may cost even less.

He said that China was in a position to supply machine tool factories, sugar mills, cement plant, textile mills and other machinery required by Pakistan. The Chinese were prepared to accept repayment in the shape of Pakistani cotton, jute, jute goods and manufactured items.

He said the Chinese Government had also offered to supply railway coaches, wagons and rail lines on credit basis.

He added that Pakistani experts would work out the details of how the loan could be utilised, what projects could be set up and what commodities could be imported.

Asked whether there was a possibility of Pakistan and China starting joint ventures, he said for this he would have to wait and this could be examined by the Pakistan experts after the loan was formally accepted.

Asked whether the Chinese loan could be repeated, he said further offers were expected "depending on our utilization and Chinese resources."

The Chinese Government would not take even any service charges on this loan. A formal acceptance of the generous offer would be communicated to China shortly.

He stated that the period of repayment would extend even beyond 40 years. China may also increase further the quantum of loan, if desired by Pakistan.

(*Dawn*, Karachi)

[Prev. ref. 5977:CHI:B]

E. AID Loan For West Pakistan: A $12,500,000 AID loan to expand and improve electric power distribution net-work in West Pakistan was announced in Karachi on August 1 by Mr. Maurice J. Williams, Acting Director of the US AID mission.

The works to be undertaken with the new loan will range widely throughout the WAPDA system in West Pakistan. A substantial portion of this loan will be used to rehabilitate the existing sub-stations and distribution facilities, and also to supplement service equipment which is overloaded or otherwise inadequate. For this reason the construction to be performed by the use of this loan will be started as soon as the equipment is purchased.

In general terms the project will provide electric service to 200,000 new consumers.

During the next two years the Agency will facilitate a number of existing facilities, including the construction of nearly 2,500 miles of new distribution lines and distribution transformers. Besides the lines and transformers, the project will entail the construction of new distribution sub-stations, rehabilitation of many existing ones, the purchase and installation of 200,000 new meters and the replacement of 5,000 obsolete meters and additions and improvements to and replacement of existing street-lighting systems, as well as the construction of new systems.

The low-interest loan brings the total amount of American assistance for the electric power projects in West Pakistan since 1959 to $74.3 million. Previous loans were utilized for the construction of main grid and secondary transmission lines and two thermal power stations at Quetta and Lyallpur. Additionally, USA has furnished large amounts in rupees, obtained through the sale of agricultural products for local currency, for projects of the power wing of the Water and Power Development Authority.

Part of an overall $27.9 million project, the loan will provide dollar financing for imported equipments and foreign engineering services. The loan is repayable in 40 years, including a 10-year grace period, during which the Government of Pakistan will pay interest of ¾ of one per cent per annum and 2 per cent per annum on the remaining unpaid balance.

(*Dawn*, Karachi)

[Prev. ref. 5932:PAK:B]

F. New President Of "Azad Kashmir": Mr. Abdul Hamid Khan, who was sworn-in at Muzaffarabad on August 7 as the new "President" of Pakistan-occupied Kashmir, said that the independent Kashmir demand "is foreign-inspired and absolutely averse to the interests of Kashmiris".

He succeeded Mr. K. H. Khurshid whose resignation for "personal reasons" was announced two days earlier.

Talking to newsmen, Mr. Khan said that those who talked of Kashmir's independence were "either misled or did so for their own ends".

He said he would continue to function as the "chief justice" of Pakistan-occupied Kashmir.

According to observers, the practice of the same person holding the two offices was against the Constitution of "Azad Kashmir". They said the Constitution provided that whenever a vacancy occurred for the office of "President", elections should be held within eight weeks. But in view of the Pakistan Foreign Minister, Mr. Bhutto's philosophy of a "single united leadership for both sides of Kashmir" observers feel that either the elections would not be held or the Constitution would be amended.

Comment:

Mr. K. H. Khurshid's "ouster" from office of the President of "Azad Kashmir" followed differences between him and Pakistan's Kashmir Affairs Ministry, according to Karachi's independent political weekly *The Outlook*.

A contribution in the journal's Independence Day issue said the induction of a new President in the territory meant a "goodbye to whatever little political trappings there were."

It said: "The relationship between the Pakistan Government had long been ambiguous and subject to a pull in opposite directions. The contradiction has now been augmented.

"At a time when Pakistan is increasingly relying on obviously political roles of Sheikh Abdullah and Maulvi Farooq in the Kashmir Valley, it is assiduously building up a non-political structure in 'Azad Kashmir' itself.

"The uncomfortable truth is that the Ministry of Kashmir Affairs has acquired a vested interest of its own. It treats 'Azad Kashmir' territory and Gilgit-Baltistan areas as its own domain which a Joint Secretary controls as 'chief adviser' and 'resident' respectively. His overlordship runs supreme and without such checks and balances as are applicable to other areas of Pakistan.

"The possibility of friction between the 'Azad Kashmir' Government and the Ministry has always been there. The Ministry likes to deal with puppets, not with Presidents who take their position too literally.

"Mr. Khurshid had his defects. He liked power and used all means to safeguard his position. He had his supporters and his enemies.

"He knew how to pull the ropes—to a point. But he also had a few points in his favour. He was a young man whose thinking was political, not bureaucratic. He was not a corrupt man. He had a mind of his own capable of independent, intelligent judgment.

"It had to happen, therefore, that he was looking for more room for the 'Azad Kashmir' Government vis-a-vis the Ministry of Kashmir Affairs. He was striving for more financial and administrative control. At one time he campaigned for recognition of the Azad Kashmir Government as an entirely independent Government.

"His disagreement with the Ministry had been maturing for a long time. The final break came last week.

"The Azad Kashmir Government is partly staffed with officers loaned by Pakistan. The Secretary-General and the Inspector-General of Police are the two key officers who have been lent by Pakistan.

"This gives rise to duality of control. They tend to act independently and under the direct orders of the Ministry. This tends to breed conflict.

"It is possible that Mr. Khurshid was seeking to abolish this duality which extends even to food supplies and sanction of development schemes."

There were other manifestations of this duality. "Azad Kashmir battallions are directly supervised by the Pakistan army. In the recent strike of Government servants Mr. Khurshid negotiated a settlement with the union, but the Ministry announced a flat increase of 10 per cent over the head of the President. The employees remained dissatisfied and in the bargain the President's anomalous position was exposed."

"It is quite on the cards that Mr. Khurshid was trying to mend this state of affairs. He paid for it with his own downfall. The main contradiction arises because of Pakistan's anxiety to keep certain forms without actualities.

"Office of the 'Azad Kashmir' President sounds high. A better thing would be to abolish it and evolve a structure more in conformity with actuality.

"There may be another dimension to this conflict. When the new President (Mr. Abdul Hamid Khan) took office he denounced those supporting an independent Kashmir.

"Some of the ire seemed to be directed towards the outgoing President who was reported to have established a rapport with Sheikh Abdullah during the latter's visit here. It is difficult to dig into this matter.

"What is obvious is that the Ministry of Kashmir Affairs is characteristically muddle-headed on this point too. It is a political problem; it needs political action and political thinking.

"And in any solution, if it comes, only Sheikh Abdullah can play a crucial part. There is no getting away from these facts. They might as well learn to live with these facts."

The journal said "that it was unlikely" that Mr. Khurshid would be associated any more with the policies of the so-called "Azad Kashmir." The edifice of his "Kashmir Liberation League" had already melted away without the props of power.

(*The Hindustan Times* and *The Times of India*, New Delhi)

[Prev. ref. 4280:PAK:F]

G. Telephone Factory For East Wing: It was stated on July 31 that a telephone factory was being established in Dacca at an estimated cost

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of Rs. 1,150,000, including a foreign exchange component of Rs. 230,000.

The scheme has been approved by the Executive Committee of the National Economic Council.

The proposed factory will manufacture bulky equipment required for telephone installations in East Pakistan.

Another project approved by the Executive Committee of the National Economic Council provides for expansion and modernization of telegraph services in East and West Pakistan at a total estimated cost of Rs. 4,656,000 with a foreign exchange component of Rs. 1,419,000.

Meanwhile, work on the project for strengthening and streamlining telecommunication system in the southern district of East Pakistan, frequented by cyclones and tidal bores, is under way. The 27 thanas in these districts will be linked with six base stations by means of very high frequency radio completed during 1964-65.

Another project in progress is the expansion and extension of radio relay system in East Pakistan. This multi-purpose project provides for replacement of the existing narrow band V.H.F. 60-channel system on Chittagong-Dacca-Khulna and Dacca-Kushtia routes by a wide-band V.H.F.

It also provides expansion of channel capacity of the existing system on Dacca-Sylhet and Dacca-Rangpur sections and extension of existing V.H.F. radio relay system to seven new routes.

(*Dawn*, Karachi)

[Prev. ref. 4897:PAK:E]

TURKEY

A. ***Electricity Expansion Programme—IDA Credit:*** The International Development Association (IDA), an affiliate of the World Bank, agreed in the middle of July to grant a credit of $24,000,000 to help finance the expansion programme being carried out by the Cukurova Electric Company, 56 per cent of whose stock is privately held. The remainder is owned by Etibank.

A credit of $1.7 million was granted to the company by IDA early in 1963 to enable it to begin the big expansion programme which will quadruple its generating capacity and increase the supply of power to the Cukurova plain in southern Turkey where nearly a third of the country's cotton crop is grown and processed. The total cost of the project is estimated at the equivalent of $43.5 million, of which the IDA credit will cover all foreign exchange requirements. To meet the remaining costs the Company will increase its share capital threefold and apply all available earnings to the project, the Turkish Government having agreed to defer certain interest and customs duty payments.

The IDA credit is for a term of 50 years, repayment to begin on August 1, 1974 at the rate of 1 per cent of the principal annually for 10 years and 3 per cent annually for the final 30 years. A service charge of ¾ of 1 per cent per annum will be made to meet IDA's administrative costs. The Turkish Government will re-lend the proceeds of the credit to the Company for a term of 25 years, including a 5-year period of grace, with interest at 5½ per cent.

The projects in the programme include the construction of two new generating plants—a 50,000 kw steam plant near Mersin on the Mediterranean adjacent to the oil refinery completed in 1962 which will supply its fuel and a 100,000 kw hydro-electric plant on the Kadincik River, south-west of Adanac. Some 160 miles of transmission lines will be constructed linking the new stations to the existing system and extending it as far east as Iskenderun. The Mersin plant should be completed by July, 1966 and the Kadincik plant by 1969.

(*Middle East Economic Digest*, London)

B. **Oil Discovery:** The American oil company, Mobil Exploration, announced on July 24 that it had struck oil in the Siirt region of south-east Turkey.

It said that a preliminary rate of flow of more than 5,000 barrels a day of 34.8 gravity oil had been determined over a short duration. The well's capacity to sustain this high rate of flow would not be known until there was testing over a longer period. It said that the rate of flow was more than double that of any well drilled by Mobil in Turkey, and was believed to be the highest yet discovered in Turkey by any oil company.

Further drilling would be required to determine the extent of the oilfield. The oil is of good quality, with a sulphur content of 1.12 per cent.

Oil prospecting started in Turkey in 1955 with 12 companies in the field. Most of these pulled out within a few years after a number of dry holes, leaving Mobil and Shell as the only major companies in Turkey.

(*The Times*, London)

[Prev. ref. 5314:TUR:F]

ASIA OUTSIDE ASIA

A. **Commonwealth Prime Ministers' Conference:** The Commonwealth Prime Ministers' Conference opened at Marlborough House, London, on July 8.

The Prime Ministers began discussions on the world political situation following a wide-ranging review by their Chairman, Sir Alec Douglas-Home, the British Prime Minister.

The following communique was issued after the first session:

"The meeting of Commonwealth Prime Ministers opened at Marlborough House this morning.

"Britain, Canada, Australia, New Zealand, Pakistan, Ceylon, Ghana, Malaysia, Nigeria, Sierra Leone, the United Republic of Tanganyika and Zanzibar, Trinidad, Uganda, and Kenya were represented by their heads of Government. The heads of Government of India, Cyprus and Jamaica were represented by senior Ministers.

"The British Prime Minister welcomed his colleagues and extended a special greeting to the Prime Ministers of Uganda and Kenya, whose countries had attained independence since the last Commonwealth meeting in 1962. He also welcomed Mr. Lester Pearson for the first time as Prime Minister of Canada, and Mr. Albert Margai as Prime Minister of Sierra Leone. Sir Alec Douglas-Home expressed the Commonwealth's sense of grievous loss at the deaths of Mr. Nehru and Sir Milton Margai.

"The Prime Ministers of Canada and Kenya, replying on behalf of the meeting, associated themselves and their colleagues with this tribute and thanked the Chairman for his welcome. As their first act, the meeting sent a message of greetings to Her Majesty the Queen as the Head of the Commonwealth.

"The Prime Ministers then approved the administrative arrangements for the meeting and agreed that their agenda should include a review of the world political situation; the progress of British territories towards independence and membership of the Commonwealth; means of promoting closer co-operation between peoples of the Commonwealth; and world economic affairs.

"The Prime Ministers welcomed Malawi as a member of the Commonwealth following her attainment of independence on July 6, and extended an invitation to Dr. H. Banda to join the meeting on his arrival tomorrow.

"They also noted that Northern Rhodesia would attain independence as the Republic of Zambia on October 24, and looked forward to welcoming Zambia in due course as a member of the Commonwealth."

The Conference opened on a note of mourning. In his inaugural speech Sir Alec Douglas-Home made a moving reference to the late Indian Premier, Mr. Nehru. He spoke of Mr. Nehru as the "maker of the Commonwealth" and of how they all and the world missed him.

The Canadian Prime Minister, Mr. Lester Pearson, spoke of Mr. Nehru's great contribution to the Commonwealth and world peace.

Mr. Jomo Kenyatta, Prime Minister of Kenya, paid tribute to Mr. Nehru, the "man who had inspired Africans and all subject peoples".

Apart from Britain, 17 Commonwealth countries took part in the Conference.

The countries and those who represented them were:

Australia—Sir Robert Menzies;

Tanganyika—President J. Nyerere;

Canada—Mr. Lester Pearson;

Malawi—Mr. Hastings Banda;

New Zealand—Mr. K. J. Holyoake;

Cyprus—Mr. S. Kyprianou;

Uganda—Dr. Milton Obote;

Trinidad and Tobago—Dr. Eric Williams;

Ghana—Dr. K. Nkrumah;

Kenya—Mr. Jomo Kenyatta;

Ceylon—Mrs. S. Bandaranaike;

Jamaica—Mr. D. B. Sangster;

Nigeria—Sir Abubakar Tafawa Balewa;

Pakistan—President Ayub Khan;

India—Mr. T. T. Krishnamachari and Mrs. Indira Gandhi;

Sierra Leone—Mr. Albert Margai;

Malaysia—Tengku Abdul Rehman; and

UK—Sir Alec Douglas-Home.

A London despatch said that the Chinese attack on India and the resulting situation was passed over in silence by most of the speakers, with the exception of President Ayub Khan of Pakistan, who if anything, tried to explain away Chinese aggression.

Dr. Nkrumah of Ghana made what was regarded as on the whole a moderate speech. He maintained that the threat of communism, of which so much was being heard at the Conference, was not as important as the problem of the haves and the have-nots. China herself was a great have-not nation, and some effort must be made to understand her problems and views. As for the underdeveloped countries, the big threat to them was the cold war, and not the expansionist ideology of this or that country.

President Ayub Khan, in his speech, covered the whole range of world affairs as seen through Pakistani eyes and spoke of recent important developments affecting peace and normal relations in Asia.

He warned the Conference that the smaller nations of Asia may turn to China for protection if the West went on building up India's military power. He said

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India was being over-armed by the Americans, British and other allied countries on the assumption that China might attempt to invade the sub-continent. "That assumption is wrong. No major invasion of India can possibly take place. This is a bogey that has to be removed because it creates fear and insecurity."

He said that "the smaller nations of Asia"—he did not indicate which or whether Pakistan was among them—might turn to Peking.

Playing down the Chinese threat of aggression on Asia, he said the Indo-Pakistan sub-continent faced a greater danger from Central Asia—that was Russia—than China, because of the high barriers of Himalayas.

Asking for an urgent solution to the Kashmir problem, he emphasized that Pakistan wanted Kashmir because the source of all her western rivers was in that State and unless his country controlled the source it would feel insecure.

Views On Chinese Expansionism:

The Commonwealth Prime Ministers and Presidents, reviewing the world situation on the second day of the Conference, were divided over their assessment of the danger from Chinese expansionism to South-East Asia.

None of the 11 Prime Ministers and Presidents who spoke on the world situation on July 8 and 9 mentioned Chinese aggression against India.

Sir Alec Douglas-Home, Sir Robert Menzies and Mr. Keith Holyoake, who stressed the danger China posed to South-East Asia did not refer to the Chinese invasion of India, although they held the view that Chinese expansionism worked behind Indonesian "confrontation" of Malaysia.

A London despatch said that this omission would seem curious since the Commonwealth Conference was meeting for the first time since the Sino-Indian border conflict and by any standards the outbreak of hostilities between China and India was a development of immense importance for Asia if not for the world.

Mr. J. Nyerere's Memorandum On Southern Rhodesia:

President Julius Nyerere of the Tanganyika-Zanzibar Republic, in a memorandum presented to the Conference on July 10, urged joint Commonwealth military intervention in the white-dominated Colony of Southern Rhodesia with nearly 4,000,000 Africans and about 200,000 Europeans, if the present minority Government carried out its threat to declare independence in defiance of Britain.

The three East African heads of Government—President Nyerere, Mr. Jomo Kenyatta and Dr. Milton Obote joined in pressing for such intervention.

Southern Rhodesia's Minister without Portfolio, Mr. Clifford Dupont, declared: "The Southern Rhodesian Government will not feel bound in any way to take notice of any Conference decisions on the future of the country".

President Nyerere warned "there is a grave danger that the Commonwealth could break up on this (the Southern Rhodesian) issue."

In his memorandum he told his Commonwealth colleagues that if they failed to take joint positive action, the Tanganyika-Zanzibar Republic might be compelled to recognize and give military support to a Southern Rhodesian Government-in-exile.

His three-point plan for action, if the present Southern Rhodesian Government declared its independence unilaterally was:

(1) A refusal by all Commonwealth countries to grant recognition and a British use of the veto in the Security Council to prevent admission to United Nations.

(2) Full economic and financial pressures must be operated by every member against Southern Rhodesia.

(3) Joint military intervention with troops from member-countries under British command.

Mr. Jomo Kenyatta, of Kenya, in a strongly-worded speech warned the delegates: "The Southern Rhodesian situation is urgent and explosive...and might well determine the course of the Commonwealth."

He said Britain was in dilemma over Southern Rhodesia, but it was her moral obligation to find a solution.

Mr. Milton Obote urged Britain to call forthwith a constitutional conference for Southern Rhodesia with the participation of all the political groups in the Colony.

He said the Southern Rhodesian present Constitution should be suspended immediately if the "settlers' government" refused to attend the Conference.

An assertion by the Commonwealth Relations Secretary, Mr. Duncan Sandys, that Southern Rhodesia had enjoyed maximum autonomy for 30 years and, therefore, besides refusing to recognize unilateral independence of the country there was nothing that Britain could do, was challenged by several African Premiers.

Leaders from Africa declared that well-intentioned words were not enough. "Positive action" by Britain was called for because it could not escape responsibility to enforce in Southern Rhodesia the elementary principle of racial equality and majority rule.

African spokesmen, notably Mr. Kenyatta and Dr. Nkrumah, chided Britain for treating South Africa as a Commonwealth member and for being "soft" on Portuguese colonialism.

A Commonwealth Secretariat:

Placed before the Conference on July 13 for their consideration was a paper drawn up by officials of all Commonwealth territories on the proposal for the establishment of a Commonwealth Secretariat which was projected the previous week and found general support.

The paper indicated ways in which the idea might be processed if the Prime Ministers accepted the principle.

The question of aid was brought up by Sir Alec, who put before the meeting proposals for what he had already described as "Commonwealth projects"—that is, ways in which several Commonwealth countries can co-operate in providing finance and experts for joint technical assistance schemes in individual developing countries.

He put forward seven British proposals covering a wide field in technical assistance, and declared that Britain was ready to increase its aid in the educational field to £25,000,000 over the next five years.

He spoke about the dramatic changes in the structure of the Commonwealth since the last Prime Ministers' meeting in 1962, and emphasized that its strongest asset was the different outlooks that existed within it. He talked about the need to take action to strengthen the Commonwealth, and referred to the following initiatives which had already been circulated to the Prime Ministers before the meeting:

(1) The launching of Commonwealth projects in which Commonwealth countries would pool funds and experts for individual development schemes. The idea was that the sponsor of a project should co-ordinate the contributions in money and men of other Commonwealth donors. An initial survey would be needed to see where the projects could best be sited. The British Government would be prepared to make a substantial contribution towards the scheme, and Sir Alec expressed the hope that other Commonwealth Governments would join in it.

(2) Capital aid for higher education. Sir Alec said that the British Government was prepared to increase to £5,000,000 a year for the next five years its present aid in the educational field.

(3) Training in public administration. The British Government was prepared to finance the establishment of an institution for this purpose, if it was agreed to. The institution would, perhaps, be associated with one of Britain's new universities. It would be independent, have a governing body with members drawn from Commonwealth countries, and be staffed by Commonwealth experts. This distinctive new centre would provide training, study and research facilities in the very important field of public administration.

(4) The establishment of a "Commonwealth foundation". Sir Alec stressed the value of the extensive talks and exchanges that take place between professional and other non-governmental bodies in the Commonwealth. He felt that a Commonwealth foundation, an autonomous body with "a Commonwealth figure" as its chairman, would help to foster these contacts further. It would need an income of at least £250,000 a year, and the British Government was prepared to contribute half of this sum if the idea found favour.

(5) A Commonwealth Medical Conference to be held in the Autumn of 1965. The object of this would be to pinpoint the most important areas in the Commonwealth where medical help was needed, and then to stimulate interest among the Governments to provide it.

(6) More money to be made available to the Commonwealth Parliamentary Association in order to encourage more visits between Commonwealth parliamentarians.

(7) Finally, Sir Alec spoke of the possibility of increasing contacts between the youth of the Commonwealth.

All these broad ideas were unanimously welcomed by the Prime Ministers, who decided to have them studied in detail in the near future by Commonwealth officials.

Also to be examined by these officials would be two other proposals that emanated from the meeting. The first is the establishment of a Commonwealth Secretariat, and the second, put forward by Mr. Lester Pearson of Canada, is a suggestion about assisting other Commonwealth countries to make use of satellite communications.

The Communique:

The following is the text of the final *communique* issued on July 15 at the end of the Conference:

"The meeting of Commonwealth Prime Ministers ended today. Pakistan, Ghana, and Tanganyika and Zanzibar were represented by their Presidents. Britain, Canada, Australia, New Zealand, Ceylon, Malaysia, Nigeria, Sierra Leone, Trinidad and Tobago, Uganda, Kenya, and Malawi were represented by their Prime Ministers. India was represented by the Minister of Finance; Cyprus by the Minister of Foreign Affairs; and Jamaica by the Deputy Prime Minister and Minister of Finance.

"This was the first meeting at which Uganda and Kenya were represented as independent members; and the other Commonwealth heads of Government were glad to greet their Prime Ministers. They expressed their satisfaction at the establishment of Malaysia which they had welcomed at their last meeting in 1962, and they greeted Tengku Abdul Rehman as Prime Minister of Malaysia. They also welcomed the attainment of independence by Malawi on July 6, 1964, and agreed that Malawi should be admitted to membership of the Commonwealth. They invited the Prime Minister of Malawi, Dr. Banda, to join their meeting; and Dr.

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Banda took his seat on July 9. They noted that Northern Rhodesia would become independent on October 24, 1964, as the Republic of Zambia; and they looked forward to welcoming Zambia as a member of the Commonwealth on the completion of the necessary constitutional processes.

"In the course of their discussion, the Presidents and Prime Ministers reviewed the major issues of the day.

"They agreed that one of the most important of these is race relations. It was agreed that the Commonwealth has a particular role to play in the search for solutions to the inter-racial problems which are threatening the orderly development of mankind in general, and of many particular areas in the world today. As a community of many different races, the Commonwealth is itself an almost unique experiment in international co-operation among peoples of several races and continents. Within their own borders, many of its members have faced and are facing issues raised by the co-existence of differing cultures within a democratic society. The Prime Ministers affirmed their belief that, for all Commonwealth Governments, it should be the objective of policy to build in each country a structure of society which offers equal opportunity and non-discrimination for all its people, irrespective of race, colour or creed. The Commonwealth should be able to exercise constructive leadership in the application of democratic principles in a manner which will enable the people of each country of different racial and cultural groups to exist and develop as free and equal citizens.

"The Prime Ministers recalled the critical international situation which had developed shortly after their last meeting in the Autumn of 1962 and the grave threat to peace which it had implied. They believed that the fact that it was successfully resolved may have been in some sense a turning point in the relations between the major Powers and may have marked the beginning of a new period in international affairs in which the world may hope for a gradual relaxation of tension. This will not be a short or simple process; but the Prime Ministers noted with satisfaction the further steps which had already been taken to reduce the causes of friction, particularly the conclusion of the test ban Treaty and the subsequent agreements between the Governments of the United Kingdom, the United States and the Soviet Union not to place nuclear weapons in outer space. They also welcomed the reductions in the output of fissile material for military purposes which these Governments have made.

"Against this background, the Prime Ministers expressed their hope that these steps would lead progressively to general and complete disarmament. They reaffirmed their support for the work of the Geneva Disarmament Conference and their determination to seek to extend the scope of disarmament in accordance with the principles expressed in their statement of March 17, 1961, particularly by endeavouring to promote an agreement to prohibit the further dissemination of nuclear weapons and of knowledge relating to their manufacture and use. They will maintain their efforts to reduce the areas of international disagreement by all the means within their power, while maintaining both the strength and the resolution to resist aggression from without or subversion from within. In this connexion, they assured the Prime Minister of Malaysia of their sympathy and support in his efforts to preserve the sovereign independence and integrity of his country and to promote a peaceful and honourable settlement of current differences between Malaysia and neighbouring countries. They discussed the great significance of China for South and South-East Asia. They also discussed the question of relations with China and of her membership of United Nations. They expressed anxiety about the continuing tension in South-East Asia and affirmed their support for all measures which might promote a just and peaceful settlement and help to re-establish stability in the area.

"The Prime Ministers noted with satisfaction the friendly public statements by the President of Pakistan and the Prime Minister of India and expressed their hopes that the problems between their countries will be solved in the same friendly spirit.

"While recognizing that it was not a function of the Commonwealth to act as an arbiter in disputes between member-nations, the Prime Ministers agreed that Commonwealth countries could play a role of liaison and, where possible, consider using their good offices to help towards the settlement of disputes between member-nations provided the parties concerned accepted such mediation.

"The Prime Ministers renewed their support for United Nations and its efforts to resolve disputes in various parts of the world. They re-affirmed their adherence to the principles of the Charter and emphasized the importance of re-inforcing the strength and capacity of United Nations to respond to the demands which it must meet if the Charter is to be fulfilled.

"The Prime Ministers expressed concern about the situation with regard to Cyprus. They re-affirmed their full support for the United Nations Security Council's resolutions of March 4, March 13 and June 20, 1964. The Prime Ministers asserted that the Cyprus problem should be solved within the frame-work of United Nations and in accordance with the principles of democracy and justice.

"They appealed to all countries concerned to refrain from any action which might undermine the task of the United Nations peace-keeping force, to which a number of Commonwealth countries are contributing, or might prejudice the endeavours of United Nations to find a lasting solution in conformity with the Charter of United Nations.

"The Prime Ministers undertook to consider practical measures to strengthen the peace-keeping machinery of United Nations and to reduce the degree of improvisation required in an emergency. They agreed that consultation and co-operation among interested Governments in this matter could be of great value in contributing to the improvement of the peace-keeping effectiveness of United Nations.

"The Prime Ministers expressed their concern at the possible effect on United Nations operations in all fields of a prolongation of the United Nations financial crisis. They expressed a common desire to work towards a long-term equitable solution of the problem of financing large-scale United Nations peace-keeping operations, and agreed that any such solution should be based on the principles of collective financial responsibility and relative capacity to pay.

"Britain made the following statement to the meeting about the progress of British colonial dependencies towards independence:

Already more than 20 countries (with a total population of some 700,000,000) had achieved sovereign independence under British guidance. This process was continuing all the time. Northern Rhodesia would be independent in October, and the Gambia very soon after. Basutoland had been promised that she could have independence in about 18 months' time; Bechuanaland would be free to follow when she wished; and Swaziland's new Constitution had now set her on the same course. In addition, it had been agreed that the Federation of South Arabia should become independent within the next 3½ years. British Guiana would become independent as soon as she was able to assure internal peace. Southern Rhodesia would attain full sovereignty as soon as her governmental institutions were sufficiently representative.

There were a number of other colonies which already enjoyed a wide measure of self-government. These included the Bahamas, Barbados, British Honduras, and Mauritius. In addition, there were some 20 other colonies and protectorates with a combined population of about 5,000,000. Of these, over 3,00,000 were in Hong Kong, where the circumstances were exceptional. Of the remainder, only two territories had a population of more than 100,000. Several had less than 10,000. The smallest (Pitcairn) in the Pacific had only 96 inhabitants. It was clear that no uniform pattern would fit all these very different territories. Some might feel strong enough to proceed to independence on their own. Some might join with others to form larger and more viable units. Some might wish to couple independence with a treaty of friendship such as Western Samoa concluded with New Zealand. Some would for the present prefer to remain as they were.

"The Prime Ministers of the other Commonwealth countries welcomed the progress of British territories to independent membership of the Commonwealth. They recognized that the authority and responsibility for leading her remaining colonies to independence must continue to rest with Britain.

"At the same time, Prime Ministers of other Commonwealth countries expressed their views to the Prime Minister of Britain on the question of the progress of Southern Rhodesia towards independence within the Commonwealth. They welcomed the decision already announced by the British Government that, as in the case of other territories, the existence of sufficiently representative institutions would be a condition of the grant of independence to Southern Rhodesia. They also noted with approval the statement already made by the British Government that they would not recognize any unilateral declaration of independence; and the other Prime Ministers made it clear that they would be unable to recognize any such declaration. The view was also expressed that an independence conference should be convened which the leaders of all parties in Southern Rhodesia should be free to attend. The object would be to seek agreement on the steps by which Southern Rhodesia might proceed to independence within the Commonwealth at the earliest practicable time on the basis of majority rule. With a view to diminishing tensions and preparing the way for such a conference, an appeal was made for the release of all the detained African leaders. The Prime Ministers called upon all leaders and their supporters to exercise moderation and to abstain from violence; and they affirmed their belief that the best interest of all sections of the population lay in developing confidence and co-operation, on the basis of tolerance, mutual understanding and justice. In this connexion, they recognized the necessity for giving confidence to the minority community in Southern Rhodesia that their interests would be protected.

"The Prime Minister of Britain said that he would give careful consideration to all the views expressed by other Commonwealth Prime Ministers. At the same time, he emphasized that the Government of Southern Rhodesia was constitutionally responsible for the internal affairs of that territory, and that the question of the granting of independence was a matter for decision by the British Parliament.

"The meeting expressed concern at the political rivalries in British Guiana which had led to disorder and inter-racial strife and had prejudiced the attainment of independence. While several different views were expressed on the methods to be employed, a number of Prime Ministers expressed the hope that the political

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leaders of British Guiana would seek urgently a basis for collaboration in the interests of their fellow-countrymen of all races in order to restore mutual confidence among the races and to strengthen a spirit of national purpose and unity. Only in these circumstances could British Guiana hope to sustain true independence.

"The question of the progress of the smaller dependent territories in the Caribbean to independence was raised. It was emphasized that the problem for the territories was mainly one of viability; and the hope was expressed that every practicable effort would be made to help them to strengthen their economies and so enable them to sustain the obligations of independence, whether in a federation or in some other form of association.

"The Prime Ministers re-affirmed their condemnation of the policy of **apartheid** practised by the Government of the Republic of South Africa. Some Commonwealth Prime Ministers felt very strongly that the only effective means of dealing with the problem of **apartheid** was the application of economic sanctions and an arms embargo. It was recognized however, that there was a difference of opinion among Commonwealth countries as to the effectiveness of economic sanctions and as to the extent to which they regarded it as right or practicable to seek to secure the abandonment of apartheid by coercive action, of whatever kind. But the Prime Ministers were unanimous in calling upon South Africa to bring to an end the practice of apartheid, which had been repeatedly condemned by United Nations and was deplored by public opinion throughout the world.

"The Prime Ministers expressed their regret that Portugal had not so far given recognition to the principle of self-determination for her territories in Africa.

"The Prime Ministers agreed that the issues of Commonwealth and international relations which confront them in the political field, however complex and contentious, must be seen in perspective in relation to the many factors which bring together the peoples of the Commonwealth and enable them to make a unique contribution to the promotion of peaceful development. The Commonwealth now consists of 18 independent member-countries, widely distributed over the globe and accounting for nearly a quarter of the population of the world. It is, indeed, a cross-section of the world itself; and its citizens have an unparalleled opportunity to prove that, by mutual co-operation, men and women of many different races and national cultures can live in peace and work together for the common good.

"The Prime Ministers reviewed the world economic situation as it affects their countries, and re-affirmed the resolve of their Governments to promote the economic development of their countries. To this end they emphasized the need of developing countries for improved and more remunerative outlets for their trade and for increased financial aid on easier terms and on a continuing basis. They took note of the problems presented to developing countries by the conditions and terms often attached by donor Governments to their aid, of the desirability of the encouragement of private investment in developing countries, and also of the upward trend in the level of financial aid extended by the more developed countries in the Commonwealth and of the easier terms on which it is offered.

"There was agreement on the importance for all Commonwealth countries of following up the work of the United Nations Conference on Trade and Development; in particular with regard to expanding international trade in primary products through freer access to markets and, in appropriate cases, through commodity agreements and stabilized prices at equitable levels; working out arrangements for increasing access by preferences or otherwise to markets in developed countries for manufactured goods from developing countries; and elaborating proposals for supplementary finance to assist countries whose development might be threatened by adverse movements in their export earnings. The Prime Ministers affirmed their intention of working for a solution of these and other problems of the developing countries through the new institutions resulting from the Conference as well as through existing international bodies such as the GATT.

"The Prime Ministers re-affirmed the resolve of the member-countries of the Commonwealth to promote the economic and social progress of developing countries. They wished to maintain their support of the work of United Nations, its specialized agencies, the Colombo Plan, and other similar arrangements in this field. At the same time, they wished to establish how best the members of the Commonwealth could make a further distinctive contribution of their own to the development of its member-countries. They conceived that the purpose of any new initiative in this respect should be not merely to increase the economic strength and material well-being of the recipients, vital though these considerations are, but also to strengthen the links between the countries of the Commonwealth by encouraging their peoples to work more closely together in a variety of practical ways. For this purpose they selected for further examination several fields of action in which they believed the practice of Commonwealth co-operation might be extended; and they agreed that these schemes should not be in substitution for existing arrangements but supplementary to them.

"In particular, they considered a proposal that development projects might be launched in individual Commonwealth countries, which would be implemented by various members acting in close collaboration and contributing whatever resources—in men, money, materials and technical expertise—they could most appropriately provide. Such projects, which would be additional to the support which Commonwealth countries already provide to the United Nations Special Fund and Expanded Programme of Technical Assistance, could be directed to a number of different purposes—the improvement of agricultural production and the development of natural resources through extension services, training and research; the enlargement of professional and technical training; the development of new industries; and so forth. But they would all be inspired by the common purpose of promoting the development of the Commonwealth by a co-ordinated programme of joint or bilateral projects. The British Government said that they would be prepared to make a substantial contribution to projects of this kind within their expanding programme of development aid. The other member-Governments expressed support for the objective of the proposal and agreed that further consideration should be given to the basis on which such a programme might be established.

"Development projects of this kind would need to be planned, carefully and thoroughly, at all stages in their execution; and the Prime Ministers therefore considered that it might be valuable to supplement the existing arrangements for promoting the study of the techniques of administration and development planning throughout the Commonwealth. They considered that there might be advantage in making arrangements, which could include the formation of a new institute, to provide facilities for specialized training and research for senior administrators concerned with administrative and development problems in relation to the needs of new countries. They agreed that further consideration should be given to the most appropriate form for arrangements for additional training, including the strengthening of existing institutions.

"The Prime Ministers took note of the scope which exists or co-operation between the Governments and peoples of the Commonwealth in social as well as economic development. They noted with satisfaction that the third Commonwealth Education Conference will be held in Ottawa in August; and they expressed warm wishes for its success, together with appreciation for the British Government's offer to increase to an average of £5,000,000 a year, over the five years starting in 1965-66, the capital assistance which they already provide for higher education in developing Commonwealth countries, both independent and dependent.

"They decided in principle that an initiative similar to that which was launched in the field of education by the first of the Commonwealth Education Conferences several years ago should now be taken in the field of medicine, and that for this purpose consideration should be given to the convening of a Commonwealth Medical Conference during the course of 1965. Such a conference would enable the members of the Commonwealth to discuss mutual assistance in medical education, including links between institutions, the provision of ancillary staffs, the development and planning of health services, and the supply of medical equipment and facilities for research.

"The links between the countries of the Commonwealth are strengthened not only by co-operation between their Governments in initiatives of this kind, but even more by frequent personal contacts between individuals who share common professional interests.

"The Prime Ministers recorded their support for the valuable work which the Commonwealth Parliamentary Association performs in bringing together members of the Parliaments of all Commonwealth countries. The British Government stated that they would be prepared, if other Commonwealth Governments would do the same, to increase their contribution to the Association.

"The Prime Ministers considered that further steps should be taken to promote contacts in other fields, and that it might be desirable to establish a Commonwealth Foundation to administer a fund for increasing interchanges between Commonwealth organizations in professional fields. This Foundation could be administered by an independent board; and while it could be financed by contributions from Commonwealth Governments, it would also welcome support from all quarters, whether public or private.

"The Prime Ministers also took note of the current international discussions on the establishment of a global system of satellite communications. They endorsed the desirability of establishing such a system, and considered how Commonwealth countries could best co-operate with each other and with other countries in its development. They discussed the provision of technical assistance to the developing countries in this field, particularly as regards the establishment of ground stations and inter-connexions in Commonwealth countries. They agreed that further consideration should be given to the feasibility of such a plan and the basis on which it might best be implemented.

"The Prime Ministers directed that the Commonwealth liaison committee, with the assistance of special representatives, should now give more detailed consideration to all aspects of these new initiatives in the hope that they could be launched and carried forward at an early date. They noted that thereafter further opportunities to review many of these projects would be afforded by the third Commonwealth Education Conference in Ottawa in August and by the Commonwealth Economic Consultative Council meeting in Kuala Lumpur in September.

"Finally, they were anxious that some permanent expression should be given to the desire, which had been evident through their deliberations, for closer and more informed understanding between their Governments on the many issues which engage their attention and for some

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continuing machinery for this purpose. They, therefore, instructed officials to consider the best basis for establishing a Commonwealth Secretariat, which would be available inter alia to disseminate factual information to all member-countries on matters of common concern; to assist existing agencies, both official and unofficial, in the promotion of Commonwealth links in all fields; and to help to co-ordinate, in co-operation with the host country, the preparations for future meetings of Commonwealth heads of Government and, where appropriate, for meetings of other Commonwealth Ministers. This Secretariat, being recruited from member-countries and financed by their contributions, would be at the service of all Commonwealth Governments and would be a visible symbol of the spirit of co-operation which animates the Commonwealth."

Inclusion Of Kashmir In Communique—Pakistan's Bid:

A London despatch said that a piece of "smart tactics" by Pakistan at the Conference on July 15 had caused unexpected confusion, acrimony and misunderstanding in Conference circles as well as among the public at large.

The incident was precipitated by a last-minute Pakistani effort to bring Indo-Pakistan differences, and, in particular the Kashmir issue, within the context of the Conference, its discussions and its final **communique**.

As a result, the Conference **communique** contained a passage reading as follows: "The Prime Ministers note with satisfaction the public statements by the Prime Minister of India and the President of Pakistan and expressed their hope that the problems between the two countries will be solved in the same friendly spirit".

While this news was received with surprise and indignation among Indians in London, the Pakistan spokesman and the spokesman of the Commonwealth Relations Office were believed to have circulated an account of the proceedings which was even more astonishing.

The Pakistan spokesman told journalists that there was a "discussion on Kashmir in the course of which most of the Prime Minister supported the Pakistani stand."

The Commonwealth Relations Office spokesman, for his part, was reported to have announced that "Kashmir and Malaysia" were the two items discussed and disposed of in the morning when the Prime Ministers were considering the text of the **communique**.

But according to Indian sources, Kashmir was never discussed at the Conference, either on July 15 or at any previous session. All that happened in this respect was that three or four Prime Ministers made a passing reference to it in the course of their general speeches in the opening debate and added their good wishes for the restoration of friendly relations between India and Pakistan.

The Pakistan Foreign Minister, Mr. Z. A Bhutto, tried to raise the matter when the officials were discussing the draft **communique** on July 14, but he met no encouragement, and it was assumed that he would not proceed further with it.

However, when the Conference was considering the passages in the draft **communique** relating to the easing of international tensions President Ayub Khan suddenly, and without notice, produced a draft of his own and handed it round to the delegates.

This draft would have committed the Prime Ministers to the statement that they had "noted with concern" the problems such as Kashmir, which divided India and Pakistan and hoped that they would be resolved. Mr. T. T. Krishnamachari, India's Finance Minister, immediately protested that this draft violated the convention, which forbade any reference to inter-Commonwealth disputes at such gatherings and asked the Chairman, Sir Alec Douglas-Home, to say frankly whether this convention was going to be thrown overboard. Sir Alec insisted that the convention was valid and must continue to be respected, and he was supported in this by the other Prime Ministers, none of whom was prepared to back the Pakistani draft.

President Ayub Khan thereupon argued that some of the Prime Ministers had voiced their feelings in the matter and their good wishes to India and Pakistan, and demanded that since such statements had been made there should be some mention of it in the **communique** which recorded the outcome of the proceedings.

There was a lengthy and rather confused debate on this point, with some countries—notably Australia, New Zealand and Sierra Leone—maintaining that there was "no harm" in saying "we have expressed our good wishes".

The final formulation was a variant of an alternative put forward by Mr. Ayub Khan himself. It left out reference to Kashmir, and said the Conference "welcomed the friendly exchanges between India and Pakistan and hoped they would lead to a friendly settlement of their differences."

Mr. Krishnamachari throughout took the line not only that there could be no mention of Kashmir, but that it would be improper to refer to Indo-Pakistan differences or disputes in the **communique**, and that if the Conference were to insist on it, it would do serious damage to the Commonwealth.

The utmost that he could let pass, he said, was the draft containing the reference of the public statements by the Prime Minister and the President respectively, together with an expression of hope that the problems between the two countries would be solved in the same friendly spirit.

Mr. T. T. Krishnamachari's News Conference:

At a news conference in London on July 16, Mr. T. T. Krishnamachari pointed out that the reference to "Indo-Pakistan problems" in the final *communique* of the Conference had no significance whatever. Nor did it mean a departure from India's past policy and practices.

He emphasized that the Conference had neither discussed Kashmir or other Indo-Pakistan problems nor pronounced any opinion on them; the **communique** had merely taken note of public statements by President Ayub Khan—made outside the Conference—and Mr. Lal Bahadur Shastri "who is not even here". If the Commonwealth countries wished to welcome something which had not happened in the Conference, India could not object.

India, he added, had by no means been "tricked into" accepting anything she did not like, nor had she "given away" anything.

He said that the paragraph relating to India and Pakistan was followed immediately by another declaring that it was not the function of the Commonwealth to act as an "arbiter" in disputes between member-nations, and that the Commonwealth would offer its good offices for mediation only when the parties to the dispute accepted such mediation.

On the absence of any reference to the Chinese menace in the **communique**—a subject which came to the fore during the discussions and was acknowledged the previous night by Sir Alec Douglas-Home at his news conference—Mr. Krishnamachari said he had delbierately not made such a reference. "More than a whole paragraph of sympathy and support to India (in the **communique**), I would rather have the support in kind. A few thousand guns would be more welcome."

Mrs. Indira Gandhi's View:

Mrs. Indira Gandhi told a news conference in London on July 20 that Western pressure on India for the settlement of the Kashmir dispute with Pakistan had been "increasing steadily" in the past, and it was possible that the attempt to include Kashmir in the *communique* was encouraged by that pressure.

But she emphatically added that what had actually been incorporated in the **communique** was nothing objectionable because it merely took note of the friendly statements made by Mr. Lal Bahadur Shastri and President Ayub Khan in public.

She told a questioner that the Western pressure on Kashmir began to increase after the Chinese aggression. She thought it strange that Pakistan should have come to an agreement with China and given away a large chunk of Kashmir territory. She hoped that the people concerned realized that India could not defend Ladakh if she was to lose control of the Kashmir Valley.

In reply to further questions, she outlined Indian policy on Indo-Pakistan relations. "My father," she said, "was very anxious that there should be a rapprochement between India and Pakistan without there being a change in India's basic policies". That continued to be the Government's stand.

She regretted that immediately after the cordial meeting between Mr. T. T. Krishnamachari and President Ayub Khan, Pakistan should have started agitating over Kashmir in the Commonwealth Conference and thus spoiled the atmosphere. That, she added, had unfortunately been the pattern in the past too.

Meeting Between President Ayub Khan And Mr. T. T. Krishnamachari:

President Ayub Khan and Mr. T. T. Krishnamachari in luncheon talks in London on July 11 dealt with the "question of maintaining the favourable atmosphere for discussions of Indo-Pakistan differences and taking various measures to that end"

An official Indian Press statement added: "It is possible that there will be a second meeting of the Home Ministers of India and Pakistan (Mr. Gulzari Lal Nanda and Khan Habibullah Khan) some time this month, or early in August and the President of Pakistan and the Prime Minister of India may be meeting later at a mutually convenient date".

Mr. Krishnamachari was accompanied by Mr. M. J. Desai, Secretary in the Indian External Affairs Ministry.

President Ayub Khan was assisted at the talks by Mr. Z. A. Bhutto, Pakistan's Foreign Minister, and Mr. Agha Hilaly, Pakistan's High Commissioner in London.

Mr. Desai told newsmen later that they had discussed many common problems. But he declined detailed comment.

Mr. Bhutto later told newsmen that the President had handed over a letter to Mr. Krishnamachari for Mr. Lal Bahadur Shastri, the Prime Minister of India in reply to a letter from Mr. Shastri which Mr. Krishnamachari had brought with him from New Delhi.

(*UK High Commission*, New Delhi, *The Times*, London and *The Hindu*, Madras)

[Prev. ref. 4869:AOA:A, 5935:AOA:E]

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ASIAN RECORDER

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AFGHANISTAN

A. New Constitution: Under the new Constitution announced on August 4, no member of the royal family can become Prime Minister or any other Minister, a member of the National Assembly, or Chief Justice of the Supreme Court. (Until now, Afghan Governments had been headed by uncles or cousins of the King.)

Among individual liberties to be guaranteed by the new Constitution, which has 11 chapters and has taken more than a year to prepare, is the right of free trial in all criminal cases. It allows the formation of political parties and freedom of speech and the Press.

The chief judge and members of the Supreme Court will be appointed or dismissed by the King, whose role under the new Constitution is one of co-ordinator and conciliator between the three branches of Government—the executive, legislature, and judiciary.

The Constitution also provides that only descendants of Muhammad Nadir Shah, father of the present King, Muhammad Zahir Shah, have the right to ascend the throne.

(*The Times*, London)

[Prev. ref. 5079:AFG:A]

BURMA

A. Refund To Depositors Of Demonetized Notes: The Revolutionary Government has announced full refund up to the value of 4,200 kyats to those persons who had deposited demonetized notes of the denominations of 100 kyats and 50 kyats under the demonetization order promulgated by the Government on May 17.

The announcement said larger amounts deposited would also be refunded, but only up to the extent of 4,200 kyats at present and not more.

Arrangements would be initiated to make the refunds immediately.

According to Government statistics, the total amount of 100-kyat and 50-kyat notes in circulation at the time of demonetization stood at 1,202,000,000 kyats.

The total value of demonetized notes surrendered was 930,000,000 kyats. Demonetized notes not surrendered were valued at 272,000,000 kyats.

(*The Nation*, Rangoon)

[Prev. ref. 5903:BUR:A]

CEYLON

A. Press Commission's Recommendations: Far-reaching changes in the set-up of the Press have been recommended in the *interim* report of the Commission appointed to inquire into the growth of Press monopoly in the country and recommend steps to prevent it.

The Government is understood to have decided, as a first step, to frame legislation for the establishment of a Press Council and a Press Tribunal. It has also been decided to present the Commission's report to Parliament as soon as the Sinhala and Tamil translations were ready.

The Commission has recommended that:

(1) The Lake House Group which publishes the **Daily News**, the **Evening Observer**, **Dinamina**, **Silumina**, etc., be acquired and vested in a corporation to be known as the Newspaper Corporation of Ceylon;

(2) **The Times of Ceylon** group be purchased and run by a co-operative union or a ceiling be fixed on the number of shares to be held by a single individual or family group;

(3) The Independent Newspapers, which publishes **Dawasa**, etc., convert itself into a public company;

(4) The **Virakesari** be converted into a public company, as also **Eezha Nadu**, which is being published from Jaffna. The time-limit of six months should be fixed for **Virakesari** and **Eezha Nadu** to convert themselves into a public company and no single individual or company or family should hold more than one-eightieth part of the total shares.

Non-Ceylonese are barred from possessing any shares in any of these companies. The share held by non-Ceylonese at present should be sold to the Ceylonese within six months. No non-citizen should be permitted to own any interest in newspapers, weeklies or periodicals which are printed and published in Ceylon for sale. Nor should any non-citizen be permitted to be employed without prior sanction of the Press Council.

The Commission observed that an analysis of the share-holdings of various newspapers showed that a small group of persons controlled each of these newspapers. "This concentration of ownership is incompatible with the freedom of the Press and, in conjunction with the circulation of these newspapers and their readership, it had produced concentration of power in the hands of a few men, which is capable of dangerous abuse and has in fact been gravely abused by suppression of opinion and distortion of facts, as is evident from the overwhelming evidence given before us. This concentration, if not broken up, would endanger not only the freedom of the Press, but the welfare of the country as well."

The report quoted elaborately from J. L. Fernando's book, **Three Prime Ministers**, and argued that the contents of that book, written authoritatively by a man who was chief policy-maker of Lake House at that time, showed the amount of influence which Lake House wielded in "making and unmaking" Governments in Ceylon.

Referring to the allegations made against the Lake House group that it was hostile to Buddhism and the Sinhala language, the report stated it was satisfied that those charges had been sufficiently established. A similar opinion was expressed in respect of the **Times** group also.

The Commission recommended the immediate establishment of a national news agency with extensive functioning and a five-member Press Council with wide powers, whose expenses should be met by a levy on newspapers.

The Press Council will safeguard the freedom of the Press, help the Press to maintain standards, draw up a code of conduct for journalists, introduce a scheme of salaries and wages to journalists and other employees, regulate the condition of employment, recruitment and training of journalists, fix prices and advertising rates, allocate space for news and advertisements, take action from time to time to break up undesirable concentration of shares, review every share transaction, and inquire into complaints against the Press, journalists, etc. by the public.

No newspaper, weekly or periodical should be permitted to be published without obtaining a licence from the Press Council on payment of a prescribed fee.

No person resident in Ceylon should be permitted to act as correspondent of any foreign newspaper, periodical or news agency unless he has previously registered himself as such with the Press Council. But a correspondent or other representative of such a newspaper, periodical or news agency arriving from abroad assigned for a special purpose or to cover a special event should be permitted to function as such pending such registration within 48 hours of his arrival.

Newspapers' Criticism:

Leading newspapers denounced the report of the Press Commission.

The Times of Ceylon said in a leading article on August 13 that the coalition Government seemed determined to silence the free Press "and make them echo the hollow nonsense emanating from the Government's chief medium of information, **Radio Ceylon**".

It added: "Steps have already been suggested by the Ceylon Equal Society (the Trotskyites) whereby the whole embarrassing process of democratic discussion may be short-circuited so that the totalitarian process will be shrouded from the glare of newspaper publicity. We have never allowed ourselves to be intimidated by the threat of extinction.... The nation's freedom and the individual citizen's fundamental liberties are in grave peril."

The Ceylon Observer said the Press Commission's report showed the Government a short cut in its drive towards dictatorship—through a Press Council and a Press Tribunal. The proposed ban on anti-social and anti-national news meant that any exposure of the misdemeanours of Ministers, their corruption and the patronage of the corrupt, would not be possible.

The Ceylon Daily News said that the various forms of control proposed for the newspaper groups all amounted to Government control either directly or indirectly, and if the three-member Commission's report was implemented, then "the three hangmen of Press freedom would have done their worst."

The Daily News said that it would be futile to presume that the proposed Press Council would be a counterpart of similar bodies in other parts of the world. The Council was to consist of five agents chosen by the Prime Minister alone, and to complete its domination of newspapers the Council was even to be charged with

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recruiting journalists. "What is proposed for the present and the future is a nation-wide perpetuation of Radio Ceylon's lick-spittle techniques, which earned the epithet 'intolerable' in the House of Representatives. Distortion of news and curtailing of comment, now imposed from above on the State radio, will be extended to State-controlled newspapers as well."

(*The Times of Ceylon*, Colombo and *The Hindu*, Madras)

[Prev. ref. 5448:CEY:A]

B. "Radio Ceylon" Criticized: In the House of Representatives on August 12 the Speaker, Mr. Hugh Fernando, criticized the Government-owned and controlled *Radio Ceylon* for suppression of speeches made by Opposition members in Parliament.

He informed the House that he had investigated an alleged breach of privilege by Radio Ceylon, raised by Mr. J. R. Jayewardene, deputy leader of the United National Party, the biggest group in the Opposition.

The Speaker said he could not agree with Mr. Jayewardene's contention that Radio Ceylon had misrepresented a speech by Mr. Maithripala Senanayake, Minister of Industries, but he upheld Mr. Jayewardene's contention that speeches by Opposition members were not reported by Radio Ceylon.

The Speaker said: "It seems intolerable that nothing that is said on the floor of this House, other than by a Minister, is broadcast by Radio Ceylon". He had questioned Mr. S. B. Senanayake, Director-General of Broadcasting and Information, who stated that it was a long-standing practice not to report speeches by the Opposition or by Government back-benchers.

The Speaker said this was a serious defect in policy, and he had asked the Parliamentary Secretary of Information to bring this to the notice of the Government.

(*The Hindu*, Madras)

[Prev. ref. 5400:CEY:F]

INDONESIA

A. No Aid To Indonesia—US Senate's Vote: The US Senate on August 13 voted overwhelmingly to prohibit any aid to Indonesia and to end the training of Indonesians at American military schools.

The ban, passed by 62 votes to 28, was approved as an amendment to President Johnson's Foreign Aid Authorization Bill.

The amendment, introduced by Republican Senator John Tower, denied aid to Indonesia under the Foreign Aid or any other Act and terminated training of Indonesian military and police personnel at US bases or military schools or under US contracts.

It still has to be approved by the House of Representatives, but in its present form it goes beyond the US Government's action in deciding to stop new assistance projects, but continue existing commitments.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5209:IND:A]

B. Closure Of British Council Ordered: The Government announced on August 12 that it had decided to close British Council branches throughout Indonesia.

It said the Council should withdraw by the end of August.

A Foreign Ministry announcement said that Mr. P. R. Oliver, the British Charge d'Affaires, had been informed that the Government no longer considered it necessary for the Council's services to continue.

Mr. Oliver said he understood that although the Indonesians would insist on the Council ending its activities by the end of the month, the members of the staffs would be given longer to leave, depending on circumstances. He said he had told a Foreign Ministry representative that the decision was "unreasonable".

The Council's office in Djakarta, which was not harmed when Indonesians burned the British Embassy in September, 1963, was staffed by six Britons. There were branches, each staffed by one Briton, at Bandung and Surabaja. There were also two British lecturers at the University in Jogjakarta, one in Bali, and one in Malang.

(*The Times*, London)

[Prev. ref. 5705:IND:A]

IRAQ

A. Co-operation Between Iraqi and Egyptian Revolutions: Co-operation between the Iraqi and Egyptian Revolutions was hailed on August 2 in an official *communique* issued in Cairo at the end of the visit of an official Iraqi delegation to the UAR.

The Iraqi Premier, Lt.-Gen. Taher Yahya, and President G. A. Nasser expressed appreciation of the will for revolutionary changes shown by the recent socialist decrees promulgated in Iraq.

The communique, which was released simultaneously in Baghdad and Cairo, said that the UAR Revolution was the basis of all Arab revolutions and the driving force behind them.

It said that "the UAR armed forces stand in the vanguard of the struggle for the liberation of the Arab nation" and that the "UAR places them in the service of the major goals of the Arab nation."

The following is the communique:

"In these historical days through which our Arab nation lives, having at its disposal the means of making its own future and of attaining its dearest aspiration for unity—an aspiration long cherished by the successive generations of the Arab people and for the attainment of which the liberation revolutions which took place on the territory of the great Arab fatherland have worked, in consolidation of the ties of joint struggle, and on the occasion of the 12th anniversary of the Revolution of July 23, 1952, there arrived in Cairo on July 22, 1964 an official and popular delegation from the Iraqi Republic headed by Lt.-General Taher Yahya, the President of the Council of Ministers of Iraq.

"Members of this delegation included some members of the Iraqi Cabinet, the full-time Iraqi Ministers on the Joint Presidential Council, a number of officers of the Armed Forces, senior Government officials and representatives of the Arab Socialist Union in Iraq.

"The purpose of this visit was to congratulate the UAR people and to participate with them in their celebration of the 12th anniversary of the glorious July 23 Revolution—that revolution which was the basis of all Arab revolutions and the driving force for the pursuance of revolutionary work, in which the Arab people have imposed their will of revolutionary change with a view to establishing a society of sufficiency and justice and to affording the Arab nation a chance to carry out its humanitarian mission.

"These forces are the vanguard of the heroic struggle for the liberation of the Arab nation. They are placed by the UAR at the disposal and at the service of the great national aspirations of the nation, and to assist every Arab people who attain, through their struggle, the stage of revolution, as well as to eliminate imperialist influence in all parts of the great Arab world, especially in Palestine.

"During its visit the delegation followed the progress of the UAR in all fields of industry, agriculture, and construction, as a result of the application of socialist principles. The delegation also acquainted itself with the great development attained by the UAR in the various fields.

"And, in implementation of the May 26 agreement, several meetings took place during the visit between members of the delegation and the responsible officials of the UAR as well as between the full-time members of the Joint Presidential Council, during which several matters were discussed, relating to the implementation of the aforesaid agreement and concerning the confirmation of the existing co-operation between the two countries in the fields of education, agriculture, agrarian reform, planning and other domains.

"At the same time, and for the same purpose, several other meetings were held between the two sides, foremost among which the meeting between President Gamal Abdul Nasser and the members of the Iraqi delegation which took place on July 25, during which the President has welcomed the members of the delegation and expressed to them the importance of the encounter between the Revolutions of July 14 and 23 along the road of freedom, socialism and unity.

"He also expressed to them his appreciation of the will of revolutionary change in the Iraqi Republic, that will which was realised by the issuance of the recent socialist decisions.

"In their various meetings the two sides have confirmed their adherence to the decisions of the Arab Summit Conference as an effective means of combating Israel and its ambitions, as a means of restoring in full the usurped Arab rights in Palestine, and as an important factor in consolidating brotherly relations between the Arab countries.

"The two sides have also discussed Arab liberation causes in general and decided to continue to extend their material and moral support to the causes of Arab liberation in the Occupied Arab South, Oman and elsewhere until every part of the Arab fatherland is liberated from imperialist bases.

"The UAR side also had the opportunity to acquaint itself with the accomplishment of November 18 Revolution in attaining stability, maintaining peace throughout Iraq, and consolidating the national unity between the citizens and brotherly co-operation between the Arabs and the Kurds with a view to realising prosperity and well-being.

"The Iraqi delegation was afforded the opportunity to witness the termination of the work of the African Summit Conference, the issuance of its decisions and its success in confirming the unity of the African peoples and their solidarity for the sake of freedom and independence.

"The two sides were happy to note the declarations made by some of the African Heads of State concerning the rights of the Palestine people and the Arab people's right to unity."

(*The Egyptian Gazette*, Cairo)

[Prev. ref. 5897:IRQ:A]

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ISRAEL

A. World Jewish Congress: Resolutions calling for action on behalf of Russian Jewry, stigmatizing anti-Semitism and neo-Nazism, demanding the abolition of the Statute of Limitations in regard to Nazi criminals, and urging measures against the activities of German scientists in Egypt were passed by the World Jewish Congress Executive at its closing session in Jerusalem on July 19.

The meeting had opened on July 12 and lasted five days, with the participation of over 100 delegates from abroad.

A major resolution called for direct talks between representatives of the Jewish people and the Soviet Union regarding the present position and future of the three million Jews living in Russia. Deep concern was expressed by the Congress for the fate of Russian Jewry, who, the resolution said, are being denied the basic rights of national and religious freedom and are cut off against their will from their Jewish brethren in other parts of the world.

The Congress appealed to the Russian authorities to permit the reunion of families who were torn apart as a result of the Second World War. It expressly dissociated world Jewry from any involvement in cold war politics.

The Congress warned against the resurgence of anti-Semitism in some countries and in particular against neo-Nazi activities in Latin America and Europe, and stigmatized the help given them by Arab League propagandists.

Another resolution called upon the West German Government to extend the Statute of Limitations in regard to Nazi war criminals and to ensure that they be put on trial. The Bonn Government was also asked to indemnify those victims of the Nazis who, in accordance with the present regulations, do not receive restitution.

A further resolution called for concrete steps by the West German authorities to prevent German scientists working for the Egyptian military industry, which is aimed at annihilating Israel.

The Congress appealed to other Governments to accelerate the extradition of Nazi war criminals, in order to have them tried and punished according to law. A resolution was also passed calling on all member-States of UN to take legal, administrative and educational measures against racial discrimination.

The Executive expressed its appreciation to the Polish Government for its efforts to perpetuate the memory of the Jewish victims of the Holocaust.

(*The Israeli Digest*, Jerusalem)

[Prev. ref. 5792:ISR:A]

JAPAN

A. Increase In Exchange Reserve Rate: Exchange banks have been instructed by the Bank of Japan to raise their minimum exchange reserve rate against their borrowings of short-term foreign funds from 20 to 25 per cent.

The higher reserve took effect on August 1.

The funds include Euro dollars, call money, clean loans from foreign banks and non-residents' deposits of free yen.

(*The Times*, London)

[Prev. ref. 5611:JAP:A]

JORDAN

A. Mr. B. Talhouni's Policy Statement: In a statement before the Chamber of Deputies in Amman on July 29, the Prime Minister, Mr. B. Talhouni, said that the Palestine question "is the corner stone of Jordan's policy, because for Jordan it is a case of life and death."

He said Jordan needed continued assistance from sister Arab countries because Jordan "stands on the longest defence line of the Arab world in the face of the enemy lying in wait for us".

He said that the first Arab Summit Conference, held in Cairo in January formed "a new Arab defence line in the face of Zionist dangers and imperialist ambitions".

He promised that his Government would exert every effort to maintain and consolidate its relations of amity and brotherhood with other Arab countries and would contribute to the clearing of the Arab atmosphere and the maintenance of cordial relations among all Arab countries.

"The Jordanian Government will pursue this policy because it believes in a common Arab destiny and the inevitability of victory for the message of nationalism in realising freedom, unity and a better life".

Mr. Talhouni, who formed his Cabinet on July 6, said the first Palestinian National Conference held in Jerusalem recently was the "biggest positive step for the organization of the Arabs of Palestine to enable them to play their role side by side with other Arabs for the liberation of the usurped land of Palestine."

He said his Government was determined to promote Jordan's relations with Islamic countries "and continue its relations of cordiality and friendship with foreign countries on stable foundations of complete equality and mutual respect". "The Jordanian Government will not spare any effort to support liberation movements in the world."

He said that Jordan adhered to the United Nations Charter and the Universal Declaration of Human Rights "for the realization of more prosperity and progress for the whole of humanity."

Outlining his Government's domestic policy, he said his Government believed in the dignity and freedom of the Jordanian citizen.

The Jordanian Government intended to cut down expenditure and devote the largest part of its funds for the provision of a better life in accordance with the principle of the just distribution of services.

Referring to the Government's economic policy, he said the Government believed that "the Jordanian citizen is the country's wealth".

He declared that the Government would carry out economic development programmes in all fields within the framework of the freedom of Jordanian capital. Jordan would also welcome foreign capital, particularly from Arab countries, and would take measures to ensure that economic activities are free from exploitation and monopoly.

He said his Government would make every effort to strengthen the Jordanian armed forces in their stand on the longest defensive line of the Arab nation in the face of the treacherous enemy.

In the tourist field the Jordanian Government would inaugurate a sea tourist line between Jordan and the United Arab Republic through the port of Aqaba.

(*The Egyptian Gazette*, Cairo)

[Prev. ref. 5996:JOR:A]

B. Second Instalment Of Kuwait Loan: It was stated on July 31 that the Jordan Treasury had received a sum of JD1,000,000 from the Kuwait Government as the second instalment of the JD5,000,000 loan negotiated in April.

The first payment of JD3,000,000 was made two weeks after ratification of the Agreement and the final instalment is due within the next three months.

There has been a change in the financial policies of the Kuwait Government since this loan was made in April, and all loans are now made through the Kuwait Fund for Arab Economic Development (KFAED), rather than as direct Government-to-Government loans. By October, 1963, disbursements to Jordan through the KFAED had totalled KD812,-240. By April the amount disbursed from the Fund had reached KD1,046,666, and since then other amounts have been sent to Jordan to meet costs of the projects in progress (including the Yarmuk irrigation project and the development of the phosphates industry) out of the KD7½ million loan granted by the KFAED in 1962.

Disbursements from the Fund are not made in instalments in accordance with any fixed schedule, but are made to finance agreed lists of goods and are thus ruled solely by the progress of the project being financed.

(*Middle East Economic Digest*, London)

[Prev. ref. 5930:JOR:A]

KUWAIT

A. Budget Approved: According to information available on July 31, the Parliamentary Finance Committee made several amendments to the estimates in the draft Budget during its passage through the National Assembly and the following figures were finally approved:

Ordinary budget expenditure: KD111,-387,744 (a reduction of KD8,471,388 in the original allocation of KD119,359,132 but still some KD3,662,680 more than last year's figures); general reserve: KD3,569,773 (a reduction of KD9,317,217 on the original estimate and considerably less than the KD16,274,638 allocated to the reserve last year); development projects and property acquisitions: KD89,922,279 (an increase of KD17,788,605 on the original estimate and KD17,850,724 more than last year).

The Minister of Finance and Industry originally asked for an extra KD20 million for acquisition of property to be drawn from the general reserve, but it now appears that this sum has been provided for within the frame-work of the revenue estimate without recourse to the general reserve.

Some items of expenditure in the 1964-65 Budget are as follows, with the 1963-64 figures in brackets: Public Works KD8,-894,084 (KD8,284,616); Tele-communications KD2,128,835 (KD1,690,156); Education KD14,430,541 (KD12,627,513); Defence KD-10,500,000 (KD12 million); Public Health KD11,242,730 (KD10,212,010); Water and Electricity KD5,854,382 (KD5,625,880); Customs and Ports KD4,501,624 (KD4,717,-207); Housing KD2,425,510 (KD2,474,307); Emergency Reserve KD2 million (KD2,-702,683) and Aid to Arabian Gulf Emirates and Yemen KD2,528,253 (KD600,000).

Revenue from oil royalties and companies' income-tax is put at KD191,186,000 compared with KD183,500,000 in 1963-64, the increase being accounted for by a rise of KD7,186,000 in income-tax and KD2 million in royalties payable by the Kuwait

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Oil Company and a rise of KD500,000 in royalties payable by the Arabian Oil Company. There is an increase of KD866,-440 over last year in income from customs duties, stamp duties, etc. (KD6,245,012 as opposed to KD5,478,563 last year) and of KD8,808,539 in income from sales of State land and property, water and electricity rates, posts, tele-communications, etc. (KD204,879,796 compared with KD193,071,-257).

In the 1964-65 Budget the allocation for development projects and the acquisition of property represents 43.89 per cent of the total revenue compared with 36.75 per cent in 1963-64.

(*Middle East Economic Digest*, London)

[Prev. ref. 5912:KWT:A]

LAOS

A. 14-Nation Conference On Laos —Support To Soviet Proposal: A *communique* issued after a Cabinet meeting in Vientiane on August 4 said the Government welcomed "very favourably" the Soviet proposal for a meeting of the 14-nation Conference on Laos.

A New China News Agency report said on August 11 that the Pathet Lao leader, Prince Souphanouvong, had alleged massive attacks on Pathet Lao strongholds by Rightist and Neutralist forces. He demanded an immediate end to the attacks.

He made the demand in a letter dated August 6 to the co-Chairmen—Britain and Russia—of the Geneva Conference on Laos. He alleged that troops under Gen. Kong Lae had launched massive attacks in the north-central Plain of Jars to occupy the vital areas on strategic highways No. 7 and No. 13.

Prince Souphanouvong demanded withdrawal of Right-wing troops from Pathet Lao territory and urged the co-Chairmen to take "speedy measures to enforce strict implementation" of the 1962 cease-fire order.

He also urged the co-Chairmen to expedite the holding of another Geneva meeting attended by all signatory nations to the 1962 Geneva Conference to "safeguard the Geneva Agreements, ease the Laotian situation and maintain tranquillity in Indo-China and the rest of South-East Asia."

India's Support:

It was stated in New Delhi on August 5 that India had informed the Soviet Union of its full support to the latter's proposal for convening a 14-nation Conference on Laos at the earliest possible date.

A spokesman of the External Affairs Ministry said the Government hoped that other Geneva Conference countries were agreeable to the holding of the Conference "for consideration of urgent measures which would provide a peaceful settlement in Laos in accordance with the Geneva Agreements of 1962."

The Government instructed the Indian representative in Viet-Nam to have discussions with the Canadian and Polish members of the International Control Commission and also with the three Laotion groups to enlist their co-operation for the early convening of the 14-nation Conference.

The Indian representative was also instructed to suggest to the three factions in Laos that they could meet in Switzerland prior to the 14-nation Conference if they so desired.

British Stand:

At a news conference in Moscow, the British Foreign Secretary, Mr. R. A. Butler, explained his Government's stand on the Laotian question, particularly in the context of his discussions with Soviet leaders.

He said: "One of my major preoccupations in these talks (in Moscow) has been the situation in Laos. For more than a decade, Anglo-Soviet co-operation has helped to prevent the conflict in this small and distant country from spreading further. Twice, in 1954 and again in 1961, this Anglo-Soviet co-operation averted a real threat of war.

"As I told both Mr. Khruschev and Mr. Gromyko, we want this co-operation to continue—not in purely British interests, for we have none of our own in Laos, but for the sake of world peace. That is why I responded to the Soviet statement by proposing an invitation from the co-Chairmen to a Conference. When that proved unacceptable, I suggested that the co-Chairmen should make arrangements for the three parties in Laos to meet in Europe—a meeting which we understand is acceptable to both Prince Souvanna Phouma and Prince Souphanouvong. Alternatively, the co-Chairmen would have asked the International Commission to do so.

"It is my earnest hope that we shall soon find a way to continue our co-operation in this field. Meanwhile, as I explained to Mr. Gromyko, I feel I must make one more effort on my own to promote a conference on acceptable terms. I have accordingly asked the Governments represented on the International Commission in Laos—India, Canada and Poland—to try to arrange a meeting of the three parties in Laos. If the Laotians themselves could get together in the more tranquil atmosphere of Switzerland, perhaps they could agree on the terms for reconvening the Geneva Conference on the settlement of the Laotian question."

Asked whether he thought the Russians would abandon the co-Chairmanship, he replied that the Russians were awaiting replies to their suggestion for a conference of the original Geneva Powers on Laos, and they would not take a decision on leaving the co-Chairmanship until they got these replies. They had not made up their minds finally.

Asked whether he had sent a message to the member-countries of the International Control Commission to ask for their help in convening a Laotian meeting, he replied that from his contacts with the Indian and Polish Governments he knew that they were keen on helping to arrange this meeting. He had sent messages to the Governments of India, Canada and Poland, asking them to try to arrange a meeting of the three Laotian parties.

Asked whether this proposal was the same as the original Polish proposals, he explained the history of the two Polish proposals. He said he set hope on the idea of Prince Souvanna Phouma, after an approach by Prince Souphanouvong, that the Laotian parties should get together at a meeting to prepare an international conference. The idea was that such a meeting was to be the preliminary to a conference.

Answering a question about the Polish Government changing its position as a result of the visit, he said that he had no indication that the Polish Government had given up its idea of trying to hold a meeting. It could be that on his return to London there would be a further message from the Poles.

Asked what he thought the Russians expected would emerge from the holding of an unconditional conference, he replied that they would expect to achieve neutrality for Laos, and that the British Government was in agreement with the Russians. That was why he hoped the Russians would not abandon the co-Chairmanship. Neutrality was the only answer—that and the union of the three parties in Laos.

He noted that the Soviet Government thought that the Conference of the original Geneva Powers should be held without conditions, while other countries, including Britain, felt that a cease-fire and similar questions should be borne in mind and settled before a conference. That was why it was important for the three parties to meet first before the Conference.

Paris Chosen As Venue:

Meanwhile, the Prime Minister, Prince Souvanna Phouma, agreed on August 9 to a suggestion by Prince Souphanouvong that the tripartite meeting—of Rightist, Neutralist and Pathet Lao—be held in Paris for ending the civil war.

The meeting had been delayed as the parties could not agree to the choice of venue. New Delhi was one of the places suggested earlier, but the Pathet Lao leader did not agree to it.

(*The Times*, London and *The Hindustan Times*, New Delhi)

[Prev. ref. 5943:LAO:A]

B. Collaboration With USA—Charge By North Viet-Nam: North Viet-Nam on August 5 accused Laos of placing its territory "at the disposal of USA and its accomplices with a view to launching attacks against North Viet-Namese territory."

This, it said, in a "strong" protest Note to Laos, was in complete violation of the 1962 Geneva Conference declaration on Laotian neutrality.

The North Viet-Namese news agency said the protest Note was sent to the Laotian Premier, Prince Souvanna Phouma, by the North Viet-Namese Foreign Minister, Mr. Xuan Thuy.

The protest Note mentioned the alleged bombing by four US planes coming from Laos of the North Viet-Namese frontier post of Nam Can and Noon village.

Mr. Xuan Thuy said these acts were "a flagrant provocation against the Democratic Republic of Viet-Nam. The provocations mentioned are part of the US plan of provocations against North Viet-Nam by intensifying the war of aggression in South Viet-Nam and by military intervention in Laos."

Laotian Denial:

The Viet-Namese charge was denied by the Laotian Government.

The denial was made in a letter addressed to Mr. Xuan Thuy, and signed by Gen. Phoumi Nosavan, a Deputy Prime Minister.

The letter said: "The Royal Government has never given authorization of this sort. Concerning the use of Lao territory by the Americans the Government makes a formal denial of this.

"To give formal proof of this, the Lao Government agrees to authorize the International Control Commission to make all necessary enquiries."

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5947:RVN:A]

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PAKISTAN

A. Exploitation Of India's Problems—Pakistan's Stand: In an article captioned "Pakistan's hand of friendship—an opportunity for India" issued by the Government's Press Information Department for publication in the Independence Day issues of newspapers on August 14, the Government said it could have exploited "to our advantage and with a great deal of justification" the situation in India following Mr. Nehru's death and the earlier Sino-Indian conflict, but for her goodwill towards the people and Government of India.

The article said that the death of Mr. Nehru "had plunged India into a great deal of confusion and nervousness". It was "synchronised with increasing internal and external problems in India". Had Pakistan any evil designs against India, she could have turned Mr. Nehru's death and the earlier Sino-Indian conflict "to her advantage and could have created a lot of embarrassment, if not difficulties, for that country." As a matter of fact, Pakistan could have done so "with a great deal of justification."

Increasing internal and external problems facing India, the article added, again could have been a reason for Pakistan seizing the opportunity against India. But the fact that she should have come forward with a "formal and public offer of a renewed desire to bring the two countries together on the basis of equality and mutual respect for the sovereignty of each other" was a clear proof of her goodwill towards India, in spite of "extremely negative gestures from the other side".

Ever since Mr. Nehru's death 2½ months ago, one of the favourite themes of Pakistan's leading political figures and newspapers has been "India's fast disintegration" and "her inability to keep various forces together."

They had also been claiming that Pakistan had done a great favour to India by having her flags flown at half-mast on Mr. Nehru's death and sending her Foreign Minister, Mr. Z. A. Bhutto to attend the funeral.

The article also spoke of India's "illogical attitude" on the Indo-Pakistan differences, particularly on Kashmir and went on to say that "it might be possible for India to make a fresh heartsearching and thus make a new approach." It was in the "interests of India itself and the sub-continent to come out with a constructive and courageous approach."

In view of "new political developments in India", it should be possible for her "to face facts and come to a settlement with Pakistan".

(*The Times of India*, New Delhi)

[Prev. ref. 5932:PAK:A]

B. Election Bill Passed: The National Assembly approved on August 8 a Bill to provide for the holding of elections to the National and Provincial Assemblies in 1965.

The Bill was passed without a division as the Opposition's views were accommodated by the Law Minister to a large extent by amending eight clauses.

The provision on oath, which had been strongly criticized by the Opposition, was changed to include a solemn declaration by a candidate to be faithful to Pakistan and the Government established by law. Every candidate will have to file such a declaration at the time of submitting his nomination papers.

Another significant amendment was to the effect that a candidate will not be declared elected unopposed on the rejection of the nomination papers of his rival or rivals unless any appeal filed against the rejection has been disposed of.

The Bill, comprising 114 clauses, provides that in future six women's seats in the National Assembly will be filled by candidates elected by the male members of the National Assembly on a zonal basis. Previously National Assembly women members were elected by the Provincial Legislatures.

Politicians disqualified under the Elective Bodies Disqualification Order up to December, 1966 have been debarred from contesting the 1965 elections.

However, a concession has been made in the case of politicians who were disqualified because of their detention under the Security Act. Those who were detained for less than nine months or politicians whose release from detention had taken place five years before the poll will be able to stand for election.

Winding up the week-long debate, the Law Minister claimed credit for President Ayub Khan's regime for holding elections on schedule. He said this was the first Government to give sufficient powers to the Election Commission in the interest of free and fair elections.

With the passage of this Bill, the Election Commission, headed by Mr. Muenuddin, will begin preparations for the General Election.

The election of 80,000 Basic Democrats who will constitute the electoral college for the legislatures and presidential election will be completed by October.

The President's election will be held in early March, 1965 to be followed by elections to the legislatures in May, 1965.

While the National Assembly will comprise 156 members, including six women, each of the two Provincial Legislatures will consist of 155 members.

(*The Statesman*, Calcutta)

[Prev. ref. 5731:PAK:H; 5767:PAK:A; 5781:PAK:C, 5817:PAK:A]

C. F-M Ayub Khan Announces Candidature For Presidency: President Ayub Khan offered on August 14 to stand for another term as President, beginning in March, 1965.

Addressing a public meeting, he said he was not fond of staying in office. It was for the people to choose the next President and if they asked him, he would be available for another term.

He asked the people to exercise their vote in favour of one who could serve them best. He said he was not in favour of unopposed election.

This was the first public announcement by President Ayub offering himself for the next term for Presidentship.

A few minutes before he addressed the gathering, estimated at 25,000, there was an explosion. A long column of smoke could be seen from the Press enclosure, which was immediately below the dais.

(*The Statesman*, Calcutta)

[Prev. ref. 5820:PAK:B]

D. Withdrawal Of Accreditation To Newsmen: The Press Information Department of the Government has revoked accreditation to several journalists and photographers without assigning any reasons.

The Karachi Union of Journalists, in a resolution criticising the Department, named Mr. M. A. Mansoori, Special Representative of Karachi's Dawn as among those from whom accreditation facilities had been withdrawn. Mr. Mansoori was formerly the Dawn correspondent in New Delhi.

The resolution said if journalists of Mr. Mansoori's standing and integrity could be denied accreditation, "it can only lead to the conclusion that screening of journalists has at last started".

(*The Statesman*, Calcutta)

[Prev. ref. 5446:PAK:F; 5466:PAK:E; 5542:PAK:J]

E. Script Reform Committee Set Up In West Pakistan: The West Pakistan Government constituted on August 12 an 18-member Committee comprising leading educationists, litterateurs and journalists to examine the question of introducing *naskh* script in the writing and printing of Urdu.

The Committee, which is headed by Mr. Justice S. A. Rahman of the Supreme Court, will also examine the question as to how the change-over from the nastaliq to the naskh script could be done smoothly and what would be the implications in adopting the script in a reasonably early time.

The Central Secretary for Information and Broadcasting, Mr. Altaf Gauhar, and the Central Secretary, Education have been appointed as advisers to the Committee.

The West Pakistan Education Minister, Mr. Mohammad Yasin Wattoo, told a news agency that the Committee had been set up in accordance with a decision taken at the Governors' Conference held on May 22.

President Ayub Khan, he said, was very keen and had desired that the change-over should take place as early as possible.

[In his address delivered at the foundation-laying ceremony of the Urdu College, Karachi, in May, President Ayub Khan had remarked that "it is high time to consider the question of the future of Urdu script."]

(*Dawn*, Karachi)

[Prev. ref. 5553:PAK:D]

PHILIPPINES

A. Magsaysay Award For 1964: Mrs. Welthy Honsinger Fisher, 84-year-old founder of Literacy House in Lucknow (India), has been given the 1964 Ramon Magsaysay award for international understanding.

The Magsaysay Award Foundation announced that Mrs. Fisher was recognized "for her unstinting personal commitment to the cause of literacy in India and other Asian countries, whose teachers have sought her guidance".

(*The Manila Times*)

[Prev. ref. 5458:PHI:A]

VIET-NAM (DR)

A. Incidents In Gulf Of Tonkin—US Air Strikes: *Maddox*, a US Navy destroyer of the Seventh Fleet, was attacked by PT-boats belonging to North Viet-Nam in the Gulf of Tonkin off North Viet-Nam

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on August 2. The attacks were repulsed.

American ships had moved into the area as part of the US efforts to strengthen its military build-up in South Viet-Nam.

[The US Seventh Fleet, the largest and most powerful American naval unit, is composed of 125 warships, including three aircraft carriers and 30 destroyers. Among the warships are the aircraft carriers Constellation and Ticonderoga, and the destroyers Maddox and C. Turner Joy, all at present patrolling in the Gulf of Tonkin. Some 60,000 men are assigned to ships in the Fleet, which operates in the Pacific. Among them are 1,800 US Marines. Commanded by Vice-Admiral Roy L. Johnson aboard the USS Providence, the Seventh Fleet possesses some 650 naval aircraft. Among these are fighter and interceptor aircraft equipped with the most modern weapons. The Seventh Fleet is divided into five "task forces". Seven or eight submarines are assigned to the Fleet. Marines aboard various ships in the Fleet can be used, if necessary, as a preliminary landing force to be re-inforced later by units of the First Division of Marines stationed at Okinawa —a division composed of 20,000 men.]

A North Viet-Nam Government spokesman on August 2 accused USA of using Laotian territory "to send military aircraft to bomb the territory of North Viet-Nam". (Please see page 5933 for intensification of US efforts to eliminate Viet-Cong in South Viet-Nam).

Following the Maddox incident, President L. B. Johnson of USA ordered the US Navy to double its destroyer force off the North Viet-Nam coast and to provide sufficient air cover to destroy any attacker.

He summoned newsmen into the White House on August 3 to inform them of this response to attack on Maddox, which was the first significant naval engagement of the war.

He said: "I have instructed the Navy: (1) To continue the patrols in the Gulf of Tonkin off the coast of Viet-Nam; (2) To double the force by adding an additional destroyer to the one already on patrol; (3) To provide a combat air patrol over the destroyers; (4) To issue instructions to the combat aircraft and to destroyers: (a) to attack any force which attacks them in international waters; (b) to attack with the objective of not only driving off the force but of destroying it.

"These instructions were conveyed yesterday to the appropriate people and they will be carried out."

He made no reference to North Viet-Namese allegations that American aircraft had attacked a village north of the border with Laos on August 1 and that American warships had shelled the two offshore islands of Hon Me and Hon Ngu on July 31. He entertained no questions, but the State Department later described both allegations as "without foundation."

American Charge Of Second Attack:

The US Defence Department announced on August 4 that a force of North Viet-Nam torpedo boats had made a deliberate attack during darkness on two American destroyers off the North Viet-Nam coast. Two of the attacking vessels were believed sunk.

A few hours before the new attack was revealed the State Department published a protest Note to North Viet-Nam giving a warning of the "grave consequences" of any further such incident. But authoritative sources said that by then the new incident had already begun.

They said the battle between the destroyers and supporting American aircraft against the North Viet-Nam torpedo boats lasted three hours. The weather at the time was "miserable", according to Defence Department officials.

The torpedo boats were driven off finally with no US casualties suffered, and no hits or damage on either destroyer. Although the announcement said the size of the North Viet-Nam force was undetermined, it was believed that at least two boats were sunk and two others damaged.

Retaliatory Air Strikes:

On August 5, the United States retaliated with crushing air strikes on five North Viet-Nam coastal installations.

President Johnson promised that that retaliatory strikes would be limited for the present.

About 60 small bombers, armed with bombs, rockets and cannon, and supported by 30 jet fighters, inflicted serious damage on four patrol boat bases and an oil depot in retaliation for the attack by torpedo-boats.

Flying 64 sorties in the space of five hours, the powerful Seventh Fleet lost two aircraft, but according to the US Secretary of Defence, Mr. Robert McNamara, destroyed or damaged approximately 25 torpedo boats and virtually destroyed an important oil bunker at Vinh. No nuclear weapons were used.

President Johnson ordered this severe but circumscribed retaliation after prolonged consultation with diplomatic and military advisers and congressional leaders. He also sent personal messages to Sir Alec Douglas-Home of Britain, President de Gaulle of France, Dr. Erhard of West Germany and other allied leaders, summarizing the action and informing them of his intended response.

Substantial Army, Navy, Air Force and Marine re-inforcements were sent to South-East Asia from the Western Pacific and were themselves replaced by units from USA. Supersonic jet fighters were sent to Saigon in case of retaliatory action by North Viet-Nam, and the nation held its breath to see how the communist forces intended to respond.

Addressing the American nation after midnight (August 5), President Johnson assured the people that for the moment US response to the North Viet-Namese attack would be limited and fitting. "We Americans know, although others appear to forget, the risks of spreading conflict. We still seek no wider war."

He said: "My fellow Americans: As President and Commander-in-Chief, it is my duty to the American people to report that renewed hostile actions against United States ships on the high seas in the Gulf of Tonkin have today required me to order the military forces of the United States to take action in reply.

"The initial attack on the destroyer Maddox, on August 2, was repeated today by a number of hostile vessels attacking two United States destroyers with torpedoes. The destroyers, and supporting aircraft, acted at once on the orders I gave after the initial act of aggression. We believe at least two of the attacking boats were sunk. There were no United States losses.

"The performance of commanders and crews in this engagement is in the highest tradition of the United States Navy.

"But repeated acts of violence against the armed forces of the United States must be met not only with alert defence, but with positive reply. That reply is being given as I speak to you. Air action is now in execution against gunboats and certain supporting facilities of North Viet-Nam which have been used in these hostile operations.

"In the larger sense, this new act of aggression, armed directly at our own forces, again brings home to all of us in the United States the importance of the struggle for peace and security in South-East Asia. Aggression by terror against the peaceful villagers of South Viet-Nam has now been joined by open aggression on the high seas against the United States of America. The determination of all Americans to carry out our full commitment to the people and Government of South Viet-Nam will be redoubled by this outrage.

"Yet our response, for the present, will be limited and fitting. We Americans know, although others appear to forget, the risks of spreading conflict—we still seek no wider war.

"I have instructed the Secretary of State to make this position totally clear to friends, to adversaries, and indeed to all. I have instructed Ambassador Stevenson to raise this matter immediately and urgently before the Security Council of the United Nations.

"Finally, I have today met with the leaders of both parties in the Congress of the United States, and I have informed them that I shall immediately request the Congress to pass a resolution making it clear that our Government is united in its determination to take all necessary measures in support of freedom, and in defence of peace, in South-East Asia.

"I have been given encouraging assurance by these leaders that such a resolution will be promptly introduced, freely and expeditiously debated, and passed with overwhelming support.

"It is a solemn responsibility to have to order even limited military action by forces whose overall strength is as vast and as awesome as those of the United States of America. But it is my considered conviction, shared throughout your Government, that firmness in the right is indispensable today for peace. That firmness will always be measured. Its mission is peace."

Hanoi Denial Of Second Attack:

Radio Hanoi denied on August 5 the US report of a second torpedo attack on American warships.

It called the report "a sheer fabrication by US imperialists aimed at covering up their illegal acts which brazenly violated the security of the Democratic Republic of (North) Viet-Nam and are aggravating further the situation in South-East Asia."

Referring to the first (August 2) exchange of fire between torpedo boats and the Maddox, it said this occurred in North Viet-Nam's territorial waters.

The American warship, it said, "encountered our patrol boats between Hon Me and Lach Truong in our territorial waters. In the face of provocations by the sea rovers, our patrol ships took action to defend our territorial waters. Afterwards our patrol ships returned to their base".

Quoting a spokesman of the North Viet-Nam People's Army High Command the agency said the "US imperialists and their henchmen" had sent new warships to encroach upon North Viet-Nam's territorial waters and shell Hon Me and Hon Ngu islands.

These activities coincided with those of US aircraft which took off from bases in Thailand and Laos to bomb the Nam Can border post and fire rockets on Noong De village near the Viet-Nam-Laos border. "The Government of the Democratic Republic of Viet-Nam (North Viet-Nam) regards them as extremely serious violations of the 1954 Geneva Agreements on Viet-Nam."

The High Command of the North Viet-Nam People's Army warned the US Government and its "henchmen in South Viet-Nam and Laos" that they "must bear responsibility for all consequences arising from their acts of provocation, sabotage and encroachment".

Casualties:

Radio Hanoi said later in the night (August 5) that anti-aircraft bat-

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teries defending the coast had shot down five US Air Force aircraft and damaged three others.

A statement said that one of the pilots of the aircraft brought down had been captured.

The Army High Command statement reported that the armed forces were "overjoyed by their successes" and were increasing their vigilance and combat readiness.

The statement broadcast by Radio Hanoi said the report of American losses was a preliminary one. It gave no details about the capture of the pilot. "This is an extremely brazen act of aggression and provocation of United States imperialists against the Democratic Republic of Viet-Nam."

In Washington Mr. McNamara told a news conference on August 6 reconnaissance photographs showed that the United States air strike against North Viet-Nam had destroyed seven anti-aircraft installations, as well as torpedo boats and a petroleum storage dump.

He said that the anti-aircraft installations were at Vinh, where the petroleum storage dump was attacked. He reported that there had been no further attacks on United States ships in the Gulf of Tonkin, and routine patrols there had been resumed.

He said he thought it probable that the Chinese communists would introduce some combat aircraft into North Viet-Nam. There was no indication that they had arrived.

New American Moves:

The US Defence Secretary, Mr. R. McNamara, said on August 5 that he had moved to re-inforce the Pacific area.

These moves included: (1) transfer of an aircraft carrier group from the First Fleet in the Atlantic to the Western Pacific; (2) movement of intercepter and bomber aircraft into South Viet-Nam; (3) movement of fighter bombers into Thailand; (4) transfer of intercepter and fighter bomber squadrons from the United States "to advanced bases in the Pacific"; (5) movement of an anti-submarine force into the South China Sea; and (6) the alerting and readying of selected army and Marine forces.

He stressed that "there were no civilian centres near the bases" that were attacked in North Viet-Nam.

Meanwhile, swarms of American jet fighters flew into Saigon from bases in Japan, the Philippines and Formosa as part of the military action ordered by President Johnson.

Russian Criticism:

Tass in a statement on August 5 called the presence of US ships and planes in the Gulf of Tonkin "absolutely unjustified" and part of an openly hostile act towards North Viet-Nam and China.

The Tass statement added: "Already now it is becoming clear that the presence of US naval forces in the Gulf of Tonkin has created there a situation fraught with dangerous complications. One cannot but consider that the new American military actions are undertaken under the conditions when reactionary forces in the United States and the South Viet-Namese military, who are obeying their will, are persistently clamouring for extending the sphere of American intervention, and military operations to the Democratic Republic of Viet-Nam. In this connexion it should be recalled that on August 1 there already took place an intrusion into the air-space of the Democratic Republic of Viet-Nam when four American planes, as the Democratic Republic of Viet-Nam Government had stated, bombed and strafed a frontier post and a village in the Ky-son area 20 kilometres from the Viet-Namese-Laotian frontier.

"All this is in plain contradiction to the statements of the American side to the effect that it does not seek to extend the war in South-East Asia.

"Competent Soviet circles resolutely denounce the aggressive actions of the United States in the Gulf of Tonkin which lead to a dangerous exacerbation of the situation in South-East Asia, tense as it is. Such actions, further rash steps or provocations in that area, could cause events capable of converting the incidents that took place there into a broad conflict with all the ensuing dangerous consequences. The responsibility for such consequences would, naturally, devolve on the United States of America."

Chinese Warning:

China warned USA on August 6 that its attack on North Viet-Namese bases meant aggression against China and had gone over the "brink of war."

A Government statement said that the "debt of blood" to the Viet-Namese people must be repaid. The Chinese people would not sit idly by without lending a helping hand.

It said USA must stop "armed provocations" against North Viet-Nam, "otherwise the US Government must be held responsible for all the grave consequences arising therefrom."

It charged that US attacks on North Viet-Nam constituted the first step in extending the war in Indo-China.

Of the incident on August 4 in the Gulf of Tonkin, the statement added: "The facts proved and will continue to prove that this so-called incident is an out-and-out-lie, purposely fabricated by US imperialism in order to extend the war in Indo-China."

British Support For US Action:

A statement from the British Premier's office declared Britain's support for the US action.

It said: "The Prime Minister and the Foreign Secretary have reviewed the situation in South-East Asia. As regards the North Viet-Namese attacks on the United States naval forces, Her Majesty's Government made their position clear in the Security Council when they supported the action taken by the United States Government in accordance with the inherent right of self-defence recognized by Article 51 of the Charter of the United Nations.

"They share the desire of the President of the United States to avoid the risk of spreading conflict. Her Majesty's Government intend to play their full part in the Security Council, and are determined to do what they can to assist in reducing the international tension that has inevitably resulted from these North Viet-Namese attacks."

India's Concern:

A Government of India spokesman said in New Delhi on August 5: "The Government of India has been distressed to learn about the latest serious clashes between the North Viet-Namese and US naval units in the Gulf of Tonkin following earlier incidents in the same region between North Viet-Namese torpedo boats and the US ship *Maddox* on August 2.

"The Government of India had learnt from President Johnson's broadcast this morning about the action taken by US forces against North Viet-Namese torpedo-boats and 'certain supporting facilities.'

"The Prime Minister has also received a message from President Johnson on the subject. These incidents have caused grave concern.

"The Government of India is deeply disturbed at these developments as they threaten peace in South-East Asia. It hopes that the explosive situation created by these incidents will not be further aggravated. It is imperative that at least the uneasy peace which prevailed in this area before these incidents should be restored immediately. It trusts that consideration of the situation by the Security Council will help to prevent further clashes and incidents."

The Indian Prime Minister, Mr. Lal Bahadur Shastri, on August 8 welcomed Mr. Adlai Stevenson's statement in the Security Council that USA would welcome the restoration of the 1954 position in Viet-Nam.

He told newsmen that he "wholeheartedly" agreed with this view, since India herself was "hundred per cent in favour of restoring the 1954 position."

India, he stressed, did not want an escalation of the conflict in Viet-Nam. The Government had already expressed its views on the unfortunate developments there. It would be better to wait and see how the Security Council proposed to tackle this problem.

He had no definite information whether North Viet-Nam would take part in the Security Council debate. "If North Viet-Nam goes, only then will the representative of South Viet-Nam go."

Addressing the Congress Parliamentary Party, the Foreign Minister, Sardar Swaran Singh, said earlier that India viewed the recent naval incidents in the Gulf of Tonkin with grave concern. He also expressed the hope that the Security Council would be able to deal with this situation satisfactorily and help restore peace in Viet-Nam.

Despite questions by several members, he did not disclose whether India proposed to make any specific move to resolve this conflict. He conceded, however, that as Chairman of the International Control Commission India had certain responsibilities for the maintenance of peace there.

North Viet-Nam Government's Statement:

The North Viet-Nam Government issued on August 6 a statement saying that American jets had bombed and strafed a "number of places in the Vinh Ben Thuy area, in the Gianh river mouth, and close to Hon Gay town, causing losses to the people there".

The statement "strongly denounces to world public opinion" the United States "war acts", and demanded that USA "stop at once all provocative and sabotaging acts against the Democratic Republic of Viet-Nam."

It described the attacks as "obviously a premeditated war act" which "exposes even more clearly the design to invade North Viet-Nam and extend the war there".

The US action was "an extremely crude violation of international law and the 1954 Geneva Agreements on Indo-China, and increases the danger of war expansion in Indo-China and South-East Asia".

The statement added: "Any provocative and sabotaging act against the Democratic

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Republic of Viet-Nam will certainly be brought to failure by the strength of the entire Viet-Namese people. The United States Government and its henchmen must bear full responsibility for the serious consequences of their bellicose acts in that area."

The Foreign Minister, Mr. Xuan Thuy, protested on August 5 against "provocative attacks" by "the United States and its agents."

The protest was contained in a letter addressed to Britain and Russia, co-Chairmen of the 1954 Geneva Conference, other participants in the Conference, and countries making up the International Commission in Viet-Nam—India, Poland and Canada.

Mr. Xuan Thuy's letter said that on the night of July 30, the United States and the South Viet-Nam administration "dispatched naval vessels to intrude into the territorial waters of the Democratic Republic and simultaneously to shell two of her islands—Hon Ngu and Hon Me".

"At noon on August 1, 1964, four United States T-28 fighter-bombers coming from Laos bombed and fired rockets at the Nam Can frontier-post visibly flying the national flag, about seven kilometres (about 4½ miles) from the Viet-Nam-Laos border. They also raided the Noong De village about 20 kilometres (about 12 miles) from the same border. The two places belong to Ky Son district, Nghe An province.

"At noon on the following day (August 2, 1964) seven United States AD-6 and T-28 fighter-bombers coming from Laos launched a second attack against the Nam Can post." These "provocative raids" injured five persons.

Appeal To ITSC:

The Government of North Viet-Nam appealed to the International Truce Supervisory Commission (ITSC) to investigate the naval incidents in the Gulf of Tonkin and the subsequent US bombing.

The appeal was made by the Foreign Minister of North Viet-Nam, Mr. Xuan Thuy in a Note to the Indian Chairman of the International Commission.

A copy of the Note was later handed to the Commonwealth Secretary, Mr. C. S. Jha, by the North Viet-Namese Consul-General in New Delhi.

According to New Delhi reports the Indian view was that the Commission could only investigate complaints against countries covered by the Geneva Agreement, which USA is not.

[An account of the discussion on the Gulf of Tonkin incidents in the UN Security Council will appear in a subsequent issue of **Asian Recorder**.]

(*The New York Times*, *The Times*, London, *Tass* and *The Times of India*, New Delhi)

[Prev. ref. 5933:RVN:A]

VIET-NAM (RVN)

A. Evacuation Of US Troops—Soviet Appeal: The Soviet Union has called for total evacuation of US troops and military equipment from South Viet-Nam.

The move came in a proposed draft message from the co-Chairmen of the 1954 Geneva Agreements—Britain and the Soviet Union—handed to the British Embassy on July 6.

The draft proposal—reported by Izvestia—said the co-Chairmen "expect that the United States halt its interference in the internal affairs of South-East Asia and completely evacuate military personnel and armaments from Viet-Nam."

The draft also proposed that the co-Chairmen warn the United States "about its responsibilities for the strict observance of the Geneva accords of 1955."

According to a report from Tokyo, China warned on July 7 that she would not stand idle if the South Viet-Namese war was expanded to the Communist-controlled North. "China and the Democratic Republic of (North) Viet-Nam are fraternal neighbours closely related like the lips and teeth. The Chinese people cannot be expected to look on with folded arms in the face of any aggression against the Democratic Republic of Viet-Nam."

The assurance of helping North Viet-Nam was given by China's Foreign Minister, Marshal Chen Yi, in a letter to the North Viet-Namese Foreign Minister, Mr. Xuan Thuy. The text of Marshal Chen Yi's letter was made public on July 7 in a broadcast.

Filipino Aid In War Against Communists:

Meanwhile, President D. Macapagal proposed on July 7 that the Philippines give economic aid and technical assistance to South Viet-Nam to support its war effort against communist guerrillas.

He made the proposal to Congress on the recommendation of the National Security Council, a top-level advisory body which includes Cabinet members and political leaders of both parties.

He urged Congress to approve the proposal and appropriate the necessary funds before the current special session ended.

(*The Times of India*, Bombay)

[Prev. ref. 5854:RVN:A]

B. White Paper On Communist Aggression: The Government issued on July 14 a White Paper on Communist aggression to inaugurate a "National Shame Week."

The "Week" commemorated the signing at Geneva on July 25, 1954 of the Geneva Agreement that ended the Indo-China war and split Viet-Nam into two. The Viet-Namese blame the French authorities for "selling North Viet-Nam to communism."

Distributing the White Paper the Foreign Minister, Mr. Phan Huy Quat declared: "This year we are commemorating this day in distress and hate because more than ever this year is marked by savage Viet-Cong attacks against the civilian population and by violent fighting by entire units of soldiers coming from North Viet-Nam".

The White Paper, giving details of crimes and atrocities by the Viet-Cong, contained confessions from Viet-Cong prisoners about the training they had received in North Viet-Nam and their infiltration routes into the South, and also pictures and details of Communist weapons found after battles in South Viet-Nam.

He said his Government "is not keen" on expanding the war into North Viet-Nam. He threatened, however, that "if the Viet-Cong persist in pursuing their aggression in the South they will bear all the consequences of such an adventure."

Asked by newsmen if this constituted an ultimatum to North Viet-Nam, he said: "It is to show clearly to the Communists our determination in the coming months, if the situation obliges us to act strongly, that we have concrete measures to make sure we survive."

North Viet-Nam Charge Against USA:

The same day (July 14), the Hanoi Government charged that USA was not only stepping up the war in South Viet-Nam, but was "plotting to expand it to the whole of Indo-China."

The indictment was contained in a Note addressed to Britain and Russia, the co-Chairmen, the member-countries constituting the International Control Commission and the signatories to the 1954 Geneva Agreement.

The Note was timed to coincide with the 10th anniversary of the signing of the Agreement (July 20).

The Hanoi administration accused USA of betraying its pledge at the Geneva Conference. USA had instigated Saigon to prevent the holding of a consultative conference and a general election to bring about the re-unification of Viet-Nam.

US Stand:

Meanwhile, on July 1, the US Secretary of State, Mr. Dean Rusk, said that it should be possible to achieve peace in South-East Asia, ensuring the independence of the countries in the region, "without any extension of the fighting."

He told a news conference: "Our first objective is to explore that possibility." But he emphasized that US interest in peace did not mean "acquiescence in aggression" by the Communists in Laos and South Viet-Nam.

Asked whether the Administration was blowing hot and cold on South-East Asian war dangers, he said that the situation was indeed very risky and gravely dangerous in that USA did not control all the critical decisions, which would depend on what the Communists did.

He described the future as "crowded with uncertainty." He did not see any possibility that Laos or South Viet-Nam could be moved towards peaceful solutions by "throwing the question overnight into the United Nations."

He sought to minimise recent Washington reports that the Johnson Administration was prepared to risk war with China, if necessary, to stem the Communist tide in Asia.

He said there was a "risky and dangerous situation" in South-East Asia, but "everyone knows the United States wants peace there—a peace allowing Laos and South Viet-Nam to maintain their independence without interference from North Viet-Nam and China. Now peace obviously is not obtained by going out and looking for war—although there is always the risk of further development in dangerous confrontations of this sort. Peace ought to be possible in South-East Asia without any extension of the fighting.

"Therefore, the first objective of our policy and our desire in South-East Asia is to exploit that possibility.... But peace cannot be obtained by acquiescence."

He said he shared with Mr. Henry Cabot Lodge an optimism that with perseverance the campaign to stamp out Viet-Cong guerrillas in South Viet-Nam would be won.

He was asked what further steps he felt would be necessary for USA to take if Communist forces failed to halt their aggression in South-East Asia.

In a long reply, he declared that it was difficult to talk with any precision about the future because there were many Governments and authorities involved, as he put it, in "the writing of this scenario."

He cited the Governments and peoples of South-East Asia, the members of S-EATO, the Communist authorities in Laos, North Viet-Nam, China, the Soviet

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Union and the three Governments of the International Control Commission—India, Canada and Poland.

"What seems to me to be very simple," he said, "is that the US objective, as President Johnson has stated, is peace in South-East Asia."

U Thant's Proposal:

The UN Secretary-General, U Thant, told a news conference in New York on July 9 that the reconvening of the 14-nation Geneva Conference on Viet-Nam was the only sensible way to solve the crisis in that country.

His comments added strength to the growing opinion in South-East Asia that the South Viet-Nam problem was primarily a political question and that it could not be solved by military means.

In Washington, the US State Department indicated it did not support U Thant's view that the Geneva Conference on Viet-Nam be reconvened.

Mr. Richard Phillips, State Department spokesman, declined to comment officially on U Thant's suggestion. But he recalled the Secretary of State, Mr. Dean Rusk's statement that it would be preferable for Viet-Nam's neighbours to respect the 1954 Agreement on Viet-Nam and leave the country alone than to call an international conference.

In London, U Thant's proposal to reconvene the Geneva Conference was received with surprise. Whitehall circles said they had received no previous warning whatever and the news had caused lively interest in diplomatic circles.

Informed British circles said that U Thant's proposal particularly concerned the co-Chairmen of the Conference, Britain and the Soviet Union, and they thought it probable that U Thant would lose no time in making Britain and the Soviet Union aware of his thinking on the matter.

US rejection of U Thant's appeal was a foregone conclusion. But the main American worry over it would be the effect of this pronouncement, involving as it does the prestige of the UN Secretary-General, on the momentum of increased US war effort in South Viet-Nam.

Americans had made no secret of their pique at the French proposal to neutralize the Indo-China States. U Thant's forthright endorsement of a political solution could, therefore, only increase American dismay.

During the recent Laotian crisis it had been USA's constant endeavour to restrict an eventual 14-nation Geneva Conference to Laos. This American pre-occupation had stemmed from the fact that as and when Washington was ultimately forced to the conference table on the South Viet-Nam issue, it should be in a better bargaining position than it was now.

Meanwhile, the South Viet-Nam Foreign Minister, Dr. Phan Huy Quat, has invited U Thant to come to "this country to register the facts and have a realistic idea about the situation here."

(*The New York Times* and *The Times of India*, Bombay)

[Prev. ref. 5933:RVN:A]

C. Intensification Of War Against Viet-Cong Guerrillas: Reports from Saigon and Washington in the last week of July suggested that President L. B. Johnson had ordered intensification of the war against the Viet-Cong guerrillas.

The President, it was said, had decided to send between 5,000 and 6,000 more men to South Viet-Nam in a major effort to crush the guerrilla campaign.

There are about 16,000 Americans serving as military advisers to the South Viet-Nam Government, as training staff for local forces and anti-guerrilla units, and as combat advisers in action against the Viet-Cong in the field. The imminent increase of more than one-third in the number of Americans was said to reflect the President's determination to give all possible aid to the Prime Minister, General Nguyen Khanh.

More than 1,100 Americans have been killed, wounded, or reported missing in United States operations in South Viet-Nam since the beginning of 1961 when the American build-up in the country started.

Reports of the increased American military aid effort were confirmed in Saigon by an official announcement on July 27.

The announcement said: "The Prime Minister (of South Viet-Nam) has been informed by Ambassador (Maxwell D.) Taylor that in support of the pacification programme mutually agreed upon between the Republic of Viet-Nam and the Government of the United States, the Government of the United States has approved a substantial increase in the number of American military and civilian advisers in Viet-Nam.

"The major portion of this increase in American military and civilian personnel will be devoted to strengthening the present American advisory effort in four major areas:

"(1) It will extend and re-inforce the American military advisory effort with the lower echelons of the regular Viet-Namese armed forces, particularly with army battalions, navy patrol units and air force squadrons.

"(2) It will provide a major increase in US special forces to augment training and operational support for our own special units to enhance capacity for guerrilla actions against Viet-Cong units and bases and to deal with infiltration across our borders.

"(3) It will increase the American military advisory assistance throughout the provinces in order to place greater stress on improvement of our regional and popular forces.

"(4) It will increase the number of American civilian advisers at all levels in order to provide for even closer co-operation with Viet-Namese officials in such fields as economic development, public administration, health, police forces, agriculture and general welfare.

"This increase in American personnel, which will commence immediately, will be paralleled by an increase in US support elements to include helicopters, transport aircraft, communications and service personnel.

"The augmentation of the American effort in Viet-Nam does not reflect any change in concepts agreed to between the Republic of Viet-Nam and the Government of the United States that American personnel will serve in an advisory capacity nor will it change present operating relationships between Viet-Namese and American officials.

"Accordingly, the American personnel are serving and will serve in Viet-Nam in their capacity as advisers only.

"This increase in American assistance, coupled with the constantly increasing support of many other nations in response to our call for aid, should serve as a warning to the Communist aggression in Hanoi that the 'free world' is determined to help the Viet-Namese Government and people in their struggle for freedom and independence.

"The American assistance serves particularly as concrete evidence of America's continued determination to provide whatever resources are necessary to assist us in this effort.

"The Republic of Viet-Nam welcomes this action of the Government of the United States."

Gen. de Gaulle's Proposals:

Observers saw in increased American military assistance the US Government's total rejection of the proposal of the French President, Gen. de Gaulle, for neutralization of Viet-Nam.

Addressing a news conference in Paris on July 23, Gen. de Gaulle had proposed that the United States, the Soviet Union, China and France agree to get out and stay out of the Indo-Chinese peninsula as a means of ending the fighting in Laos and South Viet-Nam.

He had named these four Powers as those that had "direct responsibility" for the past and future of Viet-Nam.

France's interest springs from cultural and economic ties formed when Indo-China was a French Colony.

This was the first of the General's two conditions for peace in South-East Asia.

The second was a proposal for a massive programme of economic and technical aid for the peoples of North and South Viet-Nam, Laos and Cambodia once the fighting had ended.

He asked for a return to the Geneva Agreement that no foreign Power should intervene in any fashion in "these unfortunate countries." The French proposed that the nations who signed the 1954 accords should be summoned to organize necessary guarantees against foreign intervention.

[The US State Department turned aside President de Gaulle's proposal for a new international conference on South-East Asia. In London, British officials did not appear to be impressed by his renewed call for neutralization of Indo-China; they said that neutralization was no longer practical.]

Chinese Support To Guerrillas:

Addressing a rally in Peking on July 20, the Chinese Premier, Mr. Chou En-lai, pledged his country's support to the guerrilla forces in South Viet-Nam.

The rally marked the climax of a "week of common struggle in support of the Viet-Namese peoples' opposition to US imperialist aggression" which has coincided with the 10th anniversary of the signing of the Geneva Agreements on Indo-China.

A Government statement obliquely threatening to send troops to Indo-China if the Americans extended their war of aggression there took pride of place in Chinese newspapers under the banner headline: "China won't sit idly by while the USA extends the war of aggression in Viet-Nam and Indo-China."

Elaborating the statement in an editorial, the **People's Daily** told the US Government it would do well to bear in mind that "the Chinese Government and people always mean what they say."

Meanwhile, in Saigon the Government on July 20 made another veiled threat to carry the war to the (Communist) North.

A Government statement, marking the 10th anniversary of the Geneva accords declared: "If Red China and Red Viet-Nam...continue their war of aggression, the Government and the entire people of Viet-Nam will step up the war with determination until total victory liberates the whole of our national territory."

In North Viet-Nam **Radio Hanoi** made a special announcement to coincide with the anniversary.

It said: "From 1961, the North Viet-Namese people and their armed forces

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annihilated and put out of action 323,000 enemy troops including 2,281 American aggressors, shot down or damaged 1,363 aircraft, destroyed 1,000 armoured amphibious cars, sank 620 gunboats and motor boats including the 15,000-ton aircraft carrier Card, overturned 55 military trains and captured 35,000 guns of various sizes.

"Besides, they destroyed about 6,500 'strategic hamlets', liberating eight million persons and three-quarters of South Viet-Nam's territory.

"In the same period, political struggles against US imperialists and their henchmen drew large numbers of people totalling some 90 million."

In an interview with **L'Humanite** of Paris on the 10th anniversary of the Geneva Agreement, Dr. Ho Chi-Minh laid the blame for the situation in South-East Asia entirely on the "American policy of aggression."

He said USA had "shamelessly violated" Articles 16 and 17 of the Agreement expressly forbidding the dispatch to Viet-Nam of any re-inforcements of arms and ammunition of any type.

He said: "The aggravation of the situation in Viet-Nam and in Indo-China is precisely due to the fact that during the last 10 years USA has trampled on the Geneva Agreement and followed a policy of intervention and aggression in this part of the world."

He accused USA of burning and destroying hundreds of villages, massacring thousands of people and driving millions into concentration camps in its "pursuit of peace".

He also charged USA with utilizing South Viet-Nam to intervene in Cambodia and Laos.

(*The Times*, London, *The New York Times* and *The Times of India*, Bombay)

[Prev. ref. 5768:RVN:A]

D. Emergency Proclaimed: The Prime Minister, Major-General Nguyen Khanh, declared on August 7 a State of Emergency throughout the country.

He also urged the people of North Viet-Nam to "stand up and overthrow the dictatorial party rule" of their communist Government.

He ordered immediate implementation of a series of stringent measures tightening his Government's control over the population and safeguarding the country against threatened large-scale communist attacks.

The measures included censorship of the Press and all public information media, controls on travel and food distribution, the establishment of regional curfews where dictated by local security requirements, enlarged authority of detention and house arrest, unlimited search rights in private houses, and a ban on strikes and demonstrations or meetings "considered harmful to public order".

The death penalty after an urgent trial before a military court was ordered for persons caught in terrorist activity.

The same day (August 7) the Government announced a curfew in Saigon from 11 p.m. to 4 a.m.

Maj.-Gen. Khanh said his Government had intelligence reports that Chinese troops had been massed along the southern frontier of China and furthermore were "stationed—not infiltrated but stationed—in North Viet-Nam itself."

(*The New York Times*)

[Prev. ref. 5947:RVN:A]

YEMEN

A. Co-ordination Pact With UAR: At a ceremony in Cairo on July 15, a Co-ordination Agreement between Yemen and UAR was signed by President Abdullah Sallal and President G. A. Nasser.

President Nasser said that with the signing of this Agreement there was now common action between the United Arab Republic, Iraq, Algeria and Yemen.

President Sallal described the Agreement as the "signal marking the start of our movement on the road of Arab unity".

The following is the Agreement:

"Having faith in the Arab entity and in order to assert the unity of the Arab nation, springing from the common thought, conscience and destiny shared by the Arabs and to achieve their hope which derives its essence from the facts of history and the reality of the Arab nation's life, the Arab nation, in struggling to realise its great objectives, finds itself constrained to hold on to its unity, in belief and action, and to strive to restore to life on its soil its true image and genuine nature.

"The Arab nation, in its struggle, realises through conviction and experience that the present political disintegration of the Arab homeland, is but a false image which reflects an artificially divided State-barriers imposed by imperialism to accord with its ambitions and to enable it to exploit and dominate the Arab nation.

"It has become clear, genuinely and without doubt, from the pioneering experiment by Arab people in Syria and Egypt, which gave birth to the United Arab Republic, that the hope of the Arab nation in union is not a remote one but a reality, ever present in the life of the Arab nation in all its dimensions and normal elements.

"The forces of imperialism and reaction joined in an alliance against the cherished hope of the entire Arab nation and the forces of evil joined hands with them to plot the crime of secession in order to preserve the artificial conditions in the Arab homeland, as they were imposed for spoliating the rights of the Arabs.

"From the execution of the crime of secession, a moral, rich in lessons, came to light, further illuminating the paths of Arab struggle, revealing their details to the Arab people that they might arm themselves with all manner of protection for their unity as they march on.

"The forces of evil, injustice and imperialism entertained the illusion that the tide of Arab struggle would recede and waste itself away after the secession. But the revolution for liberation, carried out by the Arab people in Yemen against the rule of despotism, exploitation and backwardness, provided conclusive proof of the vitality of the Arabs and the strong sinews of the Arab nation, undeflectable in its persistence in wresting its right to freedom and social justice—that right ordained by God's law and the doctrine of His Prophet. The Yemeni revolution was a major turning point in the Arab struggle.

"The revolution of the Yemeni people broke out despite the severe circumstances around it and the many forms of intense terrorism, to which it was subjected. The Yemeni revolution proved the obstinate will of the Arab people's struggle for the truth of their revolution and their persistent striving to bring about profound change in their life and realise the great aspirations of the Arabs.

"The forces of evil, allied with imperialism, rose to stand against the revolution of Yemen, throwing all their weight in their bid to destroy it and execute a fresh crime against the legal right of the Yemeni people to revolution, freedom and progress. But the road of struggle before the Arab nation had now gained the protection of experience gained from the crime of secession.

"The United Arab Republic, conscious of its responsibilities as the base of Arab struggle for the consolidation of Arab freedom and the protection of the Arab nation's legitimate right against any aggression, hastened to rally to the side of the Yemeni people's revolution since the very moment the forces of aggression revealed their intentions.

"The United Arab Republic extended to the Arab revolution in Yemen all aid and strength, joining with it in the battle for life, rights and freedom, against the armed imperialist-reactionary aggression until victory for the Arab people of Yemen was confirmed.

"The blood of the heroes of the two peoples, the Egyptian and the Yemeni, wrote the articles of true union which will live on immortally, while winning victory for the great Arab struggle and for the Arabs.

"The battles fought together on the soil of Yemen imposed a strong union between the two peoples when the blood of their heroes blended on the fields of their heroic battles against the enemies of the Arab nation. It was there that this profound unity was written before any talks were held for setting up organizations for co-ordinating steps for putting it into constitutional form.

"The two peoples were joined together in a common revolutionary concept for setting up a society where sufficiency and justice prevail, to which the Arab social struggle aspires and strives with God's help and according to the teachings of the islamic faith, in order to give Arab unity a social as well as a political foundation, expressing the Arab peoples' determination to build themselves a new and free future.

"Pursuing these objectives and setting a solid foundation for them and in the name of God and with His help, Abdullah el Sallal, the President of the Arab Republic of Yemen and Gamal Abdul Nasser, the President of the United Arab Republic, have set their hands to the following, on behalf of the peoples of the United Arab Republic and the Arab Republic of Yemen, and their Governments:

"**Article 1:** A joint Co-ordination Council between the United Arab Republic and the Arab Republic of Yemen shall be formed of the President of the UAR, the President of the Arab Republic of Yemen and a number of members.

"**Article 2:** (a) The joint Co-ordination Council shall meet once every three months, and it shall meet in urgent cases with the agreement of the Presidents of the two contracting Republics; (b) The headquarters of the joint Co-ordination Council is the city of Cairo and the Council may be convened in another place with the agreement of the two Presidents.

"**Article 3:** Resolutions of the joint Co-ordination Council are binding and are effective immediately after approval of the Council, except for those resolutions which require the making of a law. The latter shall be put into effect after approval according to the constitutional process in each of the two countries.

"**Article 4:** The joint Co-ordination Council follows the internal regulations which shall be laid down by the Council and will be effective immediately they are approved by the Council.

"**Article 5:** The joint Co-ordination Council is concerned with the following:

(a) The study and implementation of the necessary steps for the establishment of unity between the two countries;

(b) The planning and co-ordination of the policies of the two countries in political, military, economic, social, cultural and information fields;

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(c) The achievement of intellectual unity between the two peoples of UAR and the Arab Republic of Yemen through the two people's organizations in the two countries and by working for the unification of the two organizations in the future.

"Article 6:

(a) Each Government appoints their members on the Council as follows: (1) Three full-time members with ministerial status; (2) Three part-time members from among the members of the Government;

(b) The full-time members will follow up the implementation of the joint Co-ordination Council resolutions, co-ordinate work between the joint committees, and submit studies and recommendations to the joint Co-ordination Council when convened;

(c) The joint Co-ordination Council and the joint committees may invite experts and technicians from the two countries to attend their meetings if necessary.

"Article 7: The following joint organizations shall be formed: (a) Political committee. (b) Military command. (c) Economic committee. (d) Cultural and information committee. (e) Unification of thought committee between the two countries. (f) People's organization committee. (g) Any other committees, the formation of which is found necessary. These committees shall study and prepare the various subjects calculated to realise the object of this Agreement as well as the subjects referred to by the joint Co-ordination Council.

"Article 8:

(a) The joint military command shall be concerned with co-ordinating, arming, training and equipping the Armed Forces of the two countries.

(b) The joint military command shall take the necessary measures to face war. Any attack or threat to attack on any of the two contracting parties shall be considered as directed against the other contracting party.

"Article 9: The Council shall have a general secretariat with its seat in Cairo. It will be administered by a secretary-general with the rank of Minister. Its duties shall be as follows:

(a) To extend invitations for the convocation of the joint Co-ordination Council.

(b) To prepare issues to be discussed by the Council.

(c) To record the minutes of the sittings of the joint Co-ordination Council and the joint organizations and the publication of the decisions after their approval by the constitutional methods adopted in each of the two countries.

(d) To draw up the budget of the Council, the general secretariat and the joint organizations specified in Article 7.

"Article 10:

(a) The budget of the joint Council and joint organizations shall be borne by the two contracting Governments in the proportion of 90 per cent by the United Arab Republic and the remaining 10 per cent by the Arab Republic of Yemen.

(b) Each of the two contracting States shall bear the salaries and compensations in respect of the members and the officials appointed by it in accordance with its own financial regulations.

"Article 11: There is nothing in the provisions of this Agreement to prejudice the rights and obligations incurred or which may be incurred by either country in accordance with the United Nations Charter. Nor is there anything in the foregoing provisions which is prejudicial to the provisions of any Agreement included within the frame-work of the Arab League Charter.

"Article 12: This Agreement shall remain valid until the necessary arrangements for the setting up of unity have been made.

"Article 13: The Agreement shall be considered effective immediately after its ratification by the constitutional process of each of the two countries."

(*The Egyptian Gazette*, Cairo)

[Prev. ref. 5825:YEM:B]

B. Saudi Arabian Plan To End War: Saudi Arabia on July 10 reportedly suggested a plan for a UN Commission to help settle the Yemen civil war.

Diplomatic sources said the Saudi Ambassador, Mr. Jamil M. Baroody, had brought up the idea in talks with the UN Secretary-General, U Thant on the year-old UN-Yemen observation mission, extended for another two months, till September 9.

They said Yemen was cool to the idea and U Thant preferred summit talks between Saudi Arabia and UAR.

The Saudi proposal was that the Security Council should send a commission to Yemen which should mediate between the factions there for a transitional coalition government. Within six months under such a government, UAR troops should withdraw and the commission should question tribal leaders as to what kind of government their people wanted. That kind of government should be set up to replace the transitional administration.

The sources said when this idea was put to the Yemeni delegate, Mr. Yahya H. Geghman, he asked why there should be such as opinion poll in Yemen when there was none in Saudi Arabia.

(*The Times of India*, Bombay)

[Prev. ref. 5599:YEM:A]

C. UN Mission Extended: The UN Secretary-General, U Thant has extended the UN Yemen Observation Mission (UNYOM) from July 4 to September 4, 1964.

This action followed informal talks with members of the Security Council.

The following is a summary of his report to the Council dated July 2:

"No military supplies have been seen crossing the northern border with Saudi Arabia, although small groups of armed royalists have crossed it. It is estimated that the strength of United Arab Republic forces in Yemen has been reduced by 3,000.

"The formation in May of a new Government promised improvement in the political stability and independence of Yemen. That Government has given an assurance that it desires good and peaceful relations with its neighbours. However, its formation has not yet resulted in any accommodation with royalist leaders.

"The military stalemate appears to continue. The implementation of the disengagement agreement is still far from complete, insofar as the United Arab Republic troops are concerned. The Secretary-General is now even more strongly of the view that real progress towards a disengagement and an understanding to co-operate can be hoped for only through high-level talks between Saudi Arabia and the United Arab Republic.

"UNYOM has helped towards removing the threat to international peace and security implicit in the Yemen problem, and towards keeping open the possibilities for a final settlement. The Secretary-General appeals most urgently to the parties concerned to meet at the highest level to achieve full and rapid implementation of the disengagement agreement.

"If in the next two months there is no substantial progress towards fulfilment, or the firm prospect of immediate fulfil-ment, he would have difficulty envisaging a further extension of UNYOM in its present form and with its present terms of reference and purpose."

(*United Nations*)

[Prev. ref. 5877:YEM:C]

D. Recognition By Jordan: Jordan recognized Yemen on July 22. Saudi Arabia remains the only Arab country not to have done so.

King Hussein of Jordan agreed to the proposal of his Government to recognize Yemen in line with Jordan's general policy of maintaining friendly relations with all Arab nations. This recognition accords with Jordan's recognition of the Republican regime in Iraq.

(*Middle East Economic Digest*, London)

[Prev. ref. 5010:YEM:A; 5059:YEM:A]

E. UAR-Yemeni Company To Promote Salt Industry: Dr. Aziz Sidky, UAR Deputy Prime Minister for Industry and Mineral Wealth, and Mr. Abdullah Jazeilan, Yemeni Deputy Prime Minister for Economic Affairs, signed on July 31 in Alexandria an Agreement for the establishment of a UAR-Yemeni Company for the production and marketing of salt.

The capital of the Company will be about £E800,000 (divided into 80,000 shares), 51 per cent to be raised by Yemen and 49 per cent by UAR.

The Chairman of the Board of Directors will be a Yemeni citizen; the Board of Directors will also comprise two UAR members and two Yemeni members. The Company will be under the supervision of the Yemeni Minister of Economy.

After signing the Agreement, Mr. Jazeilan said that the Agreement was one of the sure steps to unity among the Arab States and an assertion of economic independence which was one of the mighty weapons for eliminating imperialism.

He added that the exploitation of Arab resources by Arabs was the only means for avoiding foreign influence.

Dr. Aziz Sidky said that this was the second joint agreement for carrying out projects in the Yemeni Arab Republic financed by UAR and Yemeni capital. "We are thus taking one further step towards co-operation between the UAR and the Yemeni Republic."

He added that the Company will extracted salt from its natural deposits within the boundaries of the Yemeni Republic, market salt and establish a number of industries that depend mainly on salt. The co-operation between the two countries would lead to the realisation of hopes thanks to the guidance of President Abdullah Sallal and President Nasser.

In conclusion, he said that the UAR would place all its potentialities at the disposal of the sister Arab Republic of Yemen, the people of which had for long looked forward to economic development.

It was decided that the head offices of the Company would be established in Hodeida. An office for co-ordinating the activities of the new Company would also be established. This would comprise the Chairman of the Egyptian Mining Organization and the Chairman of the Salt Lakes Company on behalf of UAR, while the Yemeni side would be represented by the Yemeni Deputy Minister of Economy and the Chairman of the Board of Directors of the new Company.

(*The Egyptian Gazette*, Cairo)

[Prev. ref. 5009:YEM:A]

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ASIA OUTSIDE ASIA

A. Trade Deficit Of Developing Countries—FAO Study: Trade deficit of developing countries is likely to widen further if agricultural targets are not fulfilled, according to a study by the Food and Agriculture Organization (FAO).

The study points out that trade deficit of developing countries had already increased five-fold between 1953-55 and 1959-61. These deficits, however, did not create any balance of payments problems for these countries because it was offset by a corresponding increase in concessional imports.

Mr. B. R. Sen, Director-General says in an introduction to the study that no single measure can bring about adequate rise in foreign exchange earnings from agricultural exports.

The study suggests a number of measures to increase exports by developing countries. These include:

(1) Removal of trade barriers in non-competing commodities.

(2) More liberal import policies for competing commodities, sugar in particular.

(3) Expansion of processing industries in developing countries through reduction of trade barriers in developed countries and regional arrangement between developing countries.

(4) A more rapid rise in imports from centrally planned countries.

The study describes the task ahead as "formidable", requiring close international co-operation between developing and developed countries and within these two groups.

It stresses that through concerted measures net agricultural exports from developing countries to the rest of the world might rise by about 4 per cent a year.

Since it can be expected that progress could also be made in the non-agricultural sector, total export earnings of the developing countries might increase by about 5 per cent a year.

As regards prices of agricultural commodities, the study says that in order to maintain or increase the level of world prices, production might be regulated through a system of export quotas to be determined preferably in co-operation with importing countries. This has been done in the case of coffee and sugar.

The study suggested that such commodity agreements might make provision for an international fund to be used for diversification in producing countries. Such a fund will resemble the national funds created in some industrialized countries to finance structural adjustments in farming. The fund can also be used to counteract short-term fluctuations, including possibly the establishment of buffer stocks, promotion campaigns and marketing improvements, statistical surveys, economic studies and eventually also surplus disposal programmes.

(*United Nations*)

[Prev. ref. 5770:AOA:I]

B. One-Man State Proclaimed: A New York despatch on July 8 said that a new State had been proclaimed by its founder-President, Mr. Leicester Hemingway (59), younger brother of the late novelist, Mr. Ernest Hemingway.

The State is New Atlantis and its biggest distinction lies in the fact it is the smallest country ever founded. Its population is 1, area 8 square yards, and altitude three inches above sea level when the sea is calm.

Mr. Hemingway built the new Republic on what used to be a submerged sandbar 6½ miles off the south-west coast of Jamaica, British West Indies. He built it with borrowed rocks and soil (the place cannot be disclosed because it is a New Atlantis State secret) and about $50,000 for transporting the materials from the place (which cannot be disclosed because it is a New Atlantis State secret).

Mr. Hemingway said he had issued a Declaration of Independence, drawn up a Constitution and notified the UN Secretary-General, U Thant, and President Johnson. He hastened to assure them that "we are a peace-loving nation."

(*The Times of India*, New Delhi)

C. West Berlin Film Festival: The Indian film director, Satyajit Ray, won the best-director prize for his film *Mahanagar* at the West Berlin Film Festival which ended on July 7.

In Mahanagar, Ray, who produced the world-famous **Apu** trilogy, pleads for the emancipation of women by work.

Most of the top awards of the Festival were carried away by Near and Far East countries.

The grand prize was awarded to the Turkish film **Susuz Yaz** (summer without water) which has a story of life in an Anatolian village, and was privately entered in the competition at the invitation of the Festival against Government advice.

The best actress award went to Sachiko Hidari, star of the Japanese film, **Nippon Konchuki** (the woman insect), and the best actor award went to Hollywood's Rod Steiger for his performance in **The Pawn Brokers.**

Another surprise was the jury's award of a special prize, also a Silver Bear, to Brazilian Director Ruy Guerra. It was given for "the originality and intensity of his talents," in being both author and director of **The Rifle.**

Bert Haanstra, of Holland, took three prizes—a first prize, the Youth Prize and the International Cinema Critics' Award.

Max Lersch, Austrian co-author and director of **Kirdi**, about an isolated and primitive African tribe, won the award for the best short film.

(*The Times of India*, Bombay)

[Prev. ref. 5348:JAP:A]

D. Sanskrit Manuscript Found In Turkmenia: An ancient Sanskrit manuscript, in three parts, has been found in a decorated vase excavated at the site of an ancient town, Oldmerv, in Turkmenia, by a Moscow archaeologist, Mr. G. Koshelenko.

The manuscript, consisting of palm leaves, had remained hidden in the vase for more than 15 centuries. It has been handed over to experts for restoration and deciphering. Soviet orientologists are awaiting the results of the work of these experts, for the manuscript may well throw new light on the wide cultural links which existed in the ancient past between India and Central Asia.

The vase itself, belonging to the fourth or fifth century AD, is considered unique by archaeological experts. It is the first piece of painted pottery which has been found in this area. It is adorned with a beautiful painting depicting banqueting and hunting scenes. The colours of the painting are still vivid.

Oldmerv was located on one of the main highways of Central Asia.

(*Tass*)

[Prev. ref. 5624:AOA:J]

E. Russian Monograph On Dravidian Languages: A Moscow despatch on June 5 said that a monograph on the Dravidian languages by a leading Soviet philologist, Mr. M. Andropov, had appeared in Moscow bookstalls a few days earlier.

The monograph deals with 20 languages and dialects of the Dravidian group, including those which have as yet no script. No work in this sphere, whether in India or abroad, covers such a large number of languages. It deals also with the influence of foreign languages, such as the Turkic and the Ural-Altai languages of USSR, and on the formation and development of vocabulary of the Dravidian languages.

The book will soon be translated into English so as to make it accessible to Indian and other foreign experts in the field.

The author of the book visited India and stayed there for a year to collect the material for the book as well as another projected book. The latter—**Spoken Tamil and its Dialects**—was published earlier. It deals with one of the most interesting and least explored sections of Tamil linguistics. It is the first attempt of its kind to map out the general foundations of Tamil dialectology and to establish a clear line of demarcation between the modern spoken language and the obsolete written one.

(*Tass*)

[Prev. ref. 5624:AOA:J]

F. Chemical Structure Of Trypsin Enzyme: A New York despatch on July 26 said that after five years' work, scientists have determined the exact chemical structure of trypsin, an enzyme that breaks down proteins in the food you eat so that the proteins become available for nourishment.

The human body has hundreds of enzymes, each engaged in marking some particular chemical reaction take place. The trypsin research provides a springboard for studying how enzymes perform their amazing duties.

Determination of the structure was achieved by Dr. Hans Neurath, Dr. Kenneth A. Walsh, Dorothy L. Kauffman and Dr. K. S. V. Sampath Kumar of the University of Washington in Seattle.

Trypsin is produced in the pancreas enzymes, containing a total of 223 amino acids (the "bricks" of proteins), arranged in a long chain, and in a precise sequence of just 20 of the amino acids. This sequence is the "sentence".

Trypsin is produced in the pancreas gland in an inactive form called trypsinogen. It is converted in the intestine to the active form, or trypsin by action of another enzyme which breaks off one-fortieth of the larger trypsinogen molecule.

The scientists worked out the exact sequence of the 229 amino acid residues in trypsinogen, and gained insight into how the enzyme is produced in the necessary shape or configuration to become active.

(*The New York Times*)

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INDIA

SUMMARY: Independence Day Celebrations; Concessions To Displaced Persons; Economic Co-operation With Italy; Total US Assistance; Army Appointments.

A. Independence Day Celebrations: The first Independence Day without the late Prime Minister, Mr. Nehru for 17 years was celebrated throughout the country on August 15.

In his first Independence Day address at Red Fort in New Delhi, the Prime Minister, Mr. Lal Bahadur Shastri expressed the hope that his forthcoming talks with President Ayub Khan of Pakistan would create a cordial atmosphere conducive to the solution of Indo-Pakistan problems.

He hailed President Ayub's desire for unity and collaboration and warmly reciprocated his sentiments. "India is all for a united approach. Continued wrangles and border clashes are bad for both. Movement of refugees across the borders does credit to none. It is imperative that we find a way out," he said.

In his 25-minute summing-up of the state of the nation, he assured quick and firm decisions. Both in the national sphere and the external field—food crisis and relations with immediate neighbours—he seemed keenly aware of the need for prompt decisions. "Our future is bright and success assured."

He re-affirmed India's goodwill for Burma, Ceylon, Nepal and Afghanistan. Happy at the visit to New Delhi of the Ceylon Premier, Mrs. Sirimavo Bandaranaike in October and the Foreign Minister, Sardar Swaran Singh's scheduled trip to Burma, he was sure that the issue of settlers of Indian origin would be settled satisfactorily.

As regards China, he reminded the people that the direction of the Peking aggression remained unchanged and "so does our mood." India, he stressed, was prepared to have talks, consistent with its dignity and respect, but will not be browbeaten by force. He affirmed: "Bayonets and atom bombs cannot bend us. We are strong enough to meet any danger."

On foreign policy, generally, he pledged himself to adhere to the Nehru way—non-alignment, co-existence, disarmament and opposition to racial policies. "We will resist racial discrimination, whether in South Africa or elsewhere. Similarly, we want the Portuguese colonies to go."

As was natural, the food difficulties and the high prices seemed to preoccupy Mr. Shastri's mind. He pleaded with the countrymen to limit consumption of foodgrains and avoid all extravagance by doing away with lavish dinners and lunches. As a symbolic gesture, "Ministers will not accept invitations to formal parties. It will not mean much by itself, but help mould the nation's thinking."

The food situation—tight, a month ago, in Uttar Pradesh, Bihar, West Bengal, Maharashtra, Gujerat and parts of Rajasthan—had eased somewhat now. The Centre had rushed imported stocks and arranged for supplies from surplus States like Punjab, Madhya Pradesh and Andhra. "Not that we are out of the woods, but the improvement is perceptible," he remarked and hoped to overcome the difficulty completely in a month or two.

He wanted the affluent to share the sufferings of the less fortunate. The situation called for courage. The Government drive to step up farm output—through good seeds, manure, loans and fair price for the producer—needed to be supplemented by the Gandhian technique of inspiring the villager.

His worry over the high rates for the common man's necessities led him to suggest a price display system by traders, with strict enforcement by the Government. He promised firm steps, keeping the goal of socialist order in view.

He spoke of the economic forces at work currently. In the three Plans, for instance, the investments will total Rs. 30,000 crores and if the production does not rise proportionately, it will inevitably result in inflation.

Conceding the right of the Opposition to criticise the Government, he pointed out that the Emergency called for national unity and mentioned food as an issue for all-party co-operation.

He also warned the people against quarrels on language, caste and communal issues, saying: "Our stock in the world will be high only if we are strong and united."

Dr. S. Radhakrishnan's Broadcast:

Broadcasting to the nation on the eve of Independence Day, the President, Dr. S. Radhakrishnan asked all parties to work together to tackle the food and price situation and to put down any expression of violence. "Democracy and lawlessness are inconsistent with each other".

He devoted a major part of his message to the internal situation, which he said should be faced with "concerted action".

Dr. Radhakrishnan, who began his broadcast with a moving reference to Mr. Nehru, said that the country still had with it the problem of "the hungry, the neglected, the poor and the downtrodden." He thought that all measures to bring about greater equality should be taken.

The other main problem facing the country was that of national integration. There was a basic unity in the country—as demonstrated during the Chinese attack and when Mr. Nehru died—and he hoped that members of all communities would seek areas of agreement and co-operation and not of discord and dissension.

He spoke of the expectation that normal conditions would be restored in Nagaland and hoped that the present attempts at settlement would succeed.

On foreign affairs, he welcomed the progress towards disarmament, but felt that there was need for the establishment of concepts and institutions that would adjust the minds of people to a world without arms.

He said that India's relations with her neighbours, particularly with Pakistan and China, were not very satisfactory. He said that "we shall not relax our effort until these differences are settled with honour and dignity."

He also made a reference to the "harsh treatment" meted out to the people of Indian origin in the neighbouring countries and said: "Their contributions are forgotten. I hope that these irritations will be removed in the near future".

Mr. Y. B. Chavan's Message To Armed Forces:

In an Independence Day message, the Defence Minister, Mr. Y. B. Chavan, called upon the armed forces to honour the sacred memory of Mr. Nehru "by each one of us discharging his duty in the manner Jawaharlal Nehru would have liked us to do."

He said that the past year had witnessed substantial progress in the defence preparedness against "the ever-present external dangers." In view of the developments on India's borders with China and Pakistan, the Government had come to the conclusion that the defence preparedness must in future be regarded as a long-term responsibility.

He said that "in the not too distant future" India would be able to launch a programme of construction of destroyers and frigates for the Navy.

The following is the text of the message:

"Today we are celebrating the 17th anniversary of our independence. On this happy occasion, I extend to all ranks of our armed forces my hearty greetings and good wishes.

"Our happiness on this auspicious day is overcast with sadness within our hearts. For the last 16 years, on this day, we have seen and heard our leader, Jawaharlal Nehru, standing majestically on the ramparts of Red Fort and giving us messages of faith and hope. Today he is no more with us.

"In the armed forces, we feel this absence all the more because Jawaharlal Nehru used to take deep interest in the functioning of the armed forces and the welfare of the men and others. He was a great inspiration to us.

"Although he is no longer physically present today, his memory will remain with us reminding us of our duty to the nation and its people. We can all honour his sacred memory best by each one of us discharging his duty in the manner Jawaharlal Nehru would have liked us to do.

"Since I spoke to you last year on Independence Day, there has been substantial progress along the road to our defence preparedness against the ever-present external dangers.

"Our programme of recruitment of men and officers is almost complete. The training and modernization of our Army and its equipment are progressing satisfactorily. Similarly, in the Air Force, the programme of training and modernization is going ahead. An event of some importance which occurred during the year was the handing over earlier this year to the Indian Air Force of the first two Marut supersonic fighters. These aircraft have been designed, developed and manufactured at the Hindustan Aircraft Factory at Bangalore.

"We are continuing efforts to replace some of the over-aged ships of the Indian

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Navy by more modern ships and I hope that in the not too distant future we shall be able to launch the programme of construction of destroyers and frigates in our country.

"The year that has passed has been of concern to us. We have felt concerned at the growing evidence of collusion between China and Pakistan. China has continued to consolidate her positions on the northern borders. Pakistan has been continuing to keep tension alive on the cease-fire line and the international border in Jammu and Kashmir.

"Taking these developments into account, we came to the conclusion that our defence preparedness must in future be regarded as a long-term responsibility. Towards this end, we have drawn up a five-year defence plan. The plan in essence is for strengthening and modernizing our Army and our Air Force and establishing an adequate defence production base in the country. With such assistance as is made available to us by other friendly countries, we have to ensure that our defence plan is implemented with vigour.

"During the past year I have had several opportunities of personally meeting many of you. Your discipline and high morale have been my source of strength.

"Many of you are stationed in high mountains on our northern borders. Many are working on the roads and lines of communication in difficult terrain and hazardous conditions. I would like particularly to convey to you the nation's gratitude and good wishes. I wish you all good luck."

(*The Statesman* and *The Times of India*, New Delhi)

[Prev. ref. 5405:INI:G]

B. Afro-Asian Conference At Bandung—USSR Not To Press Claim To Seat: The Government of India has been informed of the Soviet Government's decision not to press its claim to a seat at the Bandung-type Afro-Asian Conference to be held in March.

It was India which had first proposed at the recent preparatory ministerial meeting at Djakarta that the Soviet Union should be invited to the Second Afro-Asian Conference.

Ceylon and some Afro-Asian countries had strongly supported the Indian proposal which had pointed out that geographical and other factors entitled the Soviet Union to a seat at the Conference.

China had vehemently opposed the Indian proposal at Djakarta. Pakistan had also questioned the validity of geographical reason for admitting the Soviet Union to the Afro-Asian Conference.

Observers think that the Soviet decision stems from her anxiety not to give a handle to China to disrupt Afro-Asian unity.

According to these observers, the decision of the Soviet Union does not mean that the question of her admission to the Afro-Asian Conference will not be raised at the appropriate time.

The Djakarta meeting had left it to the Summit Conference itself to decide the question.

(*The Times of India*, New Delhi)

[Prev. ref. 5838:IND:A]

C. Concessions To Displaced Persons From East Pakistan: The Government announced on August 14 certain age and fee concessions to displaced persons from East Pakistan who migrated to India on or after January 1, 1964.

The concessions seek to mitigate the hardship of the displaced persons in the matter of their employment in services or posts under the Central Government. To qualify for the concessions a candidate will have to produce a certificate that he had migrated after the due date. The certificate should be from the camp commandant of the transit centres of Dandakaranya Project or the relief camps in various States or the district magistrate of the area where a candidate might be residing for the time being.

So far as the fee concession is concerned, the Union Public Service Commission has been authorized to remit fees where they are satisfied that the applicant is a bona fide displaced person and is not in a position to pay the prescribed fees. This is regarding the posts advertised by the Commission or for admission to competitive examinations conducted by it.

It has also been decided to allow a relaxation of age-limit up to three years in excess of the normal upper age-limit and the maximum age-limit for entry into Government service as well as for permanent absorption is relaxed up to 45 years.

For persons belonging to scheduled castes or scheduled tribes these age-limits have been further relaxed by five years both in the case of gazetted and non-gazetted posts in the Central Services as well as All-India services.

These concessions will remain in force for three years up to the end of December, 1967 and will apply only to future recruitments.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5713:INI:B]

D. Economic Co-operation With Italy: The Minister for Petroleum and Chemicals, Mr. Humayun Kabir, said in Rome on August 12 that Italy had agreed to extend beyond June, 1965 her credit of $100 million to India.

Mr. Kabir had discussed the question of extension of this credit and greater economic co-operation between Italy and India with the Italian Minister for Finance, Mr. Colombo, the Minister for Foreign Trade, Mr. Mattarella and the Minister for State Participation, Mr. Bo, during his five-day stay in Italy. He also had discussions with the State-owned ENI authorities.

The ENI had been co-operating with the Oil and Natural Gas Commission and had extended a credit of $100 million to India. So far only $45 million had been utilized and the extension of the credit would enable India to use the balance.

Mr. Kabir said that he had impressed on the Italian authorities that the ENI should help India to develop her oil, petro-chemical and fertilizer industries by equity participation in new ventures. Hitherto, Italian help to India had been in the form of supply of equipment and services only.

He said that Mr. Mattarella, who was formerly Minister for Agriculture, had showed keen interest in the development of India's agriculture. Mr. Mattarella told him that his country had earlier fixed 10 to 15 acres as an economic unit but from experience they found that it was not economical and were now encouraging farms of 30 acres and more.

(*The Times of India*, Bombay)

[Prev. ref. 5885:INI:E]

E. Lease Of Aksaichin To China —Mr. J. P. Narayan's Proposal: Mr. Jaya Prakash Narayan, the Sarvodaya leader suggested on August 16 the lease of Aksaichin to China as a possible solution to the Sino-Indian border dispute.

Addressing a public meeting in Ahmedabad, he said that this should be discussed at a round-table conference between India and China and the initiative for such a conference should be expected not from China but from the Colombo Powers.

He said China's occupation of Tibet had made that country a neighbour of India for the first time in history and the two countries could solve their differences only through mutual understanding and adjustment.

He was certain that China was not much interested in N-EFA and its claim to this territory was purely a bargaining counter to its claim to Aksaichin.

He said it was true the geographical and other evidences supported India's claim to Aksaichin. But China had made it abundantly clear it was not prepared to go by the evidences India was able to produce.

China, he said, would lose nothing by the continuance of the present deadlock, for it was already possessing more than it required. But the deadlock was not in India's interest. India could not seek any military solution to this border dispute because China still possessed logistic advantages besides immense military superiority.

He said he could not agree with the view expressed by the Prime Minister, Mr. Lal Bahadur Shastri in his Independence Day speech that India's attitude to China would not change so long as China did not change its attitude to India. China would not change its attitude because it had no need to do so. But India would have to come to terms with China if she was to solve her most pressing problem—the problem of mass poverty.

He asid it was for India to show good-neighbourliness by recognizing China's need for Aksaichin to administer the Sinkiang Province. India had already indicated its willingness to lease the area for civil purposes and must now consider whether it would not be possible to lease Aksaichin for other purposes if such a move would lead to a solution of the border dispute.

The Colombo Powers had already sounded India on the possibility of a demilitarized zone in N-EFA and Ladakh. They must now ascertain the views of China on different possible solutions and try to bring the two countries to the conference table.

(*The Times of India*, Bombay)

[Prev. ref. 5989:INI:A]

F. Total US Assistance For Economic Development: India has so far received Rs. 2,602.5 crores of assistance from USA for economic development.

Of this, assistance totalling Rs. 648.8 crores has been in the form of grants, Rs. 829.4 crores as loans repayable in dollars and Rs. 1,124.3 on local currency repayment basis.

Thus, only 32 per cent of total American aid to India involves repayment in foreign exchange. The bulk of this amount bears very low rates of interest and is repayable over a period of 40 years.

Nearly 25 per cent of total US aid is in the form of grants. The loans repayable in rupees constitute 43 per cent of the total. The repayments not only save foreign exchange but also do not entail export of goods from the country.

Out of the total assistance of Rs. 2,602.5 crores committed so far, aid from the Technical Co-operation Mission has amounted to Rs. 250.3 crores. Development loans (repayable in dollars) from the US Agency for International Development have totalled Rs. 558.5 crores.

The Development Loan Fund has extended credits to the extent of Rs. 243 crores, repayable in rupees.

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Grants and loans under PL 480 programmes have amounted to Rs. 1,277.2 crores. This is exclusive of the wheat loan of 1951 amounting to Rs. 90.3 crores, repayable in dollars, and Rs. 2.6 crores of non-repayable emergency food and famine relief grants.

The Export-Import Bank has given Rs. 180.6 crores of loans repayable in dollars.

Since the beginning of the current financial year, there have been seven loans from the AID and two from the Export-Import Bank, totalling Rs. 64.8 crores. The largest among these loans, amounting to $50 million, is intended for maintenance imports.

(*The Statesman*, New Delhi)

[Prev. ref. 5990:INI:F]

G. **New Malaysian And Nigerian Envoys:** Mr. Zaiton Ibrahim has been appointed the next Malaysian High Commissioner to India.

Mr. Ibrahim (43) was a former Ambassador of Malaysia to the Philippines. Since 1963 he had been on special duty in the Malaysian Ministry of External Affairs.

Mr. Adedokun Haastrup, an official in the Nigerian Ministry of External Affairs, has been named Nigerian High Commissioner to India.

Mr. Haastrup (43) has been in Government service for 10 years and had been a member of Nigerian delegations at several international conferences.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5462:INI:J]

H. **Army Appointments:** A few top Army appointments were officially announced in New Delhi on August 14.

Lt.-Gen. P. P. Kumaramangalam, GOC-in-C, Eastern Command, will take over on November 16 as the Deputy Chief of Army Staff, in place of Lt.-Gen. M. S. Wadalia, who will be retiring from service.

Lt.-Gen. S. H. F. J. Manekshaw, GOC-in-C, Western Command, will take over by November 12, as the GOC-in-C., Eastern Command.

Lt.-Gen. Harbaksh Singh, at present Corps Commander, will take over by November 10 as GOC-in-C., Western Command.

Maj.-Gen. G. G. Bewoor, Director, Military Training, Army Headquarters, will take over on November 6 as Corps Commander, with the acting rank of Lt.-General.

Lt.-Gen. Moti Sagar, Chief of the General Staff, has been approved for appointment as GOC-in-C., Southern Command, in place of Lt.-Gen. L. P. Sen, who will be retiring from service.

(*The Times of India*, New Delhi)

[Prev. ref. 5189:INI:O]

I. **Air Force Appointments:** Air Vice-Marshal P. C. Lal, AOC-in-C, Western Air Command, has been appointed Vice-Chief of the Air Staff.

Air Vice-Marshal P. Rajaram, who has been holding the post of the Deputy Chief of the Air Staff at Air Headquarters, will take over as Air Officer Commanding-in-Chief, Western Air Command, in place of Air Vice-Marshal Lal.

Air Vice-Marshal M. M. Engineer, AOC-in-C, Eastern Air Command, has been appointed Deputy Chief of the Air Staff.

Air Vice-Marshal Y. V. Malse will relinquish his post on the senior directing staff of the National Defence College and assume charge as AOC-in-C, Eastern Air Command.

The vacancy on the senior directing staff of the National Defence College will be filled by Air Vice-Marshal K. L. Sondhi.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5858:INI:C]

J. **New Deputy Commander Of Bhutanese Army:** Brig. Thangpi has been appointed Deputy Commander-in-Chief of the Bhutanese Army.

He succeeded Brig. Namgyal Bahadur, who was executed on May 17 for complicity in the assassination of the late Prime Minister, Mr. Jigme Dorji.

(*The Statesman*, Calcutta)

[Prev. ref. 5953:INI:F]

K. **Increase In Wages For Bank Employees:** An agreement between the bankers and their employees' representatives signed in New Delhi on August 18 provided for an *ad hoc* increase of 6 per cent of basic wage for the clerical staff and 8 per cent for the subordinate staff.

This increase, mainly to correct "certain faults" in the index numbers, was given effect to by banks from August 1. This benefit—up to a maximum of about Rs. 8.40 for an individual—will be in addition to whatever a bank employee may be getting under the Desai Award. This will cost the bankers Rs. 1.20 crores more in the wage bill.

It was also agreed to abolish the Class IV area in respect of Class 'A' banks in September this year as has been done in case of the State Bank.

The agreement, according to the Chief Labour Commissioner, Mr. Teja Singh Sahni, who had intervened in the dispute, has been based on an assurance by the employees' representatives that there will be complete normalcy in the working of banks.

Other outstanding points of dispute, such as the abolition of Class IV areas in respect of other classes of banks, the quantum of gratuity and provident fund and the general question of revision of wages will be taken up by a tripartite sub-committee which met in Bombay on August 28.

Till the last stage of their discussions, representatives of the two employees organizations—All-India Bank Employees' Association and All-India Bank Employees' Federation—refused to sit together at the tripartite talks.

After the conclusion of the agreement, representatives of both the organizations explained that the signing of the agreement did not mean that they were giving up their original demands.

(*The Statesman*, New Delhi)

[Prev. ref. 3325:INI:G]

L. **Distribution Of Land To Agricultural Workers:** According to the latest official figures available in New Delhi on August 13, 83,00,000 acres of land had been distributed to landless agricultural workers during 12 years of planned development ending 1962-63.

Of these, 13,00,000 acres were distributed in the first two years of the current Plan. Schemes of resettlement of agricultural labour on distributed lands are, however, reported to have made slow progress. Recently, patterns of assistance for resettlement and colonization have been liberalized.

The Central Advisory Committee on Agricultural Labour headed by Mr. Shriman Narayan, member of the Planning Commission, met in New Delhi on August 17 to review the progress of these schemes and to frame proposals for the Fourth Plan period.

In view of the difficulties encountered in speedy execution of resettlement schemes, a modest target of bringing 15,00,000 acres under colonization and resettlement programmes during the Fourth Plan period is envisaged. About 214,000 agricultural labour families are likely to be benefited by these programmes.

The tentative target of 15,00,000 acres—10,00,000 acres under colonization and 5,00,000 acres in smaller blocks—does not include land declared surplus for distribution after fixation of ceilings in various States. Another 10,00,000 acres are expected to be covered under the latter category.

The total outlay for settlement in land in the Fourth Plan is estimated at Rs. 50 crores by a working group on the basis of an average cost of colonization at Rs. 3,000 per family and of settlement on other lands at Rs. 1,000 per family.

The Central Committee for Agricultural Labour, which keeps a constant watch over the implementation of settlement schemes, had noted at its last meeting that the progress of the Rs. 7-crore Centrally-sponsored scheme for settlement of landless agricultural labour had made slow progress.

The Government of India, accepting the Committee's recommendations, has recently raised the provision for initial working expenses per family from Rs. 500 to Rs. 750, the provision for land reclamation from Rs. 150 to Rs. 300 per acre and the ceiling for colonization schemes from Rs. 4,000 to Rs. 5,000 per family. The State Governments have been asked to submit proposals on the basis of the revised pattern of assistance to expedite the settlement operations.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5837:INI:S]

M. **Second Wage Board For Textile Industry:** The Government has appointed a second wage board for the textile industry to consider further revision of the wage structure.

Mr. K. Bhimasankaram, retired judge of the Andhra Pradesh High Court, is the chairman of the board which has six members—two representing employers and workers each and two independent members. The board will have its headquarters at Hyderabad.

The employers' representatives are Mr. D. C. Kothari and Mr. Surottam P. Hutheesing.

The employees' representatives are Mr. G. Ramanujam and Mr. A. N. Buch.

The two independent members are Mr. Tulsidas Jadhav, MP, and Prof. M. B. Desai.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 3215:INI:K]

N. **Cease-fire In Nagaland:** The Naga rebels were reported to have agreed to a cease-fire from midnight of September 5-6.

Rev. Michael Scott obtained the rebels' acceptance of all the terms and timing of the cease-fire at a meeting with their representatives on August 17.

Rev. Scott, who was accompanied by two other church leaders, Rev. H. K. Lungalong and Rev. Shihoto Suetho, returned to Kohima on August 18 and informed the Nagaland Government of the outcome of his meeting with the rebels' representatives.

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In a statement issued in Kohima, Rev. Scott said: "A meeting was held near Yareba yesterday with representatives deputed by the Naga leaders (underground) to negotiate the terms of a cease-fire. They signified their acceptance of the terms communicated to them by the peace mission and the date from which the cease-fire will begin, namely, the midnight of September 5-6, 1964.

"The representatives were Mr. Zashei Huire, Mr. Biseto Medon and Mr. L. Z. Zhenito."

Yareba, the historic rendezvous, is in the Chakhesang area, about 40 miles from Kohima.

Immediately on his return, Rev. Scott called on the Nagaland Chief Minister, Mr. Shilu Ao, and the Chief Secretary to the Government and informed them that the underground leaders had accepted and endorsed the Government's cease-fire proposal and had agreed to end all hostilities at the same time as proposed by the Government.

The underground leaders have given the assurance that they would ensure scrupulous adherence to the truce agreement by all their units.

According to the peace mission headquarters, steps for a preliminary peace conference, with the Government of India team and the underground leaders participating, will be initiated soon and the conference itself is expected to get on to a start soon after the cease-fire comes into force.

A letter written to the peace mission by the Governor of Nagaland on August 14 outlining the terms and conditions of the cease-fire agreement was released on August 18.

The letter gave details pertaining to the guarding of the international frontiers, patrolling of the highways and the movement of both the security forces and the armed units of the underground, as part of the cease-fire agreement.

Peace prospects brought great relief to Kohima town. Most parts of the State with a population of 400,000 had been under curfew from sunset to sunrise for about a decade. The only cinema house in Kohima would have only matinee shows.

The Nagaland authorities have proposed that a day of thanksgiving should be observed to mark the cease-fire agreement. The day was expected to synchronize with the coming into operation of the cease-fire.

(*The Statesman*, Calcutta)

[Prev. ref. 5836: INI:Q]

O. Jammu And Kashmir National Conference Convention: Nearly 3,000 delegates from different parts of Kashmir met in Srinagar on August 12 for a two-day Convention of the National Conference to re-organize the ruling party and to discuss in detail the political situation in the State.

Addressing the Convention, the acting President of the Conference, Mr. G. M. Sadiq, said that the programme and principles of the National Conference were correct, but they should be backed by the right type of action.

Emphasizing the need to purge the ruling party of opportunists and self-seekers, he said that in future a worker would be judged by his actions "so that our organization goes ahead with force as it did in the past".

He said the National Conference workers should be politically mature and clear in their convictions to carry movements forward.

He said Kashmir's freedom movement had joined the mainstream of the Indian freedom movement as early as 1937 and the accession of the State to the Indian Union in 1947 was only the fulfilment of certain constitutional formalities. "Kashmir's relationship with India is as firm as the mountains around us," he declared amidst cheers.

He welcomed efforts to bring about Indo-Pakistan amity. He, however, said that there was no Kashmir dispute. "Kashmir has its own place in the Indian Union and none can change it."

He wished free intercourse and free trade between India and Pakistan. This, he said, would remove tension between the two countries and the resultant benefits would also extend to Kashmir as part of India.

Tracing the history of Kashmir's freedom movement since 1931, he reminded delegates of the support lent to it by progressive forces in India. On the contrary, the Muslim League had openly opposed "our movement" and Mr. Jinnah described the National Conference as a party of goondas. It was Pakistan that unleashed "unprovoked aggression against us" in 1947.

Earlier addressing the Convention, Syed Mir Qasim, General Secretary of the National Conference, said that past mistakes had to be rectified and individual interests surrendered for the good of the State.

Reform Programme Approved:

The Convention approved on August 13 a nine-point programme drawn up by a sub-committee for revitalizing the National Conference.

It also approved the Conference Working Committee's recent resolution empowering Mr. Sadiq to make the necessary changes in the organization.

The report by the sub-committee appointed by the National Conference Working Committee to consider and recommend measures to re-orientate and revitalize the ruling party said the sub-committee noted with concern that the National Conference had in the recent past strayed at times from its appointed path and was stultified by the growth of certain selfish elements that invariably clashed with the larger interests of the people.

The report said the people of the State had always demonstrated respect for the traditions of secularism and tolerance.

The two-day Convention ended on August 13 after expressing full confidence in the leadership of Mr. G. M Sadiq who was authorised to take steps to re-constitute party units all over the Valley.

The General Secretary, Mir Qasim said Kashmir was proud of being part of the secular, democratic, socialist Republic of India. Kashmiris also believed in similar ideals.

Mr. Sadiq in his concluding remarks, expressed satisfaction that the image of the National Conference as a revolutionary party had been restored.

(*The Statesman* and *The Hindustan Times*, New Delhi)

[Prev. ref. 3725: INI:G]

P. Jan Sangh General Council Meeting—Aims And Principles: The meeting of the Jan Sangh General Council in Gwalior on August 17 formulated an important document which defines, for the first time, what the principles and aims of the party are.

The 42-page document, entitled "Principles and Policies," has been written by its general secretary, Mr. Deen Dayal Upadhyaya, and is considered by Jan Sangh members to be of the utmost importance.

In a sense, the document seeks to provide the philosophical basis for the existence of the party. It is still incomplete and so far is available only in Hindi (probably the reason why it has not received publicity).

After it has been discussed by the district and State units of the party, which have been asked to suggest amendments to it, the document will be examined by the Working Committee towards the end of November.

It will then be adopted as the Jan Sangh's platform by the General Council at Vijayawada on January 23. A party spokesman said: "Whatever the people may think of it, we shall stand by it".

The document seeks to make what it calls "Bharatiya sanskrit aur maryada" (Indian culture and tradition) the raison d'etre and philosophical basis of the Jan Sangh; all the political, social, and economic policies that it seeks to propagate stem from this.

The aim of the party is thus to rebuild "Bharat" on the basis of Indian culture and tradition (the word Hindu in place of Indian, is pointedly avoided) "as a political, social and economic democracy granting equality of opportunity and liberty of the individual so as to make Bharat a prosperous, powerful and united nation which is progressive, modern and enlightened and able to withstand the aggressive designs of others and to pull her weight in the councils of nations for the establishment of world peace".

This forms the basis of the Jan Sangh policies on the issues of today. Most of these are already known; the document merely spells them out in detail and in a comprehensive form.

On the question of minorities, the Jan Sangh does not recognize their existence on the basis of religion. It wants the abolition of the States and the State Legislatures and their replacement by "Jan Paths" (large districts) with no legislative functions, which would be reserved for the Central Parliament.

It is in favour of the immediate replacement of English by Hindi and the regional languages and the compulsory teaching of Sanskrit.

On economic policies, it lays down a series of priorities headed by defence preparations and seeking full employment, providing the needs of a family (not individuals), reducing inequalities, aiming at self-sufficiency in capital and consumer goods and increasing agricultural production (in that order).

The section on foreign policy is yet to be added, but is expected to call for the "re-unification of India" (that is, undoing of the Partition of the subcontinent) and containment of China by closer co-operation (as distinct from an alliance) between Asian countries.

The General Council meeting also defined its attitude towards the other parties.

By deciding not to enter into permanent alliance with any other party or merge with it, the General Council ruled out any formal permanent association of the Jan Sangh with the Swatantra Party, a proposal which had been made about six months ago.

But the Jan Sangh has not ruled out "electoral adjustments" with other parties, nor co-operation with them on specific issues. The only exceptions will be the Communists and the Muslim League.

Thus, on such issues as food and prices, the Jan Sangh may still "co-operate" with other parties and enter into electoral arrangements with them to their mutual advantage.

A peculiar result is that the Jan Sangh expects greater "co-operation" with even

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the Congress. At the General Council meeting, it was learnt that the Jan Sangh leaders made it clear that they believed the post-Nehru era would lead to greater identity of views between the two parties, particularly on their attitude towards the Communists.

Thus, while the Jan Sangh has decided to contest about 40 or 50 seats during the forthcoming Kerala elections, it hopes to be able to make some kind of arrangement with the Congress in due course against the Communists and the Muslim League.

(*The Statesman* and *The Hindustan Times*, New Delhi)

[Prev. ref. 5018:INI:P]

Q. Samyukta Socialist Party—National Committee Meeting: The National Committee of the Samyukta Socialist Party (SSP), in a resolution adopted at the end of a four-day session in New Delhi on August 13, demanded a fresh General Election in the country, declaring that the people had lost their confidence in the Congress Government's capacity to defend the country and build up the economy.

The National Committee, which is the central executive of the SSP, said the ruling party should "renew without delay" the mandate it had secured in 1962.

In its view, the mandate had been exhausted because of the continued Chinese occupation of Indian territory, the "bankruptcy" of the Government's price policy, the "stagnation" in agriculture, the "miserable failure" of the Third Plan, and the "poisoning" of national life by corruption.

The resolution on a "programme of struggle" against the Government's price policy was silent on the issue of a joint front with other Opposition groups and on the invitation of the Communist Party to join it to organize a national general strike ("Bharat Bandh") on September 7, the day Parliament would reconvene.

The resolution merely directed the Party committees to carry forward a four-point programme of struggle "in co-operation with allied mass organizations".

This was interpreted by some party spokesmen as a rejection of the idea of a joint front strongly pressed by the Lohia group in the SSP.

The spokesmen said the resolution was the "consensus" of the Committee and members could not, after 19 hours of debate, agree on an unanimous stand on the joint front issue.

The SSP "struggle" against the Government's price policy included also "disciplined marches on hoards and godowns to enforce sale of foodgrains at 50 p. a kg".

Mr. D. B. Desai, general secretary of the Peasants and Workers' Party which may merge with the SSP, attended the National Committee session.

(*The Statesman*, New Delhi)

[Prev. ref. 5886:INI:N]

R. Lt.-Commander M. S. Kohli To Lead Everest Expedition: Lt.-Commander M. S. Kohli has been selected leader of the Indian Expedition to *Mount Everest* in 1965.

Capt. Narinder Kumar will be deputy leader.

Both Lt.-Cdr. Kohli and Capt. Kumar are veteran mountaineers, with a number of mountaineering achievements to their credit and know the Everest area well.

They were both members of the first Indian Expedition to Everest in 1960. Lt.-Cdr. Kohli was also deputy leader of the second Indian expedition to Everest in 1962.

While Lt.-Cdr. Kohli successfully climbed **Nanda Kot** (22,510 feet) in 1959 and **Annapurna III** (24,858 feet) in 1961, Captain N. Kumar led the successful expeditions to **Trisul** (23,360 feet) in 1958, **Nilkantha** (21,645 feet) in 1961 and **Nanda Devi Main** (25,645 feet) in 1964.

(*The Times of India*, New Delhi)

[Prev. ref. 4651:INI:T]

JAPAN

A. Relations With China: Mr. Hayato Ikeda, now re-elected Premier for a third term (see page 5981), referred to Japan's relations with China at a news conference in Tokyo on July 20.

He said the Communist China issue was central to Japan's policy towards its Asian neighbours. He was all for improving relations with Peking provided trade could be kept separate from policies; he was confident it could be done.

He had no intention of responding to the Chinese proposal for joint ambassadorial talks in some neutral capital, such as the Americans had conducted in Warsaw. Yet he made it clear he was counting on a change in American attitude after the presidential election—on the unspoken assumption of a Democratic victory.

Before promoting relations with neighbours, however, he advocated closer relations with European nations, concerning whom, he said, Japan should acquire a stronger voice. The next step would be to command respect from communist countries.

In this connexion he announced that he hoped to attend the United Nations General Assembly session. Mr. Etsusaburo Shiina, his new Foreign Minister, would go on a round of visits in the Autumn to Britain, West Germany and France.

Mr. Shiina is an expert on Japan's international trade. He has already suggested slowing down residual liberalization of foreign imports for protectionist reasons. Delaying free car imports until next Spring seems the probable first step.

In the second week of August, officials from the "two Chinas" arrived in Tokyo with the obvious intention of competing in the establishment of the closest possible relations with Japan.

Formosa was represented by Mr. Chung Chan, chief secretary to Generalissimo Chiang Kai-shek, while China was represented by Mr. Sun Ping-hua, Deputy Secretary-General of the Commission for Cultural Relations with Foreign Countries. Mr. Sun arrived on August 13 as the virtual head of a five-man team that had been granted residence in Japan on a semi-permanent basis to facilitate China-Japan trade.

Mr. Chung Chan's visit was described as a "return call" for the trip of a former Premier, Mr. Shigeru Yoshida, to Formosa in February.

However, observers noted his unusual activity in contacting politicians belonging to the "Taiwan Lobby" consisting of Conservative political leaders like a former Prime Minister, Mr. Nobusuke Kishi, and some top-level economic leaders. He at least succeeded, during his 10-day sojourn, in securing an assurance that an indefinitely postponed meeting of the China-Japan Co-operative Commission—a private group to promote economic and political relations between Formosa and Japan—would be held after the Olympics. He did not succeed in any other direction.

On the other hand, political activities by the visitors from Peking were strictly forbidden—in fact, such prohibition formed part of the terms for the entry of the Chinese team into Japan. They were expected to concern themselves only with the implementation of the Trade Agreement which may result in trade of nearly $300 million worth of goods in 1964.

(*The Japan Times*, Tokyo and *The Times of India*, Bombay)

[Prev. ref. 5982:JAP:C]

B. Credits To Developing Countries—Government Plan: The Government has made a proposal to extend credit to developing countries with whom Japan enjoys a favourable trade balance.

Under this scheme Japan will extend loans to the extent of $100 million, the funds to come out of the Government's Overseas Economic Co-operation Fund.

According to reports, the plan drawn up by the Ministry of International Trade and Industry at the instance of Mr. H. Ikeda envisages loans for 20 years or longer to these developing nations at low interest of 4.5 per cent or less.

The loans will be generally intended for improving the quality of primary products in the recipient countries and to reduce their costs.

Quarters in the Ministry concerned with the formulation of the plan, however, said the plan had not been finalised and it was too early to predict what shape it would take. Not all the 28 developing nations who have unfavourable trade balances with Japan would qualify for receipt of aid under the plan.

(*The Hindu*, Madras)

[Prev. ref. 5086:JAP:A]

JORDAN

A. Biblical City Unearthed: The Director of the Department of Antiquities, Dr. Awani al-Dajani said in Amman on August 16 that an American expedition led by Professor Ernest Wright of Harvard University had unearthed the Old Testament city of Shechem with its huge walls and big gates.

He said the expedition had uncovered the layers of the ancient city from the Islamic, Christian, Roman, Greek, Iron and Canaanite ages.

The expedition began work in 1956 and has so far spent $125,000 on excavations. The team is expected to continue excavations for a few more months.

(*Amman Radio*)

[Prev. ref. 5888:JOR:A]

KOREA (South)

A. Arrest Of Alleged Plotters: The Director of the South Korean Intelligence Agency, Mr. Hyung Uk Im, said in Seoul on August 14 that 41 members of an underground organization which tried to overthrow the Government had been arrested.

He said those arrested, part of a ring of 57 men under instruction from the

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North Korean communists, included three South Korean newsmen, three professors, and two students of Seoul National University's College of Liberal Arts and Science. The organization was the force behind massive anti-Government riots.

(*The Japan Times*, Tokyo)

[Prev. ref. 5912:KRS:A]

LEBANON

A. Mr. Charles Helou Elected President: The 99-member Chamber of Deputies elected on August 18 Mr. Charles Helou as the next President of the Republic.

Mr. Helou is the fourth President to be elected since Lebanon gained its independence in 1923.

The new President will take office on September 23—two days before his 52nd birthday—when President Fuad Chehab's term expires.

(*The Times of India*, Bombay)

[Prev. ref. 3480:LEB:A]

MALAYSIA

A. Security Measures: A royal proclamation on August 12 declared that all the shores of Malaya and Singapore were security areas and, under the Internal Security Act any one found with illegal arms was liable to be hanged.

Those found consorting with persons armed illegally may be sentenced to death or be gaoled for life.

The Yang di-Pertuan Agong (the Supreme Head of State) in a proclamation said that the security areas, under the Internal Security Act, included all the territorial waters of the States of Malaya and Singapore and the land areas within a distance of two miles landward, measured from the low water mark.

These measures were necessary because public security was seriously threatened.

The Singapore marine police, assisted by Royal Malaysian Navy patrol boats, have ordered Indonesian barter craft out of Malaysian waters in accordance with a Central Government decree. Throughout the night on August 12 Malaysian boats stopped Indonesian craft to warn the crews of the ban, imposed because some have been used to smuggle Indonesian agents, arms, and explosives into Singapore and Malaya.

Army Expansion Programme:

On August 10 Tun Abdul Razak, the acting Prime Minister, who is also the Minister of Defence, said that under the army expansion programme another brigade would be raised soon to meet the Indonesian threat.

He was speaking at the national service recruit training centre at Port Dickson on the west coast of Malaya, which he visited with the Yang di-Pertuan Agong.

Steps To Curb Barter Trade:

Meanwhile, the Government has announced that it will ban barter trade between Indonesian trading craft and Malaysian merchants.

The Government said on August 13 that that a large number of Indonesian craft had been used to carry arms and saboteurs.

This barter trade between Malaysia and Indonesia, especially through Singapore port, has been going on for decades and the trade was not considered illegal so long as duty was paid. This trade had run into hundreds of million dollars per annum.

In July, Indonesia took a series of steps to curb the barter trade. The Chief of the Indonesian Navy, Vice-Admiral Martadinata said on July 18 that "the fight against smuggling should be waged not only at sea but co-ordinated with similar operations on land." Police action in Djakarta later resulted in the arrest of many merchants and confiscation of foreign currency with them.

Recently a naval air command was opened at the naval base in Surabaya to safeguard territorial waters in co-ordination with other branches of the fleet.

Since the beginning of the "confrontation" policy there had been occasional incidents between Malaysian craft and Indonesian vessels.

(*The Malayan Times*, Kuala Lumpur and *The Times*, London)

[Prev. ref. 5982:MAL:A]

VIET-NAM (DR)

A. Attack On US Ships By Torpedo Boats—Security Council Meeting: The UN Security Council met on August 5 to consider the American complaint that torpedo boats of the Hanoi *regime* had attacked US *ships in international waters.*

[For background please see Incidents in Gulf of Tonkin under Viet-Nam (DR) on page 6019].

At the outset the representatives of Czechoslovakia and the Soviet Union asked for a postponement until the following day to permit receipt of instructions from their Governments. The United States, however, was of the view that further delay in a meeting would be improper, since the Council should be informed of the situation.

The representative of the Soviet Union then said that he was prepared to hear the United States representative.

Mr. Adlai E. Stevenson of the United States then informed the Council that attacks had been carried out on United States naval units by North Viet-Namese motor torpedo boats. The United States had carried out aerial strikes against North Viet-Namese torpedo boats and their support facilities.

After statements by other members, the Council agreed without a vote that its President, Mr. Sivert A. Nielsen of Norway, would consult informally with members on the basis of a suggestion that he invite a representative of the Democratic Republic of Viet-Nam to participate in the Council's debate.

The following is a summary of the statement of Mr. Stevenson:

On August 2, a United States destroyer, **Maddox**, about 30 miles off the mainland of North Viet-Nam, was approached by three North Viet-Namese torpedo boats. The ship fired three warning shots across the bows of these boats, while an aircraft carrier sent four aircraft to provide cover. The pilots were ordered not to fire unless the **Maddox** was first fired upon.

Two of the torpedo boats fired torpedoes, which the **Maddox** evaded, and all directed machine-gun fire at the destroyer. One torpedo boat was struck by fire from the **Maddox**.

USA had taken steps to convey to the Hanoi regime a Note warning fo the grave consequences which would inevitably result from any further unprovoked offensive military action against United States forces. The notification was in accordance with the provisions of the Geneva accords.

On August 4, **Maddox** and another destroyer, **C. Turner Joy**, were attacked by an undetermined number of motor torpedo boats of the North Viet-Namese Navy. They were at that time 65 miles from shore. There could be no doubt that this was planned, deliberate military aggression against vessels lawfully present in international waters.

The North Viet-Namese acts of aggression defied rational explanation except as part of a larger pattern with a larger purpose—to subjugate South-East Asia.

United States peace aims in South-East Asia had been defined in a statement before the Council two months ago. Order could be restored there if all foreign troops withdrew from Laos, if all States in that area left their neighbours alone, if the subversion of other people's independence ceased, if clandestine and illegal transit of national frontiers were ended, if the export of revolution and the doctrine of violence were halted, and if a stop were put also to the violations of the political agreements reached at Geneva.

When the political settlements reached in Geneva were enforced, the independence of South-East Asia would be guaranteed; when the peace agreements, reached long ago, were made effective, peace would return and military power could be withdrawn.

The following is a summary of the statement of Mr. Platon D. Morozov of the Soviet Union:

As of this moment, the Council had only one-sided information on the alleged attacks against United States warships. Any objective approach required that a request must be sent to the Democratic Republic of Viet-Nam to send information on the United States complaint.

The Democratic Republic of Viet-Nam had protested against the sending of United States ships and vessels of their minions in South Viet-Nam into its territorial waters. If the Democratic Republic of Viet-Nam wished to participate in the Council's discussion, it would be the duty of the Council to invite it to do so under the provisions of Article 32.

[Article 32 states: "Any member of United Nations which is not a member of the Security Council or any State which is not a member of United Nations, if it is a party to a dispute under consideration by the Security Council, shall be invited to participate, without vote, in the discussion relating to the dispute. The Security Council shall lay down such conditions as it deems just for the participation of a State which is not a member of United Nations."]

"On the basis of what was known, the Soviet Union cannot fail to condemn the acts of the United States." The Soviet Union condemned, with all the force at its command, the bombings of the territory of North Viet-Nam, which were acts of aggression. These actions created a situation fraught with danger in South-East Asia. The Soviet Union expected the United States to end such actions.

The Soviet Union proposed that the Council request its President to ask North Viet-Nam to submit to the Council all information connected with the complaint of the Government of the United States; and that the Council invite representatives of North Viet-Nam immediately to take part in its meetings.

Mr. Roger W. Jackling of the United Kingdom stated in part: "The United States had reported to the Council the action it had taken in self-defence. The

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attacks on the United States vessels, according to information given to the Council, had taken place some 65 miles from land. Having regard to the repeated nature of these attacks and their mounting scale, the United States had a right to take action to prevent recurrence.

"Such preventive action was an essential right embraced by any definition of self-defence as interpreted in international law. The United States action was fully consistent with Article 51 of the Charter."

[Article 51 states: "Nothing in the present Charter shall impair the inherent right of individual or collective self-defence if an armed attack occurs against a member of United Nations, until the Security Council has taken measures necessary to maintain international peace and security. Measures taken by members in the exercise of this right of self-defence shall be immediately reported to the Security Council and shall not in any way affect the authority and responsibility of the Security Council under the present Charter to take at any time such action as it deems necessary in order to maintain or restore international peace and security."]

This action was a limited response tailored to circumstances, and the United States had re-emphasized its deep concern for peace and security in the area.

The United Kingdom viewed with abhorrence unprovoked attacks on warships proceeding on their lawful occasions on the high seas. In the present case, there had been repeated attacks, whose nature indicated they were deliberately mounted.

The Council was duty bound to support action taken in accordance with the Charter to prevent the repetition of such attacks. There was an obligation to uphold, the right recognized in Article 51.

Mr. Liu Chieh of China (KMT Administration) said the United States action was entirely justified by the established rules of international law and under the provisions of the United Nations Charter. To invite the Hanoi regime to come before the Council would be to give it an undeserved status and give it an opportunity to obstruct the work of the Council.

Mr. Roger Seydoux of France stated that in keeping with the Charter the parties to a dispute should be heard by the Council. The President of the Council should be entrusted with the task of inviting a representative of North Viet-Nam to participate in the debate. This should be done without a vote on a resolution, the wording of which might cause dispute.

Mr. Stevenson said he had no objection to the "authorities of North Viet-Nam" being heard and answering for their actions. However, if they were to be invited, representatives of the Republic of Viet-Nam should be heard since charges against that Government had been made by the Soviet representative.

The best way to proceed, he added, would be by informal consultations among members of the Council.

North Viet-Namese Reaction:

On August 9, North Viet-Nam rejected the invitation by the Security Council to take part in the debate on the new South-East Asian crisis.

"The UN Security Council has no right to examine" the August 4 armed clash between the United States and North Viet-Nam", the Foreign Ministry said in a statement broadcast by **Hanoi Radio.**

It said: "Only the two co-Chairmen (Britain and the Soviet Union) and the countries who took part in the 1954 Geneva Conference have competence to examine the extremely dangerous war acts committed by the US Government against the Democratic Republic of (North) Viet-Nam."

On the other hand, South Viet-Nam in an official reply to the Security Council invitation on August 13 offered all co-operation and any information about the incidents in the Gulf of Tonkin.

US Support To South Viet-Nam:

President L. B. Johnson pledged on August 12 that the United States' firmness at moments of crisis would continue to be matched by restraint "so long as I am President."

In a speech to the American Bar Association, he said USA was working for world order and peaceful progress in Viet-Nam and in Cyprus and for legal order at home on the civil rights problem.

He gave a firm answer to those who, he said, were eager to enlarge the conflict in Viet-Nam. "They call upon us to supply American boys to fight with Asian boys and to take reckless action which might risk the lives of millions, engulf much of Asia, and threaten the peace of the entire world. Moreover, such action would offer no solution at all to the real problem of Viet-Nam.

"Americans can and Americans will meet any wider challenge from others. But our aim in Viet-Nam, as in the rest of the world, is to help restore the peace and re-establish a decent order."

He re-iterated US determination to help South Viet-Nam, saying: "The United States cannot, and will not, turn aside and allow the freedom of a brave people to be handed over to Communist tyranny."

Yugoslav Criticism:

In Belgrade on August 11, President Josip Broz Tito of Yugoslavia condemned American "aggression" in Viet-Nam, Turkey's "aggressive undertaking" in Cyprus and the use of "foreign armed forces" in Congo.

These were the main points of a wide-ranging statement he gave to the **Tanjug** news agency at Brioni on recent "dangerous events" in international relations.

He said the crises in Viet-Nam, Cyprus and Congo marked a dangerous turning away from the recent trend towards peaceful co-existence. The crises pointed towards "the use of force with the aim of imposing unilateral solutions."

The Powers responsible, he said, had begun "a dangerous game of extremism and adventurism which threatens to take the world back to the cold war era, and might lead to new world conflicts in which these Powers themselves may be destroyed."

"The recent air attack on North Viet-Nam, irrespective of what preceded it, can by no means be justified. Such an attack, which has caused losses of human life and imposed material damage on the innocent population of a small country, deserves condemnation and causes concern."

Support By China:

In an interview given to a Pakistani journalist and published in a Hong Kong journal on August 13, the Chinese Foreign Minister and Vice-Premier, Marshal Chen Yi, said his country would stand beside Viet-Nam (DR) in repulsing any aggressor.

He said the present situation in South-East Asia was very grave and brought about solely by USA. "The situation in Indo-China and the whole of South-East Asia directly affects China's security; China cannot but be concerned about it."

The correspondent asked whether China would be immediately involved should a major war break out in South-East Asia, even if China was not a victim of direct aggression.

He replied: "If USA insists on enlarging its aggressive war in Viet-Nam and Indo-China, there is no reason whatever to expect that China would look on with folded arms".

Asked how Sino-American relations might be normalised, he said his country was willing to sit down and negotiate a peaceful settlement of their dispute.

But, he added: "Sino-US relations can be normalised only when USA withdraws from Taiwan and stops being hostile to China."

The same day (August 13), **Peking Radio** broadcast a **New China** News Agency report of a letter from Marshal Chen Yi to the Foreign Minister of North Viet-Nam, Mr. Xuan Thuy, re-iterating Chinese support to North Viet-Nam.

On August 17, Marshal Chen Yi said the matter of the US attack on North Viet-Nam was "far from being over... The initiative is entirely in our hands."

Quoted by the **New China** News Agency, he said at an Indonesian Embassy reception in Peking that "the US aggressors" had said the matter was over. "This is a fraud. We hereby tell them frankly that the matter is far from being over." The aggressor must be punished, the debt of blood must be repaid. "The people have gained the right of action to fight against aggression... The initiative is entirely in our hands."

Observers saw the speech as a new threat of Communist counter-action in Indo-China, although it again failed to commit China to any overt action in the area.

He delivered a violent personal attack on President L. B. Johnson of USA, describing him as "even worse than Mr. Dulles" and surpassin gthe latter's "brinkmanship" policy. Mr. Johnson and Senator Goldwater were "jackals of the same lair," who were "competing in warlikeness."

He re-iterated China's support for Indonesia's "just struggle" against Malaysia and attacked British and American policy on the question.

On North Viet-Nam he said: "After committing a towering crime the US aggressor now says that the matter is over. This is a fraud."

(*The New York Times, The Times,* London and *The Statesman,* Calcutta)

[Prev. ref. 6019: VND:A]

ASIA OUTSIDE ASIA

SUMMARY: "Ranger VII" Lands On Moon; ILO Conference; US Supersonic Military Aircraft; Mr. A. Mikoyan Elected President of USSR; World Economic Survey.

A. "Ranger VII" Lands On Moon: America's *Ranger VII* roared into space from Cape Kennedy on July 28 atop an *Atlas-Agena* rocket. It made a crash-landing on the Moon on July 31 after all six of its television cameras transmitted the first close-up pictures of unknown terrain.

The 806-lb, 10-foot-long, 5,000 miles-an-hour spacecraft's final moment came at 13.25 GMT, ending a frustrating two-year attempt by USA during which all lunar probes had failed.

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The pictures cost more than $28 million, most of that spent on four previous futile attempts at close-up lunar photography.

Ranger VII smashed into the target, the Sea of Clouds just below the equator on the left side of the Moon's lighted portion right on schedule.

Jubilant scientists at the California Institute of Technology's jet propulsion laboratory—where the **Ranger** was developed and built—had a magnetic tape of the radioed pictures flown to California after special development.

The pictures had streamed some 228,500 miles through space from the Moon in the form of "excellent" sing-song radio signals transmitted by the insect-like spacecraft in its death dive. They poured into two huge 85-foot parabolic antennae at the Goldstone tracking station in the Mojave desert. The signals were recorded on magnetic tape and also converted back into pictures on 90 feet of 35 mm. film.

Tracking experts said the straight line distance to the Moon at the time of impact was 228,686 miles. The **Ranger's** path to the Moon was curved and it took 67 hours, 35 minutes to make the 243,665-mile flight.

The historic pictures were expected to number about 4,000. The first ones, snapped 16 minutes and 40 seconds before the final crash, when **Ranger VII** was some 1,300 miles out from the Moon, took an area of some 180,000 square miles of the Moon's left side. The last ones, snapped a fraction of a second before the crash, were expected to show what is now the graveyard for the spacecraft's remains—an apparently smooth plain in the north-west corner of the Sea of Clouds just to the left of a hilly area called the Procellarum Highlands, dominated by the Parry and Fra Mauro craters.

A group of observers at Cape Kennedy rocket centre who were watching the Moon through a huge television telescope reported that they saw a small white cloud appear at the predicted impact point about 20 seconds after the **Ranger's** impact time. The telescope screen showed the crater Copernicus at top centre, the Riphaeus mountains on the left and the Parry and Guericke craters on the right.

Ranger VII became the fourth known man-made object to crash onto the Moon. It was some 950 miles south south-west of the remains of **Lunik II**, the Soviet Moon probe which crashed between the craters Aristylus and Archimedes on September 14, 1959.

Its predecessor, the ill-fated **Ranger VI**, lay in ruins at the western edge of the Sea of Tranquillity about 650 miles south-east of **Lunik II**. It crashed there on February 2 after a perfect flight from Cape Kennedy, but its cameras had apparently been short-circuited during the launching.

The third known man-made object was **Ranger IV** which crashed on the unseen back-side of the Moon after its "brain" failed during launching on April 26, 1962.

The Soviet Union was the first nation to photograph the Moon with a spacecraft. Its **Lunik III** looped around the back side of the Moon in 1959 and took pictures from 37,001 to 43,000 miles out. However, their quality was equal only to that obtainable with Earth telescopes.

Close-up Pictures:

Ranger VII's first close-up pictures of the Moon, released on July 31, showed the surface in its impact area to be a smooth plain with hundreds of small craters.

The clustering of the craters, invisible to telescopes on Earth, indicated that they were caused by rocks that had hurtled down from the larger crater of Copernicus, 200 miles north of the Sea of Clouds where **Ranger VII** hit.

Dr. Gerard Kuiper of the Lunar Planetary Laboratory of the University of Arizona at Tucson told a news conference that the pictures were truly remarkable and said they showed a phenomenal progress in lunar photography.

The pictures, taken by two wide-angle and four narrow-angle cameras in the last 16 minutes 40 seconds before impact, were hailed as a huge stride towards a lunar landing by astronauts. Dr. Kuiper said in all 4,316 photographs were obtained. "This gives you an idea of the amount of work ahead for us".

The first picture shown as a lantern slide was comparable to one that might be obtained from a 100-inch telescope on Earth.

There was slightly more detail on the second and Dr. Kuiper said the numerous craters on the third would be "totally unobservable" from Earth.

The fourth slide showed what Dr. Kuiper called "a remarkable clustering of very small craters" apparently produced when the larger Copernicus "tossed out small rock fragments and made secondary craters." He said this area was rough and "a region as badly battered as this ought to be avoided" by astronauts.

He said a crater clearly visible on the fifth slide was only 50 to 300 feet in diameter. This picture, taken by **Ranger's** narrow-angle cameras, was snapped at an altitude of 100 feet and covered an area of about 60 to 100 feet. Distinguishable in the frame were craters down to three feet in diameter which he said was 1,000 times better in resolving power than any pictures ever taken of the Moon.

He said two important things learned from the pictures were the rounded features of small craters and the large numbers of new craters discovered.

"Perhaps the most significant observation is that these pictures have not resulted in any totally unpredicted problems for lunar landing." For example, "it is now known that the craters come as small as three feet in diameter." Among other things, "this clearly shows we are not dealing with large areas of dust—it's not like sand". This was quite significant since it seemed to alleviate earlier fears that lunar landings might be made difficult because of the possible existence of large fields of dust in which space ships might sink out of sight on landing.

He said the consensus of scientific investigators was that the best areas for landing astronauts would be in the broad plains at some distance from the large craters. The clusters of secondary craters would be avoided by landing craft. Not all of the pockmarks, however, were caused by rocks from the larger craters. Many, he said, seemed to be due to meteorites and other space debris bombarding the Moon.

There was plenty of evidence of volcanic activity. Most of the craters seemed to have resulted, from impacts of space debris. These he called primary craters. Bits of rock thrown out by the explosion at the time of impact, he said, had created the secondary craters.

Dr. Eugene Shoemaker of the US Geological Survey in Flagstaff, Arizona, said the photographs indicated that the primary surface of the Moon, under a layer of dust up to a foot thick, was basically hard. "The nature of the top layer of course is not definitely known, but there is evidence the material is quite porous and has been pulverized".

"The information we have obtained from these photographs encourages a belief that the lunar surface does not represent a problem to Moonlanding vehicles as far as roughness is concerned".

He said there was no way of measuring the bearing strength of the lunar surface—determining whether it would support the weight of a manned spacecraft—without an actual landing.

No Trace Of Life On Moon:

It was stated in Washington on August 4 that the close-up pictures of the Moon's surface taken by *Ranger VII* had shown no trace of living organisms on the Moon.

But a few scientists again voiced the theory that at least part of the Moon could consist of basaltic rock. On the Earth, basalt contains water, which, at least in theory, can make possible the existence of living organisms.

This scientific minority even voiced somewhat fantastic plans to have such water evaporated by teams of astronauts in order perhaps to create an artificial atmosphere on the Moon.

However, actual proof of the existence of water on the Moon can only be brought back by the first US Surveyor spacecraft to be launched in 1965.

Plans For Shots To Mars:

A message from Cape Kennedy (Florida) said that US scientists, with the success of the *Ranger VII* project behind them, were preparing for two picture-taking probes of the planet Mars.

Both expeditions will be launched during a 28-day period starting in late October—a period that is favourable for reaching Mars. The trips will take eight months.

Named **Mariners III** and **IV**, the two shots will closely resemble the **Mariner II** probe that successfully flew past Venus in 1962. The two **Mariners** are to fly by Mars, take television pictures and gather scientific data.

The parade of Moon expeditions—leading towards the Apollo Man to the Moon Programme before 1970—will include two more **Rangers** and several launchings in two advanced programmes, **Surveyor** and **Lunar Orbiter**.

The Moon shot programme is scheduled to resume in January, 1965 with **Ranger VIII**. It will have essentially the same mission as **Ranger VII**—take close-up television pictures. The area and type of target it will seek will be determined after the **Ranger VII** pictures are analysed.

Ranger IX, with a similar assignment, is to follow in February or March, 1965 to conclude the **Ranger** project.

The first **Lunar Orbiter** is scheduled for launching in 1966. It will orbit the Moon, approaching as close as 30 miles, taking high resolution photographs of most of the surface. Tracking of the craft's orbit will permit precise calculation of the size and the shape of the Moon and the nature of its gravitational field.

(*The Hindu*, Madras and *The New York Times*)

[Prev. ref. 5697:AOA:H]

B. **ILO Conference:** On the last day of the International Labour Organization (ILO) Conference on July 9, a convention and a recommendation were approved on man-power use designed to bring about full employment throughout the world.

The Conference was held in Geneva under the auspices of the International Labour Organization (ILO). It began on June 17.

Both the convention and the recommendation are aimed at stimulating economic growth and development, raising living standards, meeting man-power requirements and overcoming unemployment and underemployment.

Among other things, the documents recommend the creation of effective employment services, development of reliable statistics on employment situations, measures to care for workers whose jobs become obsolete, the building up of

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new enterprises, use of food aid to promote employment, an end to trade policies, and greater efforts to stabilize markets for primary commodities.

Conventions are binding on ILO member-States once they have been ratified by Parliament or other appropriate national authority. Recommendations are advisory.

The final vote on the Man-power Convention was 206 for, 55 against, and 37 abstentions. The United States Government and workers' representatives voted for and the US employers' representative abstained.

The recommendation was approved by 275 votes for, none against and 10 abstentions. All US representatives voted in favour.

Objections to the convention generally were based on the difficulty some nations have in ratifying conventions because of the complexities of their legislative processes. Speakers taking this position said a recommendation served the purpose better than a convention.

During discussions on the man-power policy, Mr. Alfred L. Green, speaking for the US Government delegation, said it could help achieve full employment and a decent standard of living for all.

He noted that USA in a sense had anticipated the ILO recommendations by launching an effort "to eradicate poverty wherever it exists in our nation." Among other things, he called attention to programmes for retraining workers made jobless by mechanization and automation.

Election Of President:

When the Conference met on June 17, Mr. Andres Aguilar of Venezuela was unanimously elected President.

In a statement, he discussed development problems which he said were of interest to industrialized and developing countries. The Organization had a contribution to make to the solution of those problems examined by the UN Trade and Development Conference which fell within its competence.

The Conference was attended by over 1,100 delegates and technical advisers from 99 countries.

Issue Of Racial Inequalities:

The question of racial inequalities was discussed on June 19.

Mr. Anwar Salama, the Minister of Labour of UAR, said that the continued membership of South Africa in the International Labour Organization would be "an insult and a shame to the Organization's objectives and principles." He pointed out that when 40 Arab and African countries withdrew from last year's annual session in protest against South Africa's apartheid policy, it was not intended as a mere demonstration or a theatrical act.

Referring to South Africa's withdrawal from membership of ILO, he stated that this act perfectly reflected the "facist and racial character" of that country.

Mr. Amin El-Husselny, Jordan's Minister of Social Affairs and Labour, asked ILO for concentrated assistance for her vocational education institutes. He said that in his country, less than three out of 1,000 students study in vocational schools. "This is a situation which needs deep thought."

He also expressed his appreciation of the ILO Director-General's report mentioning the racial discrimination which was so much abhorred by all free and peace-loving nations."

Mr. G. B. K. Magezi, Uganda's Minister of Housing and Labour, said that every action must be taken to save the men and women suffering under "the brutalities and inhuman tortures of the present South African regime".

Mr. W. Willard Wirtz, United States Secretary of Labour, said that all discrimination of race, belief or colour must be stopped. "It must be completely established that one human being's rights are as important as another's".

1965 Budget Approved:

On June 26, the Conference approved its Budget for 1965 totalling $18,684,000.

The French Government delegate, Mr. Henri Hauch, expressed reservations about the increases proposed in the Budget.

ILO Condemns Apartheid:

The special committee of the Conference on July 3 adopted a draft declaration condemning *apartheid* as "dangerous, criminal and inhuman."

It also adopted an amendment to the ILO constitution allowing for the suspension of any member-State using a declared policy of apartheid.

The declaration on apartheid, adopted unanimously, did not propose any economic or diplomatic sanctions against South Africa, but called on the Government to renounce apartheid and to repeal all apartheid legislation.

(*The Egyptian Gazette*, Cairo and *The Hindu*, Madras)

[Prev. ref. 5392:AOA:E]

C. **Commonwealth Defence Experts' Peace-Keeping Study:** The three-day study in Britain by Commonwealth military experts of the hypothetical problem of a United Nations-sponsored Commonwealth task force operating in a peace-keeping role ended on August 7.

Defence experts from Britain and 15 other countries, meeting at the Staff College at Camberley, took part in the study. Representing India were General J. N. Chaudhuri, Chief of the Army Staff, and Lieut-General S.H.F.J. Manekshaw, General Officer Commanding-in-Chief, Western Command.

The exercise in which they participated, named **Hercules**, was organized by Britain's Chief of the General Staff, General Sir Richard Hull.

After the exercise, General Hull emphasized that the study had been concentrated on the purely military difficulties and problems of such a task force. The theme had been chosen as long ago as September, 1963 and the exercise had been placed in an entirely fictitious setting and in a time scale towards the end of the present decade.

The exercise had proved valuable, showing the defence experts some of the problems which they would face should a force be required in the future.

It had posed the problems of the United Nations command, of initial planning, the force's task, and also the command arrangements for such a force. It had also studied the problems of logistics—of the supply of food and ammunition—in a fictitious background which provided not only a military situation but, for good measure, an earthquake, and the need to get a large port back into operation.

Finally, the exercise had considered the problem of counter-subversion when the military threat had receded.

A consideration of Commonwealth military training matters, in which the visiting experts took part, followed the study of the problem of the peace-keeping force.

The Commonwealth experts at Camberley were also concerned with the Staff College's normal course of instruction for officers of Defence for the Army, Mr. James Ramsden; the Chief of the Defence Staff, Admiral of the Fleet, the Earl Mountbatten of Burma; and the Chief of the General Staff, General Sir Richard Hull.

Besides India, other overseas countries represented at the Camberley exercise were Canada, Australia, New Zealand, Pakistan, Ghana, Malaysia, Nigeria, Southern Rhodesia, Northern Rhodesia, Sierra Leone, Jamaica, Trinidad and Tobago, Uganda, Kenya and Malawi.

(*UK High Commission*, New Delhi)

[Prev. ref. 2920:AOA:J]

D. **New US Supersonic Military Aircraft:** The US President, Mr. Lyndon B. Johnson, announced on July 24 the development of a new long-range military aircraft which will be part of the most advanced reconnaissance system in the world.

The SR-71 strategic-manned aircraft which, he said, would be test-flown in 1965, would fly at more than three times the speed of sound and operate at altitudes in excess of 80,000 feet. "The system will be used during periods of military hostilities and in other situations in which the United States military forces may be confronting foreign military forces."

The aircraft, to be employed by the Strategic Air Command, had been successfully developed in a $1,000-million programme begun in February, 1963. Deployment of production units would begin shortly after flight testing.

He said the SR-71 was heavier and had a longer range than the A-11 experimental aircraft he announced on February 29.

The A-11 experimental plane was tested in sustained flight at more than 2,000 miles an hour and at altitudes in excess of 70,000 feet.

The SR-71 would use the same J-58 engine developed for the A-11, but it was substantially heavier and had a longer range. The considerably heavier gross weight permitted it to accommodate the reconnaissance equipment needed by the Strategic Air Command to accomplish surveillance missions.

(*US Embassy*, New Delhi)

[Prev. ref. 5759:AOA:B]

E. **Ion Rocket Test In USA:** The USA on July 19 proved that the "ion engine", hailed as the best hope for high-speed travel in deep space, can work successfully in space.

It sent two of the engines on an hour-long looping flight, 2,500 miles up and 2,000 miles along the Atlantic range, during which one operated for half-an-hour, turning on and off several times.

Carried into space on an ordinary four-stage chemical rocket, it operated by turning mercury into "ions" of electrically charged particles, and emitting them at such high speed that despite their tiny mass they propelled the ion rocket in the opposite direction. The second ion rocket, using caesium as propellant, lit on schedule but produced no thrust because of an electrical short circuit.

An ion engine produces only a tiny amount of thrust when working perfectly, but can be effective in deep space because the thrust is produced constantly over a long period, permitting a gradual build-up of almost unlimited speeds.

The Statesman's science correspondent wrote: "An ion rocket was conceived many years ago. The first concept was of a rocket that would be propelled by recoil from the emission of high-velocity nuclear particles from a radio-active substance. (The particles which shoot out from the atomic nuclei of a radio-active

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substance have very high speed and hence, in spite of their extremely small mass, the momentum is relatively large.)

"Later came the idea of a rocket that would be propelled by recoil from the motion of electrically charged nuclear particles (which are called ions) which had been further accelerated by appropriate electrical and magnetic fields, as is done in a cyclotron. Such acceleration could give the ions velocities near that of light, and even allowing for their small mass, the thrust would be tremendous. By such means a rocket could attain velocities very much higher than is possible with chemical fuels which produce jets with limited speeds.

"This has been seen as the only hope for travelling to other stars or in interstellar space. The star nearest to our solar system is about four light-years away, and a rocket travelling at 11 miles a second (which is more than double the speed of the present satellites) would take more than 70,000 years to reach it. But it has been estimated that a rocket, 90 per cent of whose mass consisted of fuel which was entirely converted into particles of radiation (photons), would reach a final speed equal to 98 per cent of that of light. One could think of interstellar flights only with such rockets.

"Those acquainted with some of Einstein's bizarre conclusions would immediately foresee the curious consequences of travelling at such high speeds. Mass would increase and time contract. But for a very long time such consequences will remain only in the realms of fancy, because a photon rocket is a far cry from the ion engine which has now been successfully tested. The immediate task will be to improve the efficiency of the ion rocket by imparting more energy to more massive ion beams. Plans for human travel by such rockets must also take into account the difficult problem of radiation protection".

(*The Statesman*, Calcutta)

F. Soviet Memorandum On UN Peace Force: The Soviet Union suggested in a memorandum published at United Nations on July 11 that some member-States of UN should place military contingents under UN to meet threats to the peace and acts of aggression.

It would be "inadvisable" that any such contingents should be drawn from the armed forces of the permanent members of the Security Council—USA, Russia, Britain, France and Formosa.

But it declared that the UN Military Staff Committee, composed of high military officers of the permanent member-States, must prepare a plan for a UN force. The Committee had done nothing in UN's peace-keeping operations in West Asia, Congo and Cyprus. U Thant, and the late Mr. Dag Hammarskjoeld with the assistance of their own military advisers, had exercised direction over all of these operations.

The memorandum was delivered to U Thant and representatives of many member-Governments earlier in the week, but had not been published in detail before.

On the composition of a UN force, it said contingents from Western and neutral countries and from Socialist (Communist) countries should all be included.

"This means, too," the Soviet Government observed, "that representatives of the Socialist countries would participate in the command of United Nations armed forces established by the Security Council in a given situation." (Yugoslavia has been the only Communist State to be asked to contribute troops to UN.)

The memorandum said Russia would be "prepared to take part with other members of the United Nations in defraying the expenditure involved" in the maintenance of armed forces established to maintain international peace and security.

It stressed Russia's contention, disputed by the West, that "under the Charter, the only body authorised to take action in the maintenance or restoration of international peace and security is the Security Council."

It said developments in the past 10 years gave every reason to believe that "much can be done to enhance the ability of United Nations to thwart attempts to disturb the peace and to prevent conflicts" by peaceful procedures, such as negotiation, good offices and conciliation.

But, in some cases there might arise a situation in which the maintenance of peace in a given area might be difficult to secure by peaceful means alone. In such cases it was right for the Council to adopt non-military measures including the interruption of economic relations, severance of diplomatic relations and other related steps.

"The Soviet Government has repeatedly supported in the Security Council the demands of African States for the application of such measures to the Republic of South Africa...and also to Portugal."

The proposal which was widely debated in diplomatic circles was related to the functions of the Military Staff Committee.

At present the top-ranking member of the Committee is General Robert Porter of the US Army. Britain is represented by a Vice-Admiral, a Major-General and an Air Vice-Marshal, while Russia has two Major-Generals, three Colonels and three naval Captains serving on it.

The Committee meets formally on the first Thursday of every month, and its chairmanship has changed regularly according to alphabetical order among the five member-States. But there has been no discernible contribution by the Committee to the work of the Security Council, of which it is a subsidiary body.

US Stand:

A New York message on July 9 said that US officials had welcomed the Soviet Union's proposal for an international peace force and said that while there were several features in it which were not acceptable to USA, the plan put both the countries "within negotiating distance".

It was clear from the comment of US officials that they are opposed to the key portion of the Soviet proposal, namely, that all such peace-keeping operations should be set up and conducted under the direction and supervision of the Security Council.

The USA insists on maintaining the present position under which peace-keeping operations can be set up through the General Assembly if a veto blocks such operation in the Council.

The USA would want a continuation of the present procedures where if Security Council action were blocked by the Big-Power veto, the issue could be transferred to the General Assembly where no veto operates.

Officials also said that the Soviet offer would apparently bar the five major Powers from contributing to the proposed UN force. They intimated that this would be objectionable as far as USA was concerned.

The overall attitude, however, was to say that if the Soviet memorandum offered any hope for further exchanges, that would be regarded as positive.

U Thant's Comment:

At a news conference on July 8, the UN Secretary-General, U Thant, commented on the Soviet memorandum on the UN programme of a peace-keeping force.

He said that the main purport of the Soviet memorandum on measures to strengthen the effectiveness of United Nations in the maintenance of peace and security was the thesis that the Security Council alone was competent to deal with peace-keeping operations.

The Soviet memorandum and the tentative proposals of some Western Powers, he said, were very helpful to all member-States in arriving at a suitable formula, and they were a good augury for future negotiations.

He added that the Soviet memorandum did not deal specifically with "stand-by" forces. It dealt primarily with the implications of Chapter VII of the UN Charter.

(*The Times of India*, Bombay and *United Nations*)

[Prev. ref. 5827:AOA:C]

G. Mr. Mikoyan Elected President Of USSR: On the recommendation of the Soviet Prime Minister, Mr. N. Khruschev, Mr. Leonid Brezhnev was relieved on July 15 of his post as President of USSR and Mr. Anastas Mikoyan was elected to succeed him.

The nomination was made by Mr. Khruschev at the closing session of the Supreme Soviet, Russia's Parliament, which ratified the change.

Mr. Brezhnev was relieved of his post to enable him to concentrate his activities as Secretary of the Central Committee of the Soviet Communist Party. He was elected to this post in June, 1963.

Mr. Khruschev described Mr. Mikoyan as a worthy successor as Chief of State. (Officially, the post is that of President of the Presidium of the Supreme Soviet.) He said that Mr. Brezhnev was needed for full-time work in the Communist Party.

Mr. Mikoyan, who was relieved of his post as a First Deputy Premier, was wished success by Mr. Khruschev.

Mr. Mikoyan said to the crowded hall where Russian Tsars were once crowned: "I will do my best to justify your confidence, to fight, to work for the victory of communism together with you."

Mr. Mikoyan, Armenian born, was a Bolshevik revolutionary in the stormy days of the Russian Revolution. His twisted nose is a memento of the old days in which he survived street-fighting and civil war. Once he was sentenced to death before a firing squad. He will be 69 on November 25. He had a genius for staying alive through Stalin purges and Soviet power struggles.

He is an expert in Soviet foreign and domestic trade. He also showed many talents, among them a flair for diplomacy to serve as a salesman for the Russians. These talents sent him on travels to other parts of the world. He made three trips to America. He is credited with one of the Soviet Union's significant coups—the intrusion into the Western hemisphere by way of Cuba. He turned up in Cuba early in 1960, was lionized by the Cuban Premier, Dr. Fidel Castro and brought about a multi-million-dollar agreement for Soviet purchase of Cuban sugar. It was the beginning of the sweep of Cuba into the Soviet camp. He was in Cuba again in the Fall of 1962, at the height of the dangerous Cuban crisis after President J. F. Kennedy demanded the withdrawal of Soviet missile sfrom the Island. Dr. Castro—though obviously feeling abused—was mollified.

Mr. Mikoyan came from a prosperous family in Armenia, then a cruelly exploited colony of the Tsar, and was educated for the Russian Orthodox priesthood. He chose revolution instead. Under Stalin he rose swiftly in the Communist party. In the mid-1930s he was assigned to the Ministry of Foreign Trade and

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much of his activity since then was in that field. Since 1939 he was a member of the inner circle—the Politburo under Stalin and the Communist Party Presidium under Mr. Khruschev. Much decorated, he holds three Orders of Lenin—the highest Soviet award—the Red Banner of Labour, Hero of Socialist Labour and many lesser honours.

Mr. Brezhnev joined the Party in 1931 at the age of 25. He worked only a short time as a steel engineer before concentrating on Party work in his native Ukraine region, the scene of Mr. Khruschev's own rise. He reached the upper ranks as a Party Secretary and a candidate member of the Central Committee's Presidium in 1952. But he lost the jobs in the reshuffle after Stalin died in March, 1953.

When Mr. Khruschev defeated his rivals in 1956 and assumed general control, he put Mr. Brezhnev back into the Secretariat and the Presidium. As President Mr. Brezhnev gave up the job of Party Secretary.

(*The Hindu*, Madras)

H. **Session Of UN Committee On Colonialism:** The UN Special Committee of 24 on the ending of colonialism, in a session which began on February 25 and ended on July 3, adopted 11 resolutions, reached a decision by consensus in one instance, and heard 15 petitioners.

The action taken by the Committee was with respect to the questions of Southern Rhodesia, Aden, Malta, South-West Africa, British Guiana and the territories under Portuguese administration, all of which were on the agenda for the current session.

Also on the Committee's agenda were territories in the Caribbean, in the Americas, in the Pacific and adjacent to Africa and Asia, which it had not previously considered.

Of the resolutions adopted by the Committee, six embodied decisions on Southern Rhodesia, two on Aden, one on South-West Africa, one on British Guiana, and one on the territories under Portuguese administration. A consensus was reached on Malta. Three of the resolutions involved the appointment of visiting missions.

The Sub-Committee on Southern Rhodesia visited for talks with the British Government from May 30 to June 5. The Sub-Committee on Aden visited Cairo on July 4.

The Committee heard 15 petitioners: two on Southern Rhodesia, two on Aden, one on Malta, four on South-West Africa, three on British Guiana, two on the territories under Portuguese administration and one on Bermuda.

The Committee's decisions on Southern Rhodesia were taken at different times and in response to new developments. On March 23 the Committee invited Britain to hold a constitutional conference without delay to make arrangements for the independence of the Territory at the earliest date. It urged Britain to warn the "minority settler government" of Southern Rhodesia against the consequences of a unilateral declaration of independence and called upon her to declare categorically that independence would not be granted until majority rule was established on the basis of universal adult suffrage.

On March 24 the Committee requested Britain to use all its power and prerogatives to save the lives of political prisoners who had been condemned to death under the amended Law and Order (Maintenance) Act and to ensure the release of all political prisoners.

On April 27, the Committee voiced deep concern at the serious deterioration of the situation in Southern Rhodesia following the arrests of Mr. Joshua Nkomo and other political leaders and requested Britain to take the necessary steps with a view to effecting their immediate release. It repeated its call to hold a constitutional conference in order to make arrangements for the independence of the territory.

On May 18, the Committee resolved to send a sub-committee of five members to London to discuss with Britain the implementation of the resolutions of the General Assembly as well as of the Special Committee concerning Southern Rhodesia.

On May 22, it authorized the Sub-Committee to visit "such places in Africa" as it might consider necessary in connexion with the implementation of the resolutions on Southern Rhodesia.

Finally, on June 26 it deplored the "negative attitude" of Britain and further deplored its "persistent refusal" to co-operate with United Nations in the implementation of the resolutions concerning Southern Rhodesia. It endorsed the conclusions and recommendations of its Sub-Committee and decided to draw the report to the immediate attention of the Security Council.

The Committee considered the question of Aden twice during its session.

On April 9, it declared that the policies pursued by Britain had increased tension in the area. It called on Britain to lift the State of Emergency; to repeal all laws which restricted public freedoms; to release all political prisoners and detainees; to allow political exiles to return; and to cease all repressive action, particularly military expeditions and bombings, against the people. It stated that the military base was prejudicial to peace and called for its early removal. Moreover, it decided to establish a sub-committee of five to keep the situation under constant review and to arrange, in consultation with the Administering Power, for visits to the Territory as might be deemed necessary.

On May 11, the Committee deprecated the military action undertaken by the British authorities in Aden against the people of the Territory and urged Britain to cease its military measures forthwith.

In addition, it resolved to call the attention of the Security Council to the "dangerous situation" prevailing in the area.

According to the consensus which was adopted on Malta on April 30, the Committee noted with satisfaction that the accession of Malta to independence was planned for May 31, 1965, but it also noted that controversies existed among the various political parties with respect to the Constitution of the Territory.

It appealed to Britain to take the necessary measures to assure the transfer of power to the people of Malta in accordance with their freely expressed wishes and with the provisions of the Declaration on independence.

It also agreed to ask Britain to ensure that all political parties in Malta should have freedom of expression so that the aspirations of the people might be safeguarded.

Regarding South-West Africa, the Committee on May 21 called upon South Africa to desist from implementing the recommendations of the Odendaal Commission of inquiry into South-West African affairs.

The Committee stated that it considered any attempt to annex a part or the whole of South-West Africa as constituting an act contrary to international law, and a clear violation of the UN Charter which would endanger international peace and security. It condemned South Africa for its "persistent refusal" to co-operate with United Nations. It decided to request the Secretary-General to take steps to establish the office of a UN Technical Assistance Resident Representative in South-West Africa. Moreover, it resolved to draw the attention of the Security Council to the "critical situation" in the Territory.

Following an examination of conditions in British Guiana, the Committee took a series of decisions on June 24.

It called on Britain to fix without delay the date for the independence of British Guiana. It appealed to all the political leaders of the country and all others concerned to take immediate steps to restore harmony and peaceful conditions in the Territory. It also called on Britain to release all political prisoners and detainees; to refrain from taking any action which would aggravate the present situation; and to co-operate with the Special Committee in implementing resolutions on the question.

In addition, it decided to establish a "good offices" sub-committee of three to visit the Territory and take any other measures necessary for the implementation of resolutions adopted on the Territory.

Finally, it requested the Secretary-General to renew his efforts to facilitate the implementation of the recommendations of the Sub-Committee on British Guiana established in 1963.

The Committee took action on the territories under Portuguese administration on July 3.

In the resolution embodying its decisions, it noted with deep concern the activities of foreign economic and other interests in the territories and stated that they were detrimental to the political aspirations of the indigenous people. It decided to request the Sub-Committee to study their activities.

The Secretary-General was requested to invite the attention of the High Commissioner for Refugees and the specialized agencies concerned to consider the possibility of extending medical and other assistance to the "increasing numbers" of refugees from the Territories under Portuguese administration. The Committee also condemned the Government of Portugal for its "continued refusal" to implement the declaration on independence and decided to draw the attention of the Security Council to the "deteriorating situation" with a view to its securing compliance with the relevant resolutions.

The Committee made particular reference to the Security Council resolution of July 31 which, among other things, called for the immediate recognition of the right of the people to self-determination; the immediate cessation of repressive acts by Portugal; and the withdrawal of forces used for that purpose.

It also urged negotiations with the authorized representatives of political parties within and outside the territories with a view to transferring power to freely elected political institutions, and advocated the granting of independence immediately afterwards.

(*United Nations*)

[Prev. ref. 5671:AOA:A]

I. **World Economic Survey:** The United Nations, after its annual review of the world's economic health, on July 3 reported widespread expansion of production in the past year, almost universal gains in world trade, and a rise in commodity prices that increased the earning power of many of the developing countries.

The evaluation appeared in the **World Economic Survey, 1963, Part II**, entitled "Current Economic Developments".

On the bright side, the Survey cited, for example, findings such as:

(1) Value of world trade—up by 9 per cent between 1962 and 1963.

(2) Gross product or national income—up by 4 to 5 per cent in the various groups of countries (industrialized primary exporting or with centrally planned economies).

(3) Price index for primary products (such as foods, fibres, fuels and minerals)—average restored to its 1958 level after a downward trend since 1957.

(4) Developing countries as a group—a trade deficit "smaller in 1963 than in any year since 1954."

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(5) Industrial countries—a "continuing upswing".

(6) Countries with centrally planned economies accounted for "the most dynamic element" in the trade of the developing countries, with exports to the latter up almost 75 per cent between 1960 and 1963.

On the other hand, the Survey pointed to a number of "sources of imbalance" that showed little tendency to lessen in 1963. They include inflationary pressures in several industrial nations and continued unemployment in one of the others; "disappointing returns from agriculture" in some of the centrally planned economies; and up-spiralling living costs in a number of developing countries.

Further, despite a "vigorous expansion" in exports of the developing countries, their rate of growth in 1960-63 continued to lag behind the rates achieved in industrial and centrally planned economies, and there "has been an even slower growth" in the imports required for development programmes.

Part II of the Survey consists of an introduction which reviewed over-all trends; three chapters, giving details of the industrial countries, the primary exporting countries, and countries with centrally planned economies; and an annex on the primary commodity situation in 1962-63 and 1963-64.

The expansion of production between 1962 and 1963 was "probably more widespread among countries and more uniform among the major regions than in previous years."

In the industrialized market-economy countries, gross national product rose an average of 4 per cent. The average increase in gross domestic product in the primary exporting countries, and in national income in the centrally planned economies, was "probably nearer 5 per cent". These rates of growth represent a slight acceleration over the 1961-62 rates for the first group, a continuation of the previous rate in the second, and a slight deceleration for the third.

In general, the principal factor in the production increase was a rise in output of manufactured goods—by 5 to 6 per cent in the industrial countries and the primary-exporting group (measured by the so-called "value-aided index") and by about 7 per cent in the centrally planned economies (measured by gross output).

In contrast, production of primary products tended to lag. Preliminary estimates suggest that, outside Mainland China, world output of the major primary commodities entering international trade was only about 2 per cent above the 1962 level —a rate of increase about half of that registered between 1961 and 1962. Partly because of unfavourable weather, world production of basic foods was no greater in 1963 than in 1962.

The poor crops in many countries, along with other factors such as widespread increases in income, stimulated demands on the world market and led to continued expansion of international trade.

The demand for exports contributed to "one of the most notable features" of 1963—a "sharp reversal" in the price index of primary commodities moving in international trade. After a downward trend since 1957, the average of the index for 1963 was 6 per cent above the 1962 figure and thus was restored to the 1958 level.

The price increases had a significant effect on the foreign exchange earnings of a great majority of the less developed countries as well as the exporting nations of North America and Oceania.

The purchasing power of the shipments from the primary exporting countries rose by about 4 per cent in the course of 1963. As a result their combined national income probably increased somewhat more than the 4 to 5 per cent by which the volume of their gross product expanded.

The rise in prices of primary commodities resulted not only from the effect of bad weather but also from "a more significant improvement in the balance between production and consumption."

"The vigorous growth in international trade which has characterized most of the post-War period continued in 1963."

The value of world trade in 1963 was about $153 billion—an increase of $12 billion or almost 9 per cent, from the 1962 figure. "All regions participated in this expansion, but almost two-thirds of it was accounted for by the industrial countries of North America, Western Europe and Japan."

Exports from the centrally planned countries of Eastern Europe, the Soviet Union and Mainland China rose by almost $1.3 billion or 7 to 8 per cent above the 1962 level. Shipments from the primary exporting countries rose by about $2.9 billion, an increase of between 8 and 9 per cent.

The expansion in the exports of the developing countries in 1963 helped to raise the rate of growth in their export earnings to an average of between 4 and 5 per cent a year for the 1960-63 period. However, this rate was "well below those attained in the other regions." The comparable rate of growth in export earnings of the industrial market economies was between 6 and 7 per cent a year and for the centrally planned economies was between 7 and 8 per cent a year.

In tracing patterns of commerce, the Survey found that "the most dynamic" element in the trade of the developing countries was the flow of goods from countries with centrally planned economies. This increased relatively little between 1962 and 1963, but in 1963 it was 75 per cent—almost $1 billion greater than in 1960. On an over-all basis, however, the countries with centrally planned economies provided the developing countries with only 5 per cent of their imports in 1963.

In contrast, trade among the developing countries themselves rose by little more than 3 per cent a year in the 1960-63 period. Shipments from the industrial countries to the developing countries were actually lower in 1963 than in 1960, even though they had increased between 1962 and 1963.

The "most dramatic expansion" in trade during the early years of the Development Decade has been among the industrial market-economy countries. It rose by $8 billion (10 per cent) between 1962 and 1963, and by more than 8 per cent a year in 1960-63, for a gain of $14.5 billion in three years. More than three-fourths of the expansion occurred within Western Europe, and almost 40 per cent of it within the European Economic Community.

On the latter point, the Survey noted that between 1962 and 1963 exports to the EEC rose by almost 9 per cent from North America, about 11 per cent from the European Free Trade Association, more than 17 per cent from within the Community, and more than 20 per cent from Japan. In addition, exports from the less developed countries to the Community "increased sharply", by about 11 per cent.

In a year of general trade expansion, a "relatively small" number of inter-regional flows contracted. They included a decline in the movement of goods to Latin America and a decline in exports from Latin America to countries with centrally planned economies, "reflecting in part a reduction in sugar shipments from Cuba".

Countries of the European Free Trade Association imported less from Asia than in 1962 (from Mainland China and Japan as well as from Southern and South-East Asia). There was also a decline in the trade of Mainland China with the other regions with centrally planned economies, as well as with North America.

Trade between North America and West Asia was below the 1962 level. West Asia received less from Eastern Europe and the Soviet Union, and Western Europe exported less to the Soviet Union.

"For the rest, expansion was almost universal", and the gain was "particularly notable among the primary exporting regions which had not shared fully in the growth of trade in the previous years."

In some regions, such as Africa, South-ern and South-East Asia and Oceania, the increase in export proceeds between 1962 and 1963 exceeded the increase in the two preceding years, largely because of rising prices.

As a result of the sharp increase in exports, there was a significant improvement in the balance of payments of Canada and, to a less extent, the United States.

The combined trade deficit of the developing countries was "smaller in 1963 than in any year since 1954", since the rise in their spending for imports "lagged well behind the upswing in export earnings".

On this point, the Survey reported that world exports to the developing countries rose at a rate of only 2 to 3 per cent a year in 1960-63, compared with growth rates of 6 per cent yearly in exports to the countries with centrally planned economies and almost 8 per cent a year in exports to the industrial countries.

"For economic growth to continue at a satisfactory rate, imports will have to be increased. Such an increase got under way in the course of 1963 in many of the developing countries; for it to be sustained, world demand for their export products will have to rise at an adequate pace. The margin of safety achieved under the generally favourable market conditions of 1963 is a small one in relation to the longer-term growth needs."

Despite the gains registered in 1963, a number of different types of problems continued to exist, or were intensified, in various regions.

In some countries of Western Europe, for example, the rise in commodity prices tended to exacerbate existing inflationary pressures. In the United States, industrial capacity was not fully utilized, and "the continued growth of the economy had very little impact on the level of unemployment".

In the countries with centrally planned economies, "imbalances have resulted in surpluses of some consumer items and shortages of others". Efforts to raise the productivity of agriculture were "greatly intensified" in several of the countries in that group. "The process of adapting methods of planning and management to the more intricate requirements implicit in economic diversification and growth" also continued in all centrally planned economies." There was "a distinct tendency to increase the degree of autonomy" of individual economic enterprises.

Weakness in agriculture was also evident in a number of the primary exporting countries. In some of the developing countries, production was no higher in 1963 than in 1962, or was actually lower, and in a number of others "the growth of agriculture is barely keeping pace with the expansion in population".

A widespread acceleration in the wage-price spiral occurred in several of the developing countries, and the number of countries where cost of living rose by a fourth or more was "significantly greater" than in 1962.

In addition, some of the primary exporting countries lost foreign exchange reserves in 1963—reflecting acute internal disequilibrium—and some sought adjustment by devaluing their currencies. Others were able to maintain external equilibrium by holding down imports, although some were aided by the favourable turn in prices of many primary products.

(United Nations)

[Prev. ref. 4894:AOA:A]

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ASIAN RECORDER

September 16—22, 1964

Regd. No. D-727
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ADEN

A. Closure Of People's Socialist Party HQ: The police on August 15 locked up the headquarters of the People's Socialist Party (PSP) after a raid, and seized all files, documents, typewriters and a duplicating machine.

A police guard was posted at the premises.

Mr. Rashad Mohamed Sheibany, head of the PSP branch in Crater Town, said the police had also raided his house and carpentry shop at the same time. Books and files found at his house were later returned to him at the police station.

(*The Egyptian Gazette*, Cairo)

[Prev. ref. 5963:ADN:A]

B. Protest Against Federal Order Prohibiting Circulation Of Arabic Newspaper: The Government of Aden State and the South Arabian Federation again clashed over the Federal Government order of August 12 prohibiting the circulation of Aden's Arabic newspaper *Al Ayyam*.

Mr. Hassan Ismail Khodabux Khan, acting Chief Minister for Aden, said that his Government had made a written protest to the acting British High Commissioner against the ban, which he described as "a blow to the Aden Government and another example of interference in our internal affairs".

The Aden Government, he said, was the licensing authority and the Federal Government therefore should not have taken action without Aden's approval.

In his order to Mr. Muhammad Bashraheel, Al Ayyam's owner-editor, Mr. Abdul Rahman Girgrah, the acting Federal Minister of National Guidance and Information, said that the newspaper contained matter prejudicial to the Federation's internal security.

(*The Times*, London)

[Prev. ref. 5603:ADN:C]

AFGHANISTAN

A. Independence Day Celebrations: August 23 was celebrated as the 46th anniversary of independence throughout the country.

In a message broadcast to the nation, King Zahir Shah said that Afghanistan's foreign policy was based on neutrality and free judgment, not on participation in military pacts.

He said her policy was based on mutual respect and respect for the United Nations' Charter.

He said Afghanistan would take part in the second conference of 69 neutral nations opening in Cairo in October.

He expressed the hope that a solution to the Pakhtoonistan issue would be found very soon.

The King, speaking immediately after an Independence Day parade, referred to the issue of Pakhtoonistan and said: "Today when we celebrate this day, our thoughts go out to our Pakhtoon brethren who still are not independent. Very soon we should be able to achieve through peaceful means a solution of this issue."

Dr. M. Yusuf's Message:

An Independence Day message from the Prime Minister, Dr. Mohammed Yusuf, to the nation was broadcast by *Kabul Radio* on August 27.

He said that his Government was meant to bring real freedom to the nation and to develop the country. He expressed satisfaction that real democracy would come into existence as a result of the new basic Constitution. There would be real justice. In this atmosphere, the country would be able to take quick steps for the development of its resources.

Commenting on Afghanistan's friendly relation with other countries, he said good contacts with friendly nations were expanding day by day and these were based on mutual respect.

Turning to relations with Pakistan, he said it was Afghanistan's wish to have friendly relations with that country. But Pakistan's position on the Pakhtoonistan issue was standing in the way of realizing this wish. He recalled that when the President of Pakistan arrived in Kabul for a short visit, the Afghan Government took advantage of the occasion and once again made its stand clear on this issue. He expressed the hope that this difference with Pakistan would disappear, once the Pakhtoonistan question was solved in accordance with the wishes of the Pakhtoons.

He said Afghanistan had been trying to solve the problem through peaceful methods and in accordance with social justice. He added that the Government of Pakistan had never taken any sincere steps to solve this issue justly. That was the reason why the issue had remained unsolved.

(*Kabul Radio*)

[Prev. ref. 4813:AFG:A]

B. Soviet Aid: Under an Agreement signed in Kabul on July 13, the Soviet Union is to lend Afghanistan the equivalent of £10,500,000 for levelling and asphalting a highway in northern Afghanistan.

Afghanistan is receiving an increasing amount of aid from the Soviet Union for various development projects, especially in the field of power and energy. Among the projects which are being assisted by the Soviet Union is the Sardesh Dam in Ghazni in eastern Afghanistan, which should be ready by the end of this year. It will irrigate 37,500 acres and has a storage capacity of 200,000,000 cubic metres.

Prospecting for oil and natural gas is continuing in northern Afghanistan and a pipeline is being constructed from the Shebirgan deposits to Soviet Tajikistan. The export of natural gas will enable Afghanistan to pay back the credits she receives.

Work is also proceeding on the drafting of the project to utilize the vast power resources of the Panj and the Amu Darya for the benefit of both countries. The Dasht-i-Jum Dam, in the power complex of the confluence of the Panj and the Vaksh, is expected to be 350 metres high. No structures such as these have ever been built, particularly in a seismic area.

(*Middle East Economic Digest*, London)

[Prev. ref. 5699:AFG:A; 5987:AFG:A]

BURMA

A. Col. Saw Myint Dismissed From Ministership: The Chairman of the Revolutionary Council, Gen. Ne Win, relieved on August 18 Colonel Saw Myint, Minister of Information and Culture, pending inquiries instituted under the law relating to demonetization of high denomination currency notes.

Colonel Hla Han, Minister of Education, will take charge of the Ministry in addition to his own portfolio.

Colonel Saw Myint returned from Britain in July after medical treatment for an ear. As Minister he also held the post of organizational secretary of the Burmese "Way to Socialism" party. This post now goes to Brigadier San Yu, the Finance Minister.

(*The Statesman*, Calcutta)

[Prev. ref. 5903:BUR:A]

B. Buddhist Monks' Demand: A meeting of Buddhist monks held in Rangoon on August 23 asked the Government to refund in full all demonetized currency notes belonging to pagoda trust funds and Sangha common funds.

It appealed to newspapers and printing presses not to print or publish anything which might create discord and misunderstanding between the monks and the Government.

By a resolution, it condemned the disturbances created in Mandalay by a section of the young monks on the nights of August 15 and 16.

The disturbances followed the publication by a newspaper of an advertisement in connexion with religious affairs. The young monks of Mandalay, resenting it, destroyed the newspaper office and the press in which it was printed. The house of the editor was also damaged.

Meanwhile, Col. Van Kulh, Chairman of the Security and Administration Committee, Mandalay Division, appealed to the Buddhist clergy in Mandalay to co-operate with the Government and assist in preventing such incidents.

He said that the monks who felt offended by the "announcement" concerning a

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religious matter should have complained to the Government and the Government would have dealt with the matter according to law. The Government would not any more tolerate the clergy taking the law into their own hands.

(*The Times of India*, New Delhi)

[Prev. ref. 5903:BUR:A]

CEYLON

A. Federal Party Convention: The annual Convention of the Federal Party, the principal political organization of Tamils, decided in Trincomalee on August 23 that the time was not opportune for the members of the Party to resign their seats in Parliament.

The decision, passed by 95 votes to 62, was a rejection of the decision of the working committee of the Party taken in June that Party members should vacate their seats in Parliament as a protest against the Government's policy of having Sinhala as the only State language.

Earlier, the subjects committee of the Convention rejected by 22 votes to 15 a proposal by the Colombo unit of the Party to amend the Party's constitution to enable it to launch a struggle for a separate Tamil State.

Muslim members of the Party said that if the Tamils asked for Tamilnad (a Tamil State) it would be necessary for the Muslims in the party to agitate for a Muslimnad.

(*The Hindu*, Madras)

[Prev. ref. 5699:CEY:A]

CHINA

A. Tolerance Of Colonialists —Soviet Accusation: The Soviet news agency *Tass* on August 19 accused China of conducting extensive trade with South Africa and tolerating colonialist oppression in Hong Kong and Macao.

Denouncing Chinese expressions of support for "national liberation" movements as faked, Tass said: "It is no secret that the British Colony of Hong Kong would have perished within months but for China's support.

"While advocating the struggle and liberation of African peoples the Chinese Government easily puts up with the fact that millions of Chinese people are still suffering under the colonial oppression by British and Portuguese colonialists in Hong Kong and Macao.

"The Chinese champions of freedom are not at all worried by this situation as they actually share the profits with the imperialists who exploit the Chinese population of Hong Kong."

Tass charged that foreign ships transported goods from China to South Africa, among them "great quantities of dynamite" for use against the African population.

It added: "It goes without saying that the Peking Government's secret connexions with the Verwoerd regime are carefully concealed and it is hard to obtain any exact figures on this score."

(*The Times of India*, Bombay and *Tass*)

[Prev. ref. 5988:CHI:A]

INDIA

SUMMARY: Relations With China And Pakistan; US Loan; US Team's Report On Land Reform Programme; Pondicherry Elections; State Loans.

A. Relations With China And Pakistan—Sardar Swaran Singh's News Conference: At a news conference in New Delhi on August 21, the Minister for External Affairs, Sardar Swaran Singh, said that the Government had no evidence of China's willingness to withdraw its posts from the demilitarized zone in Ladakh. Nor had any friendly country given India any evidence on which this possibility was based.

He refused to comment on Mr. Felix Bandaranaike's speech in the Ceylonese Parliament hinting at Chinese agreement to withdraw the posts in Ladakh. He said he had still to study the text of Mr. Bandaranaike's speech.

In reply to questions, however, he made it clear that India-China talks following the actual withdrawal of the posts would be held within the frame-work of the Colombo proposals. Withdrawal of the Chinese posts would amount to a substantial fulfilment of an essential precondition mentioned in the Colombo proposals. The basis would then be laid "for making further progress in the matter of steps enunciated in the proposals themselves."

[In its Notes to China following the presentation of the Colombo proposals, the Government of India had envisaged the following steps: (1) The acceptance by both sides of the Colombo proposals can be followed up by a meeting of the officials to arrive at a settlement of various matters left by the Colombo Powers for direct agreement between the parties and to decide the details regarding the implementation of the proposals on the ground. (2) The officials of both sides can then take action to implement these proposals on the ground so that agreed cease-fire arrangements are made on the ground. (3) Thereafter, in the improved atmosphere, India and China can take up the question of their differences on the boundary question and try to reach a mutually acceptable settlement in one or more than one stage. If a settlement is reached, it can be implemented in detail on the ground.]

Sardar Swaran Singh told a questioner that the Government had not approached either the Ceylonese Government or any other Government to suggest that China itself should convey to India its readiness to withdraw the posts in the demilitarized zone. India had not moved any Government "to persuade China to adopt this or that course."

He was asked if Mr. Jaya Prakash Narayan's suggestion for leasing Aksaichin to China for civil purposes would not weaken India. He replied: "I don't see how it should weaken the Indian stand, although we may not like the suggestion. An inconvenient suggestion need not weaken our stand."

Asked if a dialogue was going on between India and China, he replied in the negative.

He was then asked a number of questions about India-Pakistan relations. He said that there had been an exchange of correspondence between India and Pakistan on the proposal about a summit meeting some weeks ago, "but of late I don't think there has been any move from either side." One should wait for the outcome of the proposed Indo-Pakistan Home Ministers' Conference. After that the convenience of the President of Pakistan and the Prime Minister of India could be ascertained and the proposal for their meeting considered. He agreed that such a meeting would be a good thing.

He was asked if, after his meetings with Sheikh Abdullah in Srinagar and New Delhi, he felt that a summit meeting would be successful. He replied: "I don't think that the success of a summit meeting should in any way be linked with my talks with Sheikh Abdullah. Summit meetings should always yield good results. They improve the atmosphere.

"I held talks with Sheikh Abdullah. The overall impression left on my mind was that he is devoted to the cause of amity and friendship between India and Pakistan. It is a desirable objective."

He said there was no proposal for a meeting of the Foreign Ministers of India and Pakistan before the Ayub-Shastri meeting.

[The Home Ministers of India and Pakistan were to have met some days earlier. But the Home Minister of Pakistan fell ill and the meeting could not take place. Depending on the convenience of the Home Minister of Pakistan, the next meeting of the Home Ministers of the two countries would be fixed.]

He said that if there was an invitation from Pakistan, he would be glad to visit that country. Asked whether he had seen the Pakistan Foreign Minister, Mr. Bhutto's reported remarks that he would welcome a meeting with him, he said that he had seen that statement. "I welcome that sentiment but I have not heard from him." Invitations to visit countries were not extended through the Press.

Asked what role India would play at the non-aligned conference in October, he said: "India will play a humble role. It will contribute a little bit towards consolidating the idea of non-alignment and peaceful co-existence which are the main objectives of the conference. India feels happy that the number of countries which follow the policy of non-alignment is increasing. India has no particular plans to push through. But she will try to give a real content to the concepts of non-alignment and peaceful co-existence."

He said that India would continue to take the stand that the Soviet Union should attend the second Afro-Asian Conference to be held in 1965. India and some other countries felt that the Soviet Union should be invited for this Conference, as these countries considered the Soviet Union as an Asian country because a major part of that country was in Asia.

(*The Times of India*, New Delhi)

[Prev. ref. 5968:INI:A]

B. India To Ratify Amendments To UN Charter: The Government decided on August 20 to ratify the amendments to the UN Charter in accordance with two draft resolutions which were passed by the UN General Assembly on December 17, 1963.

Although the UN resolutions had called for ratification of the proposed amendments by September 1, 1965, the Organization of African Unity had suggested their ratification by African members of UN by August 31 this year.

India, having always supported enlargement of the membership of the Security Council and the Economic and Social Council and further played an active and leading role in the negotiations leading to the passing of the resolution in the UN Assembly, considered their ratification as another step forward in keeping with the aspirations of the Afro-Asian members of UN.

One of the draft resolutions proposed the following changes: (1) The number of non-permanent members in the Security Council is to be increased from ex to 10; (2) it would provide for a majority

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of nine to pass a resolution in the enlarged Security Council, instead of seven, as at present; (3) among the 10 non-permanent seats, the distribution proposed was five from African and Asian States, one from East European States, two from Latin America and two from West European and other States.

The other draft resolution provided for enlarging the membership of the Economic and Social Council from 18 to 27. The resolution also proposed that of the enlarged membership, 12 should go to African and Asian States, five to Latin American States, four to Western Europe and other States, two to Eastern Europe and four should be from among the permanent members of the Security Council.

(*The Times of India*, New Delhi)

[Prev. ref. 5674:AOA:A]

C. **US Loan For Cochin Oil Refinery:** Cochin Refineries has arranged a loan of $18 million from private US sources.

The loan consists of two parts—a short-term loan of $6 million from three US banks and $12 million in the form of a series of long-term loans issued to private US investors through a trust. The latter arrangement is considered particularly favourable from the point of view of the company and India's foreign exchange position, as the notes would mature in semi-annual instalments during the 10-year period commencing from 1970.

The transaction, which was completed on August 14, involves, among other things, an initial withdrawal of $5.85 million out of the long-term amount to cover dollar commitments made by Cochin Refineries so far.

The company, which was formed by an agreement between the Central Government, Phillips Petroleum Company (US and Duncan Brothers, Calcutta), has made considerable progress in its purchases. Several hundred tons of steel items have already arrived at the Cochin site and construction work is progressing satisfactorily.

(*The Hindu*, Madras)

[Prev. ref. 6005:INI:C]

D. **New Cabinet Secretary:** The Prime Minister, Mr. Lal Bahadur Shastri approved on August 22 the appointment of Delhi's Chief Commissioner, Mr. Dharma Vira, as Cabinet Secretary.

He is expected to assume charge on November 19 when Mr. S. S. Khera, the present Cabinet Secretary, relinquishes office. Mr. Khera had been Cabinet Secretary since April, 1962.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5863:INI:A]

E. **Land Reform Programme —US Expert Team's Criticism:** According to a survey by a team of US experts, led by Mr. Wolf Lap Ladejinsky, faulty land reform laws and the "negative attitude of Government officials at the State, district, block and village levels" were responsible for unsatisfactory tenurial conditions to "package programme" districts.

"Such tenurial conditions are obviously not conducive to agricultural production," the team observed.

The team visited four representative districts—Aligarh (UP), Ludhiana (Punjab), Shahabad (Bihar), Tanjore (Madras) and West Godavari (Andhra Pradesh)—covered by the intensive agricultural programme, popularly known as the package programme.

Excepting Aligarh, the tenurial situation in the other districts covered by the survey was stated to be unsatisfactory. A sizable area was cultivated by tenants, and most tenancies were oral leases.

In Tanjore, West Godavari, and Shahabad land records did not contain any information about tenants. The landlords still continued to change tenants from plot to plot to defeat the tenancy laws. Thus a large number of cultivators held no title to the leased lands, paid high rents, and were never certain of their status. They were left with little to subsist on and much less to invest.

The situation was further aggravated by the reluctance of village level workers to prepare production plans for the "pure" tenant-farmer and, in respect of leased lands, for the owner-tenant farmer, unless the landlord agreed to it.

As part of this situation, a co-operative society would not provide the tenant with a short-term loan unless he produced a lease deed from the landlord of his signatures on the loan application. Even where a tenant succeeded, the maximum loan that he could get was very small. "There is ample evidence, therefore, that the vast majority of tenant-cultivators are poor investors and the package programme aimed at reaching every farm family is bound to suffer accordingly."

The team was of the view that "the reason for this state of affairs is twofold: one is faulty legislation, and the second is the negative attitude of Government officials at the State, district, block and village levels."

In Madras and Andhra Pradesh the present land reform law was of a temporary stop-gap nature; comprehensive legislative measures had yet been enacted. In Bihar, the law in force was still the Tenancy Act of 1885 with some modifications which were "wholly inadequate." Legislation in Punjab was "extremely defective and needs complete overhauling." Only in Uttar Pradesh a well-thought-out and comprehensive legislation had been enacted and effectively implemented.

According to the team, a factor in the tenurial situation which needed to be singled out was that in all the four districts where leasing was permitted, a large number of small landowners have leased small plots to make up viable units of cultivation.

The problem was compelling in the districts of Tanjore and West Godavari where 50 per cent or more of farmers cultivate wholly or partially leased lands, mostly on oral leases. "If land tenure conditions were a part of the criteria for selecting a package district, West Godavari and Tanjore would not qualify at all."

In Tanjore—"a district with one of the nation's worst land tenure systems"—there was a "vast army" of tenants and agricultural labourers. Personal cultivation was not popular in this district. The owners, big and small, were "gentlemen farmers." Rents ranged from 60 to 65 per cent of the crop—although the Fair Rent Act of 1956 provides for 40 per cent of the normal gross produce to be paid as rent. "Officials behave as if the Act was not meant to be enforced and, in the circumstances, landlords see no cause for being on the defensive."

There was a "startling" lack of security of tenure. Nor had the tenants benefited from the Land Ceiling Act, which according to the team, was "a paper proposition." "Only a great optimist would say that the district has a bright future, unless the land system is completely overhauled."

In West Godavari, an estimated 1,000 tenants out of a total of 2,000 farm families held no titles to land they cultivate, pay exorbitant rents, and were never certain of their status. Even the high rate of fair rent fixed by law—50 per cent of the gross produce—was not being observed. Two-thirds of the gross produce as rent was quite common, and in some cases it was even higher.

The team observed that the law relating to fair rent was itself defective, as it introduces no "tools of enforcement."

In Shahabad, the situation was no better. Evictions were endemic in the absence of a correct record of rights. According to the team, the hard core of the tenurial structure in Bihar had not been affected in any great measure by zamindari abolition and other tenurial reforms implemented so far. Even now about one-third of the total number of farmers or more were either pure tenant-cultivators or owner-tenant-cultivators and they paid exorbitant rents. The security of tenure offered to tenants by law was "unreal, illusory and ineffective." "Even the senior officers in the administration do not care to raise this problem, and surely are not prepared ot meet it."

Ludhiana, too, had its tenants and tenancy problems. The Punjab Security of Land Tenure Act, 1953 visualised that all tenants cultivating lands within the permissible limit of owners would be ejected and settled on the surplus lands of those who cultivated lands in excess of the permissible area. The tenant settled in the surplus land would remain a tenant and the right to purchase ownership of the land would accrue to him after he had held the land for six years. But in Ludhiana district only 137 of the great majority of about 28,000 tenants had been settled so far.

According to the team, the failure of the land reform laws in Punjab was not due, as elsewhere, to the lack of tools of enforcement; the reason for the failure lay in bad conception of the Act. "A land reform programme which seeks the improvement of tenancy conditions by aiming to evict about 5,00,000 tenants and settling them on new holdings is highly illogical, to put it mildly."

The team's first recommendation envisaged the preparation of a basic record of tenancies as an aid to officials in the preparation of this record. A committee should be set up in each village or group of villages consisting of two tenant-farmers, one part-owner-part-tenant-farmer and one landlord. As soon as the basic record was prepared, each tenant farmer should be provided with a certificate showing the plots he cultivates. Without this, the provisions for security of tenure, which were "crucial" to the whole scheme of land legislation, could not be enforced.

The team felt that the right to resume land for self-cultivation by the landlord had tended to defeat the provisions for the security of tenure. Resumption was all the more damaging in the case of small landowners who had made up viable units of cultivation by leasing an additional acre or two of land. It would be in the best interest of agriculture, therefore, to restrict resumption severely: no resumption should be permitted to absentee owners and others whose principal occupation was not cultivation, and it should be so regulated that the holding of the tenant cultivator was not reduced below the size of, say, a family holding.

In view of the "proverbial weakness" of the tenant vis-a-vis the landlord, the team recommended that steps should be taken for the early transfer of ownership to all tenants in respect of their non-resumable lands. The procedures for the transfer of ownership and determination of compensation should be simple, easily enforceable and widely publicised. The team considered an amount equal to 15 to 20 times the net income of the owner with payments spread over a period of about 10 years as quite reasonable to both the tenant and the landlord.

Referring to the stand taken by the co-operatives in refusing credit to a large number of tenants, the team suggested that, if necessary, the Government should assist the tenants through taccavi loans, by-passing the co-operatives.

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Planning Commission Rejects Report:

The Planning Commission has rejected the conclusions of the "one-man team" of Mr. Wolf Ladejinsky in regard to tenurial conditions in the intensive agricultural districts and their effects on agricultural production.

Disclosing this in a statement on August 24, Mr. Shriman Narayan, Member of the Planning Commission, said a few State Governments had ordered a detailed inquiry in the concerned districts in regard to the tenurial conditions obtaining there and found that the conclusions of Mr. Wolf Ladejinsky were "untenable and unfounded."

He said that several States had strongly contested the findings of the one-man team submitted to the Commission in June, 1963 and come to the conclusion that the facts mentioned in the report were exaggerated, partly because the coverage of the villages in one district were quite limited, at the rate of only about ten villages in a district.

He was commenting on a news agency report on the team's survey which, he said, was a "confidential document."

He "strongly deprecated" the tendency of "unauthorized publication" of confidential documents "only to create a wrong impression about Plan programmes."

He said in view of the rejection of the conclusions of the team as "unfounded," the Planning Commission did not think it worthwhile publishing the report and considered broadly some of the observations made in the report.

He said while it was true that the progress of land reforms in the country had not been as satisfactory as was desired, the fact remained that a good deal of work had already been accomplished in this sphere during the past decade. Intermediaries in all States, except in a few small pockets, had been abolished and legislation had been enacted in regard to tenancy reforms and ceiling on land holdings. Considering the democratic process and the social and economic conditions that obtained in the Indian countryside, much of this legislation had been fairly progressive and creditable.

He expressed the hope that agrarian reforms already introduced in various States would show better results in the near future. "I see no cause for undue pessimism or despair."

(*The Times of India* and *The Hindustan Times*, New Delhi)

[Prev. ref. 5633:INI:S]

F. P-SP Members Join Congress: About 900 workers of the Asoka Mehta group of Praja-Socialists in Maharashtra joined the Congress Party at a special convention in Bombay on August 23.

The "family reunion," as it was called, was hailed by the Defence Minister, Mr. Y. B. Chavan as a historic event to strengthen the Congress and take the country forward towards democratic socialism.

If the socialists had not gone out of the Congress in 1948, he said, the course of history might have been different. With Mr. Nehru no more at the helm of the Congress, it was necessary for all socialist forces to unite under the banner of the Congress.

Mr. Asoka Mehta, Deputy Chairman of the Planning Commission, blessed the decision of his followers "to strengthen the forces of change" in the Congress and hoped their example would prove convincing and contagious.

The organizer of the convention, Mr. Rohit Dave, said though they were joining the Congress in a body, they had no desire to form any separate group. "We want to be one with them and to work shoulder to shoulder for a common goal."

The resolution welcoming the appeal of the Congress President, Mr. K. Kamaraj to all socialists to band together in the Congress for the establishment of a socialist order and to implement the Lucknow decision of socialists to join the Congress was moved by Mr. Shivaji Patil, former chairman of the Maharashtra unit of the P-SP and member of the Maharashtra Legislative Council.

(*The Times of India*, Bombay)

[Prev. ref. 5886:INI:N]

G. HMT Report For 1963-64: A dividend of 10 per cent for the fourth consecutive year and a net profit of Rs. 3.01 crores were some of the outstanding features of the annual report of the State-owned Hindustan Machine Tools (HMT) for 1963-64.

The year's profit represented a return of 37.8 per cent on the share capital of Rs. 8 crores and compared with the previous year's 33 per cent when the net profit was Rs. 2.15 crores.

Releasing the report on August 22, Mr. S. M. Patil, Managing Director, said that HMT had been able to plough back into expansion Rs. 5.97 crores.

He said HMT had offered to meet approximately 50 per cent of the country's demand for Rs. 100 crores worth of machine tools during the Fourth Five-Year Plan. This was proposed to be achieved by establishing five additional factories. The capital of Rs. 20 crores required for this purpose would be met entirely from the internal resources of the company.

At the moment, besides the watch factory, three factories of Hindustan Machine Tools—two in Bangalore and one in Pinjore—are in production. The fourth unit of HMT is coming up in Kalamassery near Ernakulam in Kerala and this is expected to go into production by the end of this year. Construction work on the Hyderabad unit has started.

The total production of the Bangalore factories—HMT I and II—came to about 2,000 standard machines.

HMT received in 1963 orders for the supply of 2,270 machines and was able to despatch 1,982 of them. During the corresponding period in the previous year, HMT had orders for 2,137 machines against which it despatched 1,673.

In the last year ,the Hindustan Machine Tools watch factory turned out 1,21,600 watches compared to 51,562 in the previous year.

In addition to its original lines of production, two varieties of gents' and one variety of ladies', the HMT watch factory turned out watches with luminous dials specially meant for defence service personnel.

HMT, which has on its rolls over 9,000 workers, continued to pay enhanced dearness allowances to its employees in conformity with the scales applicable to Central Government employees, besides providing amenities like subsidised housing, subsidised transport and subsidized canteen services, education facilities and free medical aid.

Technical Collaboration With West German Firm—Agreement Signed:

An Agreement providing for seven-year technical collaboration in the manufacture of a range of heavy duty gear hobbing machines was signed in Bangalore on August 23 between HMT and Liebherr of Machinenfabrik of West Germany.

The Agreement will enable HMT to manufacture this type of machine for the first time in India.

According to the Agreement, HMT will have full rights to sell these machines in India and abroad including USA, UK and Western Europe.

According to HMT officials, India will need about 100 such machines annually by 1965-66. In keeping with its industrial development the country's requirement is expected to rise to 200 machines per year by the end of the Fourth Plan, i.e. 1970-71.

(*The Hindu*, Madras)

[Prev. ref. 5980:INI:H]

H. Pondicherry Election Results: The Congress Party came out triumphant in the Pondicherry State Assembly elections, winning 22 out of the 30 seats in the elections held on August 23.

The community-sponsored People's Front secured four seats and Independents four.

The final party position in the Assembly was: Congress 22, People's Front four, Independents four.

Mr. Edouard Goubert, Chief Minister of Pondicherry, Mr. A. S. Kankeyan, Speaker of the Pondicherry Legislative Assembly and also a sitting Congress MLA, and Mr. V. Venkatasubba Reddy, Planning Minister, were the three prominent Congress candidates among the declared candidates.

Mr. V. Subbiah, prominent People's Front leader, was declared elected from Modeliarpeth constituency, defeating his Congress rival, Mr. K. Srinivasan, by a small margin of 269 votes. Another People's Front candidate came out successful from Nellitope constituency, defeating his Congress rival by just 16 votes.

An Independent from Courvinatham succeeded against three other candidates, one Congress, one People's Front and one Independent. He polled 3,167 votes, as against the Congress candidate's 1,760.

(*The Hindu*, Madras)

[Prev. ref. 5533:INI:O]

I. State Loans: Thirteen State Governments announced on August 3 the issue of their 4¾ per cent 1976 loans for Rs. 100 crores.

All loans except that floated by the Kerala Government opened for subscription on August 24 and closed on August 28. The Kerala Government's loan opened on August 25 and closed on August 31.

Maharashtra topped the list with a loan of Rs. 15 crores at an issue price of Rs. 100. Madras came next with Rs. 14 crores at an issue price of Rs. 99.75.

The Gujerat State loan of Rs. 7 crores also had an issue price of Rs. 100.

The following are the State-wise details of the loans with the issue price in brackets:

Andhra Pradesh Rs. 11 crores (Rs. 99.50), Assam Rs. 3 crores (Rs. 99.50), Bihar Rs. 4 crores (Rs. 99.50), Kerala Gujerat Rs. 7 crores (Rs. 100), Madhya Pradesh Rs. 4 crores (Rs. 99.50), Madras Rs. 14 Rs. 5 crores (Rs. 99.50), Maharashtra Rs. 15 crores (Rs. 99.75), Mysore Rs. 7 crores (Rs. crores (Rs. 100), Orissa Rs. 8 crores (Rs. 99.50), Uttar 99.50), Rajasthan Rs. 5 crores (Rs. 99.75), and Pradesh Rs. 10 crores (Rs. 99.75), West Bengal Rs. 7 crores (Rs. 99.75).

The loans would be redeemable at par after 12 years. Interest would be paid half-yearly, on February 24 and August 25 in the case of all loans except the Kerala loan for which it would be paid on February 25 and August 25. Interest in respect of all loans would be liable to tax under the Income-Tax Act, 1961.

All the loans were fully subscribed.

(*The Times of India*, New Delhi)

[Prev. ref. 4794:INI:O]

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J. National Income — "Quick" Estimates: The national income in real terms is estimated to have recorded a rise of 4.3 per cent in 1963-64 over 1962-63 as against 2.4 per cent and 2.6 per cent in 1962-63 and 1961-62 respectively over the preceding year.

This was revealed by the "quick" estimates prepared by the Central Statistical Organization on the basis of the trends disclosed by the current available data.

Of this overall rise, 0.5 per cent is from agriculture whereas the remaining sectors contributed the rest 3.8 per cent.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5716:INI:K]

K. Link Between Harappan Culture And Buddha Age—Archaeological Finds In Bihar: Recent archæological discoveries in Bihar supply what is believed by experts to be the "missing link" between the Harappan culture (1500 B.C.) and the age of the Buddha (600 B.C.).

Very little is known of the cultures which flourished between the decline of Harappa and the rise of the Buddha, and the period has been described as the "dark age" of Indian history. The discoveries now made are believed to belong to this "dark age".

The archæological finds which include a variety of rare terracotta, ivory antiquities, bone arrowheads, and polished stone-axes and chisels have been exhibited at the National Museum, Delhi.

The excavations began at Sonepur and Chirand in Bihar in 1957. While they have been practically completed in Sonepur, work is still in progress at Chirand.

Belonging to the chalcolithic culture, with undertones of Iranian influence, the discoveries show that there was much uniformity in the cultures of north-western, northern, eastern and central India.

The excavations at Sonepur have for the first time revealed the existence in Bihar of a chalcolithic culture using tools of copper and stone. The first settlers of this site did not know how to construct mud or brick houses. They lived in circular huts made of reed or leaves. In pottery they had acquired great perfection. Hunting was one of their main occupations but agriculture played an equally important part in their economic life. Charred remains of rice have been found at the site.

Excavations so far show that Rajasthan was the cradle of this culture. From there it seems to have spread to central and eastern India.

The culture died a natural death in the course of time and was followed by another culture around 600 BC. The people of this new culture knew how to manufacture iron and glass. Among the finds exhibited at the Museum is a rare crystal pendant with the face of a village belle drawn on it.

(*The Statesman*, New Delhi)

[Prev. ref. 5873:INI:N]

INDONESIA

A. Procedure For Take-over Of British Firms: In his Independence Day speech in Djakarta on August 17, President Sukarno said the procedure for take-over of British-financed enterprises in Indonesia would be nationalized with compensation. "The method to be followed will depend on British standpoint vis-a-vis the liquidation of Malaysia."

British observers interpreted this passage as meaning that Britain might have to lose her claims for compensation for property confiscated by the Government if the Malaysia issue was not settled.

Hi suggested that the British Government re-open talks with Mr. Azahari, leader of the "unitary state of North Kalimantan (Borneo)". Britain had said before that these matters concern the Government of Malaysia, and not the British Government.

Tens of thousands of Indonesians packed Merdeka (Freedom) Square and cheered as he urged them to keep "pounding away" in order to continue to "crush Malaysia."

Other points from his speech were:

President de Gaulle's Asian policy "shows a sense of reality"; Indonesia would be glad to offer her Capital as the site for talks between the three Laotian factions; he hoped the question of participants in the Second Afro-Asian Conference in 1965 would not cause a rift among progressive revolutionary forces (taken by observers to refer to the argument over whether the Soviet Union should attend).

Meanwhile, a despatch in **The Times**, London said on August 19 that the European managers had now been pushed out of all British companies in Indonesia except Shell, whose oil operations, in common with those of American companies, just remained viable after prolonged negotiations with the Indonesian Government before confrontation began. One of the last to be taken over was Nebritex, a joint British-Indonesian company. The Indonesian share of it was originally seized from the Dutch.

Including Shell, which is a British-Dutch undertaking, the total value of British enterprises in Indonesia is probably between £160 million and £180 million. Shell's own estimate of investment in Indonesia is some £35 million. The asset value of its property there is two or three times this amount. Originally the Shell interest in Indonesia was almost wholly Dutch, but after Independence the British element predominated. As the Dutch are now in favour and Britons not, the Dutch proportion has been judiciously increased again.

The oil companies are in a special position because their exports are the only part of Indonesia's foreign exchange earnings which have been increasing.

Shell expatriate staff in Indonesia three years ago numbered about 2,000, and other British expatriates probably about 1,000. Other enterprises varied greatly in size and success. There were estate management companies which made Indonesia the centre of their operations, undertakings by large companies with world-wide interests.

None of these enterprises has shown very prosperous in the books in recent years. Profits remittances, at a level of about 20 per cent, have been permitted so far for operations up to the third quarter of 1957. There has been no remittance of dividends for years. The only foreign firms which have made a significant amount out of Indonesian operations have been those which also controlled sales in the importing countries.

The pattern of take-over has been, first, the seizure of British installations by the Indonesian workers' unions; secondly, the installation of Government-appointed supervisory teams, originally to "protect" the properties; finally, the expulsion of expatriate staff.

According to the despatch, compensation for seized property, British, Dutch, or anything else, is unlikely for years and perhaps for ever. The Bank of Indonesia gave up assessing overseas debt three years ago. It is now estimated that the United States some $900 million, the Soviet Union $700 million and sizable sums to West Germany, Italy, France, and Yugoslavia. The servicing of this debt alone accounts for at least two-fifths of foreign exchange earnings, and possibly as much as half. The proportion has increased steadily for 10 years and sharply for three.

(*The Statesman*, Calcutta and *The Times*, London)

[Prev. ref. 5669:IND:A, 5705:IND:C]

B. Missile Production Plan: *Antara* quoted on August 24 a senior Air Force Officer as saying that Indonesia would be able to produce missiles of various types for its armed forces by the end of 1966.

The news agency quoted the Deputy Air Force Commander, Commodore Budiardjo, as saying that Menang project, under way, will eventually produce "air-to-air, air-to-ground, air-to-surface and ground-to-air missiles."

Antara did not mention the site of the project, nor did it give other details.

Commodore Budiardjo, according to Antara, said the Menang project would also be in a position to produce about half of the country's present needs for explosives by October, 1964.

(*The Times of India*, Bombay)

[Prev. ref. 5085:IND:E]

IRAN

A. Accord On USSR-Iran Air Service: An Agreement on the establishment of an air service between USSR and Iran was signed in Tehran on August 17 by the head of the Soviet Government delegation, Mr. E. F. Loginov and the Iranian Foreign Minister, Mr. Abbas Aram.

(*Tass*)

[Prev. ref. 5942:IRN:A]

IRAQ

A. Soviet Offer Of Military Equipment: The Chief of Staff, General Abdel Rahman Aref, said in a newspaper interview published in Baghdad on August 18 that the Soviet Union had offered to supply Iraq with all modern armaments and military equipment that she needed.

He said the Iraqi Army would be equipped with the most recent types of armaments, and would become the most efficient army of the Middle East.

The General, whose statements were published by the **Baghdad News**, said the Iraqi Army was being trained in anti-guerrilla fighting.

He said the modernization of the army was being carried out for defensive purposes.

He said the new armaments included most recent and fastest types fo fighters unique in the Middle East, and long-range bombers.

Yugoslavia and some West European countries had recently offered to supply arms to Iraq.

(*Baghdad Radio*)

[Prev. ref. 5363:IRQ:E]

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ISRAEL

A. Transfer Of Area To Jordan: A Jerusalem report on August 14 said that an area of about 1,500 square metres in the Beit Safafa area near Jerusalem is to be transferred by Israel to Jordan.

This was being done after a survey, which was carried out by Israel with the co-operation of the UN authorities for the purpose of correcting a fence. The survey has established that the area really belongs to Jordan. There are five buildings in the area, inhabited by six Arab families.

Rectifications of the Armistice Lines have been carried on continuously since 1949.

Surveys for this purpose have been conducted by Israel alone, with the co-operation of the UN Observers, as Jordan apparently did not wish to be accused of recognizing the Armistice Lines. At the same time, she gave silent consent to these operations and kept a close watch on them.

A temporary fence was set up in Beit Safafa, where the border passes through an Arab village, in 1949, and it has now been decided to mark the Line more accurately, to prevent incidents and clarify the status of the Arabs concerned, who hold Israeli identity cards but have been paying rent and taxes to the Jordanian authorities for their houses.

They have now been given the opportunity to decide to which country they wish to belong. Four families have moved to other accommodation in Israel, while two have elected to remain in the area and give up their Israeli citizenship.

Negotiations on the necessary arrangements, through the Israel-Jordan Mixed Armistice Commission, have not yet been completed.

(*The Israeli Digest*, Jerusalem)

[Prev. ref. 5972:ISR:A]

B. Two Fiscal Bills Passed: The controversial Inheritance Tax Amendment Bill became law on July 30 by a vote of 43 to 29.

Mapam and the Communists joined the Coalition Parties in supporting the measure, while Herut, the Liberals and Agudat Yisrael voted against it.

Mr. Israel Guri, Chairman of the Finance Committee, said that the aim of the Amendment was to prevent concentrations of great wealth in the hands of the few. "This aspect seems to us to be most important, in view of the growth of a new class of millionaires in Israel, a class that already numbers several hundred persons."

He said that the amended inheritance tax would yield less than I£5 million a year, which was less than a quarter of one per cent of all tax revenue. He therefore felt that the protest had been unwarranted.

The following are the principled deductions authorized by the new law:

Standard deduction I£10,000; widow(er), I£25,000; children 22 and over I£10,000; children under 22 I£15,000; parents supported by the deceased I£5,000 each—but if no children, then I£10,000 even for an only parent; if the deceased died while on active service with the Forces, complete exemption.

If the estate includes a flat occupied by the deceased and his heir, and which the heir will continue to occupy, the flat will be exempt if the total estate comes to less than I£150,000 and the flat is worth not more than I£50,000 as an occupied flat. (This means that the value of the flat when vacant is three times as much, or I£150,000.)

Bequests to the State, local authorities, Jewish National Fund, Keren Hayesod, or a recognized institution of higher learning will not be regarded as part of the estate. Exemption is granted to the following objects, provided they are not sold within five years: manuscripts, objets d'art, religious articles, scientific collections. On pictures the maximum exemption is I£15,000.

Gifts made by the deceased within five years before his death will be considered part of the estate. An exception is made for wedding gifts to the deceased's child, provided the amount is "not exaggerated."

Tax On Large Flats:

A Bill to levy a tax on large flats —those with 125 square metres of floor space, including balconies and walls—passed its third reading in the Knesset on July 30. There were no opposing votes, but Herut abstained.

The tax—payable when the building licence is issued—will be I£100 for each square metre between 125 to 150 square metres; I£150 for each square metre between 150 to 250 square metres; and I£200 for each square metre over 200 square metres. (These rates are higher than those originally proposed by the Government.)

(*Jerusalem Post Weekly*)

[Prev. ref. 5888:ISR:B]

C. Dispute Between Benei Israel And Chief Rabbinate: At a meeting called by President Zalman Shazar on July 31, a formula was proposed to settle the dispute between the Benei Israel community of Indian Jews in Israel and the Chief Rabbinate.

The Benei Israel had complained that the marriage directives issued by the Chief Rabbinate two years ago discriminated against them and cast doubts on their Jewishness. In August, 1963 a group of Benei Israel families held a sit-down strike in Jerusalem, demanding the withdrawal of the directives, and a similar strike was started in July this year.

Chief Rabbi Yitzhak Nissim and Dr. Zerach Warhaftig, the Minister of Religious Affairs, who were present at the meeting endorsed the following proposal:

"The Chief Rabbinate re-iterates its announcement that the Benei Israel from India are Jews in every sense. The questions which are put at the time of marriage according to the Directives of 1962 apply to immigrants from every distant land, and do not in any way discriminate against the Benei Israel."

The proposal was not accepted, however, at a meeting of representatives of the community on August 2.

The Minister of Religious Affairs, Dr. Warhaftig, wrote to President Shazar clarifying the position of the religious authorities on the matter. "According to investigations and the halachic decision of the Chief Rabbinate of Israel, the Benei Israel are considered Jews in every respect," he stated in his letter. "I have announced on several occasions, both in the Government and the Knesset...., that the Benei Israel are Jews in every respect, both in principle and in practice.

"There is no difficulty and no discrimination in marriage arrangements between members of the community or between them and members of other Jewish communities. During the past two years not a single case has been brought to my attention in which the Benei Israel have encountered difficulties in marriage matters."

Chief Rabbi Nissim, who promulgated the controversial directives, had made similar statements concerning their practical implications, and had also declared that "the Benei Israel are considered Jews in every respect."

The Secretariat of Mapai, the Israel Labour Party, announced on August 7 that, while not approving of the methods used by the Benei Israel and their supporters, it intended to take the lead in the struggle for the annulment of the directives.

The Central Committee of the Histadrut, the General Federation of Labour, resolved to "put the full moral force of the labour movement behind the Benei Israel and their struggle for equal rights."

A special session of the Knesset to discuss the problem had been called in response to a requisition submitted by the opposition parties.

Rabbinate Asked To Revoke Directives Against Indian Jews:

A "State versus synagogue" crisis erupted in the Knesset on August 17 when the Prime Minister, Mr. Levi Eshkol, called on the Chief Rabbinate, the supreme Jewish religious body in the country, to revoke the special directives affecting the personal status of the Benei Israel.

The Knesset interrupted its Summer recess for the debate on this issue which had been agitating public opinion for some time.

Referring to the fact that under Israeli law matters of marriage and divorce are the exclusive jurisdiction of the Rabbinate, Mr. Eshkol warned that the Rabbinate's stand on the Benei Israel issue could undermine this situation.

He said that on its part the Rabbinate should act in accordance with the needs of this generation.

Most speakers in the debate—with the exception of members of religious parties —criticized the Rabbinate's directives on the ground that they were liable to be interpreted as discriminatory.

Mr. Eshkol himself said the directives, calling for a careful check on the "legality" of the marriage of the ancestors of a Benei Israel prospective bridegroom or bride, aroused the wrath of a community which saw in them an affront. He said the sensitivity of members of the community was understandable.

The issue had much wider applications since Israel hoped for large immigration from other countries where Jewish communities had been prevented from adhering strictly to Jewish religious rules.

Rabbi Isser Yehouda Unterman, one of the country's two chief Rabbis, had earlier rejected any attempts by the secular authority to impose its will in matters of religious law.

At the end of the six-hour debate the Knesset adopted a resolution endorsing the Government's statement re-affirming the "full equality of the Benei Israel community".

The resolution said the Knesset regarded members of the Benei Israel community as Jews in every sense, equal to all other Jews in all matters.

On August 18, leaders of Benei Israel called on the Prime Minister, Mr. Levi Eshkol, to thank him for the Government's support in their fight against discrimination by Israeli religious leaders.

Earlier, they ended their 18-day sit-down strike during which the Indian Jews, with their women and children had remained near the Chief Rabbinate, sleeping in tents.

(*The Israeli Digest*, Jerusalem and *The Hindu*, Madras)

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JAPAN

A. Loan To South Korea: The Government decided on August 18 to give South Korea a $20-million loan as "interim aid" pending the establishment of diplomatic relations between the two countries after which Tokyo proposes to extend long-term assistance amounting to $600 million to Seoul.

The terms of the current aid provide for exports of industrial materials to be paid for by South Korea in two years after a waiting period of one year. The annual interest rate would be 5.75 per cent.

South Korea was not expected to agree to the Japanese terms unconditionally. It had earlier requested a $50-million commodity aid as a relief measure against its steadily deteriorating economic situation.

Informed sources said the Japanese aid proposal was bound to create political disputes both in Japan and in South Korea. It was pointed out that the national turmoil in South Korea which led to the imposition of Martial Law in June had been partly due to student demonstrations against the "humiliating attitude" of the Park Government in negotiations for the establishment of diplomatic relations with her former colonial master.

(*The Japan Times*, Tokyo and *The Times of India*, New Delhi)

[Prev. ref. 5043:JAP:A]

B. Trade Protocol With West Germany: Trade talks between West Germany and Japan initiated in Bonn in September, 1963 were concluded, and the relevant Protocol was signed, between delegates from the two countries in April.

The negotiations were held to discuss matters in relation to import restrictions imposed by West Germany on Japanese goods.

In the trade negotiations, according to the announcement, it was recognized by Japan that West Germany promised to liberalize its import restrictions on or before January 1, 1965 for eight items, in terms of the Brussels Tariff Nomenclature, on Japanese goods including metallic toys, lighters, household sewing machines, and other goods, and as a result, the number of import goods restricted by West Germany on Japanese goods would be reduced to 20 items.

It was also reported that West Germany promised to increase its import quota during 1964 for goods now restricted to DM15,080,000 or 28 per cent more than that of the preceding year and, besides, would continue to discuss further liberalization with Japan as soon as possible regarding its unfreed 20 items, among them textile goods, ceramics and products, and others, the times of liberalization of which had not yet been decided, and to make efforts to gradually increase their import probability at the same time.

Meanwhile, Japan promised to take similar steps and would confer with West Germany with a view to promoting import liberalizations and to increase its import quota.

(*Eastern World*, London)

[Prev. ref. 4876:JAP:D]

LAOS

A. Pathet Lao Leader Commends French Attitude: In an interview given to the French Communist newspaper, *L'Humanite*, the Pathet Lao leader, Prince Souphanouvong, said in the last week of August that France should go all out for reconvocation of the international conference on Laos.

He said: "I consider that France as a signatory of the 1962 Geneva Agreements on Laos has the obligation to respect them and apply them correctly. Also France must help in having them respected. This is the only approach in conformity with the interests and honour of France.

"It was a wise decision on her part to refuse to participate in the consultations of the six countries at Vientiane organized by Britain according to the American plan and to back the international conference of the 14 countries."

Talks With Chinese Leaders:

During the same week, Prince Souphanouvong visited Peking where he held talks with Chinese leaders.

At a Peking banquet on August 23, the Foreign Minister, Marshal Chen Yi, hoped that the forthcoming Paris conference between the leaders of the three Laotian political groups would result in bringing about "the stabilization of the situation in Laos, peace and neutrality for Laos, and the early meeting of the Geneva Conference."

In reply, Prince Souphanouvong recalled that his party had always insisted on a solution based on the Geneva Agreements.

US Pledge:

Meanwhile, on August 17 in Washington the US State Department expressed its willingness to take whatever action necessary, including the use of armed force if requested, to support the neutralist Government of Laos.

The Press Officer, Mr. Robert J. McCloskey, said that this was a "statement of position and not an indication the United States is seriously considering further action."

Reports said USA would intervene forcefully if the Pathet Lao made a major move to take over the Mekong River valley bordering on Thailand.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5998:LAO:A]

LEBANON

A. Plotters Sentenced: A military court in Beirut on August 11 passed sentences ranging from 10 years' hard labour to one year's imprisonment on five men accused of trying to carry out terrorist acts, carrying explosives and weapons and attempted kidnapping.

The convicted men included Lieutenant Jalal Mirhej, a Syrian, who was sentenced to ten years' hard labour. Another Syrian, a civilian, was sentenced to seven years' hard labour.

A Lebanese civilian was sentenced to three years' hard labour and two other Lebanese, including former deputy Kahtan Hamadeh, to one year's imprisonment.

The court acquitted Dr. Aly Jaber, described as a leading member of the Baath Party, which is unlicensed in Lebanon, and two Syrians. Dr. Jaber told the court he had resigned from the Party some time ago.

The Syrian Lieutenant was convicted of conspiring to carry out acts of terrorism, carrying unlicensed weapons and drugs, instigating kidnapping and forging the seal of the Lebanese State.

Hamadeh was convicted of complicity in instigating the kidnapping.

(*The Egyptian Gazette*, Cairo)

[Prev. ref. 5612:LEB:A]

MALAYSIA

A. Reported Landing By Indonesian Troops: Kuala Lumpur reports said on August 17 that Indonesian forces had landed on the west coast of Johore.

A Royal proclamation issued the same day (August 17) declared Johore, Malacca and Negri Sembilan as security areas.

A Government statement placed the number of Indonesians who had landed at between 30 and 40. Among them were members of the regular Indonesian Navy and some Malaysians, Malays and Chinese.

The statement said that the remainder had attacked security forces in the Pontian Besar district with mortar fire and hand grenades, but there were no casualties. Arms and ammunition had been seized and mopping-up operations were in progress.

Tun Abdul Razak, the Deputy Prime Minister of Malaysia, at a conference in the national operations room in Kuala Lumpur, said that two boats had been found on the east coast of Johore, but it was not certain whether a landing had been made there. The situation was serious. Indonesia had committed an act of aggression and the world should know; the President of the United Nations Security Council would be informed.

The Territorial Army had been mobilized throughout the country to guard strategic points and members of the vigilante corps now being formed were asked to help trace the infiltrators. All people over the age of 12 must carry identity cards at all times. People found with arms without lawful authority would be liable to the death penalty.

The Defence Ministry said on August 18 that security forces had killed two heavily armed raiders on the west coast of Johore. Several others were captured. The number of those caught was not specified. There were no more landings.

The Prime Minister, Tengku Abdul Rehman, warned the people against agents provocateurs. He called the landings "a brazen act of aggression."

The following day (August 20), he charged that one of the principal objectives of the guerrillas who landed on the west coast of Johore was to assassinate political leaders in Malaysia and to stir up trouble generally.

He said that the time was not ripe now to take up in the UN Security Council the landing of Indonesians on the Malayan coast. All the members of the Security Council had been informed of aggression.

He said: "We know there are countries which are pals of Indonesia who might veto any move. We must wait and secure sufficient evidence to convince the Council members that Malaysia is a victim of unjustified aggression."

He was referring to Russia which had been supporting Indonesia against Malaysia.

He told newsmen in Kuala Lumpur on August 22 that the landings on Malaya's east coast might be followed by large-scale infiltration along the coastal region of the heavily jungled Thai-Malaysian border.

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He disclosed that the Deputy Premier and Defence Minister, Tun Abdul Razak, had left for Bangkok to discuss "measures to counter any such move by the Indonesians." He was to meet the Thai Premier, Mr. Thanom Kittikachorn, and other Ministers.

Thai Support For Malaysia:

In Bangkok on August 24, the Thai Foreign Minister, Mr. Thanat Khoman, said that co-operation between Malaysian and Thai security forces in policing their jungle frontier had been useful in the past "and we will continue such co-operation."

He told newsmen that he had conferred with Tun Abdul Razak in Hua Hin, south Thailand. They discussed the situation that had arisen in Malaysia.

Mr. Thanat did not specifically mention the Indonesian guerrilla landings in south Malaysia, but said that Malaysia feared an "enlargement in the situation."

Indonesian Denial Of Landings:

Mr. Ganis Harso, a spokesman of the Indonesian Foreign Office, said in Djakarta on August 18 that the report of landings by Indonesian guerrillas was a "made-up piece."

He said the Indonesian Government was not so foolish as to send "chaps like that" and have them caught.

(*The Times*, London, *The Malayan Times*, Kuala Lumpur and *The Statesman*, Calcutta)

[Prev. ref. 6000:MAL:A]

NEPAL

A. Sardar Swaran Singh's Visit: The Indian Minister for External Affairs, Sardar Swaran Singh arrived in Khatmandu on August 23 on a three-day visit.

On his arrival, he was given a warm welcome. Among those who received him at the airport were the Nepalese Foreign Minister, Mr. Kirtinidhi Bisht, the Nepalese Ambassador in India, Mr. Yadunath Khanal, the Indian Charge d'Affaires, Mr. K. Dalal, and members of the diplomatic corps.

King Mahendra was represented by his Principal Secretary, Mr. Hans Man Singh.

Sardar Swaran Singh was accompanied by Mr. Y. D. Gundevia, Foreign Secretary, Mr. D. K. Srinivasachar, Joint Secretary, Commerce Ministry, and Mr. M. R. Rasgotra, Deputy Secretary, External Affairs Ministry.

In a statement to the Press, Sardar Swaran Singh said he was happy to visit Nepal first as Indian Foreign Minister, bringing with him the greetings and good wishes of the President, the Prime Minister and the people of India to the Government and people of Nepal.

He said it was a matter of personal happiness that Nepal was the first country he was visiting on his tour of neighbouring countries. This was no accident but was the result of the very close and friendly relations existing between the two neighbours which was "a shining example of friendship, understanding and mutual co-operation in more spheres than one". He said Indo-Nepalese relations were always close and that he had come to this country as a friend and brother, sharing the common heritage and ideals of the people of Nepal.

The warm welcome he received reflected the close relations between the two countries. He felt that he was not visiting a foreign country. Relations between India and Nepal had been very good in the past and he hoped that they would grow from strength to strength to the benefit of both. It would be his endeavour to strengthen these relations further.

Talks:

On August 23, Sardar Swaran Singh had general exploratory talks during his audience with King Mahendra and meeting with the Foreign Minister, Mr. Kirtinidhi Bisht.

Sardar Swaran Singh discussed "matters of mutual interest" with the King for an hour and later told correspondents that he was "glad to see such complete identity of views between the two Governments".

Replying to a question, he said that according to present plans King Mahendra was likely to attend the second non-aligned nations' Conference in Cairo in October.

His first round of talks with Mr. Bisht began at the Secretariat. He told newsmen that they had exchanged views on a number of international matters in a general way. He had invited Mr. Bisht to visit India. Mr. Bisht announced that he had accepted the invitation.

Asked whether any particular matter between India and Nepal figured in his talks, he said there was no complicated or difficult matter between Nepal and India.

Road Agreement:

On August 25, Sardar Swaran Singh and Mr. Surya Bahadur Thapa, Vice-Chairman of the Nepal Council of Ministers, signed an Agreement committing India to build a 128-mile highway between Sunauli, a border town in the plains, and Pokhra Valley in mid-western Nepal at a cost of over Rs. 9 crores.

The Agreement was signed at the conclusion of Sardar Swaran Singh's three-day official visit.

Survey for the road has already been completed and construction will begin in October.

The road is expected to be completed in December, 1968. It will benefit a population of 15,00,000 in the immediate neighbourhood. The road will facilitate quick movement of surplus produce and will increase manyfold Nepal's customs and excise revenue.

The highway, the second major road project to be undertaken by India in Nepal, was promised by the late Mr. Nehru when King Mahendra visited India in 1963.

News Conference:

Sardar Swaran Singh told a news conference on August 25 that India hoped that the forthcoming meeting between India's Prime Minister, Mr. Lal Bahadur Shastri and President Ayub Khan of Pakistan would yield good results and create a proper atmosphere for a solution of outstanding disputes between the two countries.

He also hoped that after the meeting, a great deal of controversy now surrounding the Kashmir question "will subside when the atmosphere improves."

He said India had always expressed her readiness to settle all outstanding differences with Pakistan and had always been ready to find solutions which might remove whatever irritants existed between the two countries. "We have also offered to enter into a no-war pact with Pakistan."

A correspondent asked why, despite India's policy of non-alignment, she was becoming virtually aligned while on the contrary, Pakistan, despite her alliances, was virtually non-aligned.

Sardar Swaran Singh replied: "If India's non-alignment has attracted a number of like-minded countries to her side, it means she has a large number of friends. That is not alignment. If Pakistan's alignment has created a situation where they feel somewhat isolated in both camps, it is not the fault of India."

He said that the Government of India had not been approached by the Nepal Government for undertaking construction of any part of the east-west highway.

He assured Nepali correspondents that within the permissible limits of Indian laws and the Constitution, the Indian Government would discourage hostile activities by Nepali residents in India against the set-up in the Kingdom. He was not aware of any such activity and at no time did India encourage or would ever encourage it. It had, however, to be appreciated that in India people had certain freedom of expression and action.

"We are of the view the system of government is essentially the concern and responsibility of the country concerned and we as a Government have always looked with sympathy and understanding at the system of government that prevails here.

"Our friendship with Nepal is so close that the form of government that is here is not a matter about which we offer any criticism. In fact, as to what form of government suits what country according to its requirements or interests is a matter primarily for the country concerned to consider and adopt. We have nothing but a feeling of goodwill for the Government of Nepal."

A correspondent asked whether in view of the Chinese claim that Tibetan refugees were returning home the Governments of India and China would negotiate an agreement for the return of Tibetan refugees in India.

Sardar Swaran Singh said: "I am not aware that any Tibetan in India has expressed a desire to go back to China. If any one wants to go to China we do not want to come in his way. We ourselves do not encourage or discourage people from following the course of action which their conscience dictates. They would be left to decide for themselves."

Joint Communique:

The Indo-Nepalese joint *communique* issued on August 25 at the conclusion of Sardar Swaran Singh's visit underlined the vital interest of the two countries in each other's welfare, prosperity and strength.

The **communique**, released simultaneously in New Delhi and Khatmandu, also took note of their "basic unity and identity of approach to international issues."

Sardar Swaran Singh's talks with King Mahendra, the Chairman of the Council of Ministers, Dr. Tulsi Giri, the Foreign Minister, Mr. Kirtinidhi Bisht and other Nepal Ministers, the communique said, were marked by great cordiality, understanding and friendship. Such high-level talks would be held periodically.

The **communique** said Dr. Giri had accepted an invitation by the Prime Minister, Mr. Lal Bahadur Shastri to visit India. The date would be fixed later. Mr. Sardar Swaran Singh's invitation to Mr. Bisht would also visit India in the near future.

Sardar Swaran Singh described Nepal as "India's closest and most friendly neighbour." He also assured Nepal of India's continuing interest in its economic development and of further economic aid

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after 1966 when India's current aid programme would come to an end.

The communique announced that it had been decided to make periodic reviews of Indo-Nepalese development projects to ensure their expeditious implementation. The first review would be held in October this year when an Indian official delegation would visit Khatmandu.

It further said that the details of an Agreement concerning the execution of the Sunauli-Pokhra road had been negotiated and the Agreement signed on August 25. The work on the project, to be constructed by an agency of the Government of India at a cost of Rs. 9.11 crores (Indian currency) would commence in October this year and might be completed by December, 1968.

Among other things, the communique said, "the Minister of External Affairs and the Nepalese Ministers discussed questions relating to supplies of essential materials such as iron and steel to Nepal from India. The Minister of External Affairs assured His Majesty's Government of India's anxiety to meet Nepal's needs to the greatest extent possible. As a result of these discussions, the supplies of iron and steel and transport vehicles, which are needed in Nepal, will be very considerably augmented and the speed of supplies accelerated.

"The Minister of External Affairs assured His Majesty's Government of India's continuing interest in Nepal's rapid advancement and that such further assistance and co-operation as was in India's power to give would be made available to Nepal after 1966 when India's present programme of assistance comes to an end.

"The development projects to be undertaken with India's co-operation and assistance during the five-year period 1966-71 will be determined in consultation between the two Governments.

"The position concerning matters relating to facilities for transit across India for Nepal's trade with third countries was also reviewed. The Minister of External Affairs conveyed to His Majesty's Government the desire of the Government of India to help Nepal in every possible way.

"The Government of India would sympathetically consider the suggestions made by His Majesty's Government in this matter in the course of the talks. These matters will be further considered at the talks, scheduled to take place in Khatmandu in October, 1964, between the delegations of the two countries."

(*The Statesman* and *The Hindustan Times*, New Delhi)

[Prev. ref. 5968:INI:A]

PAKISTAN

A. Independence Day Celebrations: Independence Day was celebrated all over Pakistan on August 14.

Elaborate programmes were made by political parties and social organizations to observe the 18h anniversary of independence.

In Rawalpindi a 31-gun salute heralded the day. Simultaneously 21-gun salutes boomed in Lahore and Dacca. This was followed by thanksgiving prayers in the principal mosques.

The highlight of the celebrations in Rawalpindi was a public meeting addressed by President Ayub Khan. The meeting was organized by the Pakistan Muslim League.

Rallies of boy scouts, girl guides and school children were the other items included in the celebrations.

At several functions tributes were paid to the founder of Pakistan, Mr. Mohammed Ali Jinnah.

President Ayub Khan's Broadcast:

In a broadcast to the nation on the eve of Independence Day on August 13, President Ayub Khan said:

"We celebrate today the beginning of yet another year of our independence; and on this happy occasion I extend to you all my very warm felicitations.

"An occasion like this evokes memories of the past, of the struggle to achieve Pakistan—led so valiantly and determinedly by the Quaid-e-Azam (may his soul rest in eternal peace), and of the sacrifices rendered by so many others in the cause.

"The high hopes with which Pakistan came into being were soon belied by the political weaknesses that began to appear in the early fifties. Each year that passed brought more and more dismay and despair to those who wished to see Pakistan strong and prosperous. We were on the brink of disaster when the Revolution came.

"By the grace of Allah, the years of political and economic stability which have followed since, have made our independence meaningful and our goal as a free nation possible of achievement. In fact, as we celebrate the anniversary of our Independence today, we can derive some satisfaction from the thought that Pakistan is well set on her course of progress and prosperity.

"Satisfaction, however, is dangerously close to complacency; and I would urge upon everyone a personal rededication to the tasks ahead of us. Indifference towards our duties to the country at this stage of our development would be fatal. We must, one and all, resolve once again to place the interests of our country above our own.

"International events, particularly during the last few years, have brought us a graver realization of the difficult role our nation has to play. We seek the guidance and protection of Almighty God, who gave us the precious gift of Pakistan, in our efforts to live a life of self-respect, independence and security, Ameen.

"A wind of change has happily set in with the recent understanding reached with our brave and open-hearted friends in Iran and Turkey. They will collaborate with us in many fields of development. Given the will and determination to make good there is no reason why this collaboration should not lead to permanently beneficial results.

"We are also happy at the goodneighbourly relations that are beginning to grow with other countries around us. We very much hope that India will also realize the advantages of living with us as a good neighbour. Our common enemies are poverty, malnutrition and backwardness. We cannot afford the luxury of working against each other's interests at very heavy cost to both of us.

"It is a pity that prejudices and passions should prevent such clear facts from being seen and should drive us to quite unnecessary suffering and loss. What is required is a change of heart.

"Progress and peace: towards these we shall continue to strive. You would like to join me, I am sure, in my fervent prayer that in the days to come this region, of which we are a part, will see peace and goodwill prevail so that our people begin to share in the world's prosperity so long denied them."

Relations With India—Official Document:

India has been painted as a villain among Pakistan's neighbours in an official release entitled "Pakistan's Good-neighbourly Policy".

The release, one of a series issued on the occasion of Pakistan's Independence Day (August 14), invariably projects India as intransigent and unreasonable in her dealings with all her neighbours, notably Pakistan.

It said: "The country with which Pakistan has not so far been able to iron out its differences is India. But in this case Pakistan is not to blame because it is not the only country with which India has had continued differences.

"India is embroiled in differences and disputes with almost all her neighbours, not to speak of distant countries. This position of Pakistan having no disputes with any of her neighbours excepting India and India having no smooth relations with her neighbours will show that the blame does not lie on Pakistan."

Detailing the growing ties between Pakistan and Nepal, the release had a fling at India again by saying: "It is, however, unfortunate that India has not found it possible to facilitate Nepal-Pakistan trade and Nepal's in-transit traffic via Pakistan."

A similar fling was obvious in a review of Pakistan's relations with Burma and Ceylon. "The attitude which Pakistan adopted in respect of Pakistani citizens affected by the Burmese nationalization laws was one of immense patience and understanding and stands out in sharp contrast to the attitude adopted elsewhere (an obvious reference to India) in respect of the same nationalization policy in Burma.

"Pakistan has agreed to discuss the question of the people of Pakistani origin in Ceylon in an attempt to resolve the matter to the satisfaction of both countries. The attitude of Pakistan in this case is visibly more conciliatory and accommodating than the attitude elsewhere in respect of the same problem."

The release devoted considerable space to the growing Sino-Pakistani ties and listed the following in support of a "rapid widening of the field of co-operation" between the two countries:

(1) The so-called Boundary Agreement of 1963 between Pakistan-held Kashmir and Chinese Sinkiang.

(2) The Trade Agreement in 1963 under which China has become the main importer of Pakistan's raw cotton.

(3) The cement-jute Barter Agreement of September, 1963.

(4) The Air Agreement which led to the inauguration of air services between the two countries in April, 1963.

(5) The Sino-Pakistani Agreement, as envisaged in the joint communique issued at the end of the Chinese Prime Minister's visit to Pakistan in February, embracing such issues as Kashmir, colonialism and disarmament.

(6) Exchange of several delegations comprising businessmen, technicians, physicians, engineers, scientists and writers.

In the end the release hoped that "India will realise the importance of a friendly Pakistan."

(*Dawn*, Karachi and *The Times of India*, Bombay)

[Prev. ref. 5428:PAK:A]

B. Presidential Election Bill Passed: The National Assembly passed on August 18 the Bill for conducting election to the office of the President.

Winding up the discussion the Law Minister, Mr. Khursheed Ahmad, said an efficacious machinery was being provided for holding a free and fair election. The passage of the Bill completed the legislation on holding of various elections. He said the election would in no case be impeded now.

He regretted that extraneous issues had been dragged in for criticism. Once a

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decision was taken by the majority in the Assembly it should be accepted. Those who were critical could go to the people, carry their support and make amendments to the Constitution. This alone would serve the cause of democracy.

About the allegation of defective electoral rolls he said there were remedies for getting this grievance redressed. He said on all legislations on elections the views of the Election Commission were invited.

Earlier, the Parliamentary Secretary for Defence, Mr. Mohammad Qasim Malik, defended various provisions of the Bill. He said the provision of Rs. 1,00,000 to selected candidates was in accordance with the suggestion of the Opposition to enable the poorest man to seek election to the highest office. He said the provision for screening was to avoid too many candidates.

According to him the Government Party would put up only one candidate and as such there would be hardly any need of screening if the Opposition also set up one candidate.

He defended the system of indirect election and maintained that in the previous elections to Provincial Assemblies which were held on direct basis, only 16 per cent of votes were cast.

(*Dawn*, Karachi)

[Prev. ref. 5817:PAK:A]

C. F-M Ayub Khan Nominated For President: The Working Committee of the Pakistan Muslim League meeting in Rawalpindi on August 19 adopted F-M Ayub Khan as party candidate for the next Presidential election to be held in February, 1965.

President Ayub Khan accepted the nomination. Besides the members of the Working Committee, the Governors of East and West Pakistan attended the meeting by invitation.

The Working Committee unanimously passed a resolution which said: "In the interests of Pakistan's political, economic and social stability and solidarity, the country needs continuity of its present inspiring leadership under President Ayub Khan. The Working Committee, therefore, unanimously, and with acclamation, adopts President Ayub as the Muslim League candidate for the forthcoming election."

This was the first time that a political party had nominated a candidate for the office of the Head of State since the creation of Pakistan. Mr. Mohammed Ali Jinnah, the first Head of State, had assumed that office at the request of the All-India Muslim League. None of his successors was appointed to that office through the elective process.

(*Dawn*, Karachi)

[Prev. ref. 5945:PAK:A]

VIET-NAM (DR)

A. Relations With Indonesia: It was officially announced in Djakarta that beginning August 17 the Embassy of the Republic of Indonesia had started functioning in Hanoi.

Mr. Mohammed Ali Moersid was appointed **Charge d'Affaires ad interim** at the Embassy.

South Viet-Nam has severed diplomatic ties with Indonesia.

(*The Statesman*, Calcutta)

[Prev. ref. 2825:VND:B]

VIET-NAM (RVN)

A. US Diplomat's Mission To Europe: President L. B. Johnson of USA sent the former American Ambassador to South Viet-Nam, Mr. Henry Cabot Lodge, to Europe in the third week of August to explain the American stand on Viet-Nam to West European leaders.

On August 18, he expounded Washington's views to the Atlantic Council in Paris and said later he felt confident that five or six NATO countries—perhaps more—would individually agree to help USA "carry the load in South Viet-Nam."

He emphasized at a news conference that he had not asked the Council for aid; the subject had arisen from the many questions put to him during its two-hour meeting. Such aid, he said, would be distinctly welcome.

He indicated also that this was not a question of military aid, but of medicine, food, doctors and experts of all kinds provided by a consortium of countries, as he put it, concerned with Viet-Nam.

He said he had not come to Europe to give assurances that there would be no extension of the Viet-Nam conflict. This was fairly well understood. His purpose was to acquaint European Governments with Washington's estimate of the situation and with its intentions and policies.

Americans he said, believed this was a world issue on a par with Berlin and Germany.

The fall of South Viet-Nam to communism would, in the American view, not only be disastrous to surrounding countries, but would have dramatic consequences for Australia and New Zealand.

What would be the effect in Europe if the United States was shown to be unwilling or unable to protect a small country in South-East Asia? What would be the effect in the United States, and on the still powerful urges towards "Fortress America"?

Korea had been seen to have great immediacy for Europe. So had Viet-Nam. He could not understand why people did not look at it in the same way. It had been shown that the United States was not a "paper tiger", and there was no question of Americans' determination "to see this thing through to the end", for which they had as much time as any one else.

He insisted, however, that the United States sought a political rather than a military solution—to create a political atmosphere in which the Viet-Cong terrorists could no longer operate. It would be hard and difficult, but not impossible; the situation was evolving and, in some respects, was better than it was in October, 1963.

He did not imply that his mission had made much impression on the French position, though he said there was agreement on both sides that South-East Asia should not fall under communist domination. The disagreement was about methods; but his talks in Paris had helped to bring the two positions into sharper focus.

He said USA was not opposed in the abstract and for all eternity to the idea of a conference, but the conditions had to be right. One would be that the Viet-Cong had ceased its "murderous incursions" into the South. Of this there was no sign, and a reconvened Geneva Conference would be a scene of bitter disagreement which would make the situation more dangerous.

(*The Times*, London and *The New York Times*)

[Prev. ref. 5833:RVN:A]

YEMEN

A Budget For 1964-65: At the end of July, the Finance Minister announced the first annual Budget in Yemen's history, totalling 32,32,889,000 rials (about £11,000,000), excluding 15,000,000 rials granted to the Government in the form of loans for develpoment projects.

In July, 1963 a Budget of 7,000,000 rials was approved covering the three months July-September, and this had been renewed in quarterly periods ever since; 2,800,000 rials is allocated to education and, in addition, Kuwait, UAR and Iraq are to provide schools and colleges at their own expense in Yemen.

(*Middle East Economic Digest*, London)

[Prev. ref. 5671:YEM:A]

ASIA OUTSIDE ASIA

SUMMARY: Soviet Stand On Second Afro-Asian Conference; Anniversary Of Moscow Test Ban Treaty; USSR Launches "Cosmos" Satellites; Commonwealth Prizes Institute.

A. Second Afro-Asian Conference —Soviet Government's Statement: On August 14, the Soviet Government stated its position on the forthcoming Second Afro-Asian Conference. It forwarded to the Governments of the countries of Asia and Africa the following statement:

"The question of inviting the Soviet Union to the Second Conference of Afro-Asian countries has been discussed in recent months in many States that are preparing for participation in this Conference. It has been learned that certain quarters in some countries seek to convert the normal exchange of opinion on this question into a groundless unsound discussion. In doing so they are not stopping at the use of the most unscrupulous means, including speculations on racial motives, gross distortions of the position of the Soviet Union and all kinds of insinuations against it. These quarters even go to the length of trying to compel Afro-Asian countries in examining the composition of the Conference participants to have the same approach to the Soviet Union as to the colonial Powers with possessions in Asia and Africa.

"In the obtaining situation, in face of the rude attempts by certain quarters to split the ranks of the States parties to the planned Second Conference of Afro-Asian countries, the necessity arises of explaining in greater detail the Soviet Union's view-point with regard to its participation in the Conference.

"In the well-known Soviet statement, published early in May this year, it was pointed out that the Soviet Union would support the convocation of the Second Conference of Afro-Asian countries if the purpose of this Conference was to unite all forces that are fighting against imperialism and colonial slavery, and, being one of the big States of Asia, was ready to do everything in its power for the success of such a conference. Nor could we take another stand since it flows from the very existence of the Soviet State whose birth heralded the beginning of the liberation of the oppressed peoples of the East.

"Since then the peoples of USSR and the peoples of Asia and Africa are ad-

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vancing in one serried rank in the struggle against imperialism and colonialism. The Soviet people are in full support of the goals of the proposed conference. They have shown not by words, but by many deeds their genuinely fraternal attitude to the peoples of Asia and Africa, their deep understanding of their needs and interests, their steadfast abidance by the idea of Afro-Asian solidarity. Throughout its almost half-a-century-long history, the Soviet Union has come out as an active and consistent fighter against imperialism and all forms of colonialism and racialism. It contributes to the full political and economic liberation of all the oppressed and exploited peoples and is their reliable friend and defender from the aggressive designs of the colonialists. This is well known in all parts of both the continents.

"Friendship and alliance with the peoples that have thrown off the colonial and semi-colonial yoke are among the most important principles of Soviet foreign policy, behested by the great Lenin. And, of course, the Soviet people will not make this principle, so sacred for them, dependent on participation or non-participation in these or other conferences. It is generally known that the Soviet Union did not attend or raise the question of its participation in the first Afro-Asian Conference at Bandung. There were due reasons for this. It suffices to stay that at that time, when many peoples still awaited the hour of their liberation, there was a spirit of solidarity and mutual understanding among the Conference participants. The initiators and sponsors of the Conference, including the PRC, came out jointly from positions of peace, the relaxation of international tension, the unity of all fighters for national freedom and progress.

"And, in effect, there were no forces at the Conference which could divert it from these aims. At that time there were no foundations for alarm over the future of the unity that was taking shape and the community of actions of the world liberation forces, which has been caused by some recent events, beginning with the tragic conflict on the frontier between the People's Republic of China and India and the open manifestation of the narrow nationalistic, hegemonistic tendencies of the Chinese leaders.

"Now, when the situation has been changed in many ways, one can fully understand those States which would like to see the Soviet Union at the Second Conference of Afro-Asian countries, thus attaching greater weight to the contribution of the Conference to the cause of the consolidation of peace, relaxation of international tension and national liberation of the peoples.

"These States, evidently, also took into consideration the benefit which could be yielded by direct co-operation with the Soviet Union in the solution by the Conference of Afro-Asian countries of problems connected with world trade and economic intercourse, with the liquidation of existing inequality and discrimination in this sphere. The United Nations Conference on Trade and Development, which has just been concluded in Geneva, has shown that such co-operation produces good results.

"The Conference which is being referred to is a conference of Afro-Asian countries. It is, therefore, but natural that there arose the question of the participation of the Soviet Union as one of the biggest countries whose territory belongs to the Asian continent, stretching over almost two-fifths of its expanses. And no subterfuges and exaggerations in politics and geography will be able to move the Urals Range which divides Europe from Asia to the shores of the Pacific.

"The attitude of the Soviet Union to the questions which are recommended for inclusion in the agenda of the Afro-Asian Conference is well known. It fully meets the interests of all countries which fight for the consolidation of their independence, for the independent development of their economy; the interests of all the peoples which are still striving for their right to free and independent existence.

"All this shows that objections against the Soviet Union's participation in the Second Afro-Asian Conference contradict the principles, aims and the very foundations on which this Conference is being called. It is obvious that if some forces, proceeding from their factional goals, do not wish the Soviet Union to attend the Conference, this line harms the national liberation movement, undermines the cause of rallying the peoples together. The representatives of these forces have declared that if the Soviet Union is invited they will not attend the Conference. This statement proves precisely that these forces put above all else their factional goals, for the sake of which they are ready to ignore the vital interests of the peoples.

"It is common knowledge that the Soviet Union has not itself raised the question of participation in the new Afro-Asian Conference. This question was raised by other States, to which the Soviet Government has expressed and expresses its gratitude. Proceeding from the interests of the common cause, the Soviet Government did not object to the consideration of this question at the preliminary meeting in Djakarta.

"But even when the friendly States explored the possibility of the Soviet Union's agreement to take part in the Conference, the Soviet Government did not deem such participation obligatory. It is becoming even more convinced of this now. The Soviet Union cannot allow the question of its invitation to be embarrassing for these or other Afro-Asian countries, the more so its use by anybody for sowing discord among them and diverting their attention from the big tasks put before the Conference by life itself.

"The Soviet Union took no initiative in raising the question of its participation in the Second Conference of Afro-Asian countries. It does not do so now and does not bind either itself or others by any decisions on this score. But the non-participation of the Soviet Union in this Conference is one thing, and it is quite another thing if all kinds of artificial objections to its participation are advanced and a dishonest game is played around this. That is why the Soviet Government deemed it necessary to return to the question of the Conference of Afro-Asian countries that is being prepared.

"Irrespective of participation in the planned Conference, the Soviet Union will follow its tried and tested course in foreign affairs. This is the clear and universally understood course towards the consolidation of peace, peaceful co-existence, relaxation of international tension, development of friendship and all-round co-operation with the young independent States, support for the peoples who have risen in struggle against their oppressors—the imperialists and colonialists. This is the course of rallying together and uniting all progressive, freedom-loving forces of the world, irrespective of race, nationality and geographical areas."

Indian View:

A spokesman of the Indian External Affairs Ministry said in New Delhi on August 17 that the issue of Soviet participation in the Second Afro-Asian Conference to be held early in 1965 was still open.

The Government did not interpret the Soviet statement—that it did not wish to press for a seat in the Conference—as a withdrawal of its claim for participation in the Afro-Asian meeting.

The Soviet Note on the subject was given to the Indian Government on August 1 and was discussed with the Russian envoy in New Delhi. Far from withdrawing the Russian claim, it further re-inforces" the arguments that were put forward by the Soviet Union and others in favour of Russian participation.

All that Russia had done was to make it clear that its claim for a seat in the Conference "is not aimed at a breach in Afro-Asian solidarity which they would always wish to avoid."

The Note showed that there were others who had made "this just claim" of Russia an excuse for attempting to divide Afro-Asian countries. "And here there is a definite hint at China."

So far as the Government of India was concerned, its sponsorship of Russia was based on "solid and substantial grounds and was not the result of any prompting by the Soviet Union". The Government adhered to its view that Russia was justly entitled to take part in the Conference, as her participation would be a source of strength to the Afro-Asian world.

((*Tass* and *The Indian Express*, Bombay)

[Prev. ref. 5905:CHI:D]

B. First Anniversary Of Moscow Test Ban Treaty—Joint Statement By Russia, Britain And USA: Russia, Britain and the United States on August 5 pledged themselves to do everything possible for the solution through negotiation of unresolved international problems.

The statement said:

"One year ago today the Treaty banning nuclear weapon tests in the atmosphere, in outer space, and under water was signed by representatives of the United States, the United Kingdom, and the Soviet Union. This Treaty moved our planet toward a further strengthening of peace. It helps restrict the arms race. It gives all men and women confidence that they and their children will be breathing purer air and living in a healthier, a less contaminated world.

"The States taking part in the disarmament negotiations at Geneva made their contribution to this cause. The positive role played by the Secretary-General of United Nations, U Thant, in the conclusion of the Treaty banning nuclear weapon tests in the three elements is worthy of note. Since the signing of the Treaty, most of the world's States—more than 100—have joined the three original signatories.

"Since then, also, additional—if limited—steps have been taken to reduce nuclear hazards to mankind. Such are the resolution of the General Assembly of October 17, 1963, on the banning of weapons of mass destruction in outer space and the steps taken by the United States, United Kingdom, and Russia to cut back production of plutonium and enriched uranium in the early months of this year.

"These have been significant and valuable steps, but only first steps. Serious problems and differences remain to be dealt with in order to achieve a downturn of the arms race, effective disarmament and secure peace. With a sincere concern for the true interests of all nations and through a constructive effort to achieve agreement consistent with those interests, we can seek to move along the road to understanding and to peace.

"In marking the first anniversary of the signing of the Treaty banning nuclear weapons tests in the atmosphere, in outer space, and under water, we declare our intention to do everything possible for the solution through negotiations of unresolved international problems in order to strengthen general peace, the benefits of which would be enjoyed by all States, big and small, and by all people."

(*The Times*, London)

[Prev. ref. 5487:AOA:A]

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C. "Syncom III" Diverted To Relay Tokyo Olympics By TV: The United States on August 19 rocketed the *Syncom III* communications satellite towards a stationary post high over the Pacific where it is intended to relay television coverage of the Tokyo Olympic Games to North America and Europe.

The National Aeronautics and Space Administration (NASA) reported that the first part of the difficult mission was successful, but that the satellite must execute intricate maneuvers over the next 11 days before it reached its final station high over the Equator at the International Date Line.

A three-stage TAD (thrust-augmented Delta) rocket with almost double its usual power propelled **Syncom III** into a great egg-shaped orbit ranging from about 695 to 23,675 miles (1,112 to 27,830 kilometres) above the Earth. Each orbit takes about 11 hours.

About 28 hours after launching when **Syncom** was near, but not at the top of its third looping orbit, a small rocket in the satellite was to be fired by ground command, "kicking" the satellite into a circular orbit precisely 22,300 miles (35,700 kilometres) high. At that height the satellite's speed would match the Earth's rotation so that it would appear stationary in space. Transfer into the circular orbit would occur above Sumatra. Then for the next 10 days the space-craft must be guided to its final position by small jets firing on command from the ground.

The more powerful Delta, in use for the first time, permitted **Syncom** to change direction in space after launch so that the craft is moving now in a true Equatorial path around Earth. Two earlier Syncoms achieved the 22,300-mile (35,700 kilometres) synchronous orbit but not the Equatorial paths needed for a true stationary orbit. **Syncom III**, an experimental satellite originally designed to handle telephone traffic, was modified at the last minute to handle television transmission.

If successful, **Syncom** would relay Olympic telecasts, beginning October 10, to a US station on the West Coast at Point Mugu, California, for showing in the United States. A ground micro-wave link from California to Montreal, Canada, is to carry the pictures to Canada as they are received. Videotapes made in Montreal will be flown to Europe by special charter planes for showing in Western Europe.

The Communications Satellite Corporation (COMSAT) arranged the agreement for the Tokyo telecasts. Among parties to the agreement are the Japanese Government, the Japanese Broadcasting Corporation, NASA, Hughes Aircraft Corporation (builder of **Syncom**), the European Broadcasting Union and the Canadian Broadcasting Corporation.

On August 20, US space scientists successfully carried out a manoeuvre to place the new communications satellite **Syncom** into an orbit directly in line with the Equator.

A radio signal activated a small hydrogen-peroxide jet motor aboard the satellite that "kicked" **Syncom** into its new orbit.

The US Space Agency on August 21 achieved a near-stationary orbit and said it was confident the communications package could be manoeuvred into position as the world's first stationary satellite—one that hovers over a single spot on Earth.

An order beamed from Salisbury (Australia), pushed the satellite, towards the "stationary" orbit over the Pacific.

(*US Embassy*, New Delhi and *The Hindu*, Madras)

[Prev. ref. 5408:AOA:C]

D. Russia Launches "Elektron III" And "Elektron IV": On July 11, Russia launched a "space system" consisting of two scientific stations—*Elektron III* and *Elektron IV*.

A Tass message said the craft were put into widely differing orbits with the help of a single powerful booster rocket.

The Russians launched a similar project in January with two vehicles called **Elektron I** and **Elektron II** which are still in orbit. It was described at the time as an investigation of the upper layers of the atmosphere and outer space.

Tass said: "The purpose of the launch is to continue the comprehensive study of the Earth's radiation belts, the various kinds of radiation coming from the depth of cosmic space, the Earth's magnetic field, and the physical conditions in the upper layers of the atmosphere."

According to preliminary data, **Elektron III** is in an orbit ranging between 253 miles and 4,400 miles from the Earth, and circling every two hours 48 minutes.

Elektron IV is in an orbit ranging between 285 and 41,397 miles from the Earth, circling it every 21 hours 54 minutes.

(*The Statesman*, Calcutta and *Tass*)

[Prev. ref. 5709:AOA:A]

E. USA Launches Two Nuclear-Detection Satellites: A US Air Force spokesman said on July 20 that America's two nuclear-detecting satellites, thrust into space along with a pygmy space-craft on the nose of a single rocket, were successfully in orbit.

The two, known as the **Sentries**, are operating 130 degrees apart in an orbit of about 57,000 miles (91,200 kilometres) and telemetry is good.

The satellites rode into space on July 17 from Cape Kennedy, Florida, on an Atlas-Agena rocket. The third passenger was a 41-lb satellite that will measure natural radiation in the Van Allen radiation belts.

The **Sentries** were guided by remote control from their original elliptical orbit into circular, high-altitude courses.

On July 19 a ground station at New Boston, New Hampshire, transmitted an electronic signal that ignited a small motor aboard one of the **Sentries**. The firing of the motor shoved the **Sentry** out of an eggshaped course into its circular path. The manipulation of the satellite duplicated the positioning of the other **Sentry** on July 17, thus placing them on opposite sides of the Earth, about 100,000 miles apart.

The two space-craft now can detect and electronically report to Earth data on X-ray, gamma and neutron radiation such as that produced by nuclear bursts as far as 100 million miles away.

Two other US nuclear detection satellites were launched in October, 1963 and continue to radio back information they pick up on their watchdog assignments. The **Sentries** help guard against clandestine nuclear tests that would violate the 1963 Treaty that bans testing, except underground.

(*US Embassy*, New Delhi)

[Prev. ref. 5939:AOA:I]

F. Russia Launches Three Sputniks With One Rocket: Soviet rocket experts on August 18 achieved another first—the launching of three sputniks with a single booster rocket of a new type.

The three satellites, **Cosmos XXXVIII, XXXIX** and **XXXX**, are travelling on similar orbits. They carry equipment for exploring outer space.

The Soviet Union had launched two satellites with the same rocket twice before but the rest of the **Cosmos** series had been launched singly.

According to the preliminary data they were moving on close orbits of 96 deg. 2 minutes. The maximum distance from Earth during orbit is 876 km (544.3 miles) and the minimum 210 km (130.5 miles).

The equipment in all three satellites was functioning normally. The launching had confirmed the high technical characteristics of "the new carrier rocket."

Four More Satellites Launched:

The Soviet Union launched three more satellites on August 22—*Cosmos XXXXI, XXXXII* and *XXXXIII*.

The **Cosmos** programme is a research programme which Western observers believe is aimed at a manned flight.

Tass reported that **Cosmos XXXXII** and **XXXXIII** were launched from a single rocket booster.

On August 27, Russia launched **Cosmos XXXXIV**.

(*Tass*)

[Prev. ref. 5974:AOA:C]

G. Commonwealth Prizes Institute: Cash prizes for Commonwealth citizens similar to the Nobel Prizes will be offered by the Commonwealth Prizes Institute, whose formation was announced in London on July 22.

The announcement at a House of Commons news conference said: "There is an obvious similarity to the Nobel system. But this is not a carbon copy. Our prizes will be smaller, confined to the Commonwealth, and spread over a wider range of activities."

The Institute planned to raise money for the prizes by launching an appeal fund in the Autumn. It hoped that firms, foundations and citizens of the Commonwealth would contribute.

The prizes would be distributed on an annual merit award system. The number would depend on the amount of money the Institute was able to raise through its appeal, but the target figure was 10 prizes of £1,000 each annually.

The prizes would be given in education, medicine, science, the arts, literature, social welfare, sports and "any other fields of activity of useful, charitable, or public nature."

The prizes would be presented with citations at a series of ceremonies in the countries to which the winners belonged. These ceremonies could take place on Commonwealth Day, May 24.

(*The Times*, London)

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ASIAN RECORDER

September 23—29, 1964

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ADEN

A. Military Commander's Support For Ex-Sultan Of Fadhli: Major Nasser Saleh al-Fadhli, "Military Commander of the Fadhli District" arrived in Cairo on August 4 and announced his loyalty to the deposed Sultan of Fadhli.

The Sultan told newsmen that the Major, who is his nephew, boarded a plane at Aden bound for London to go to military college in Britain for training, but arrived in Cairo instead.

Cairo Radio said "his conscience and nationalism prevented him from continuing his journey to London and accepting the British plan" for studying at the military college. "The decision to send him to Britain aimed at taking him far away from the Fadhli Sultanate in which he is considered the ablest Commander in the District."

Major al-Fadhli said the British authorities in the Federation had used "various ways of temptation, including offering bribes to civilians, army officers and tribal chiefs" in order to gain their support. He said he had been offered a bribe. But "those British acts had no effect whatsoever on the people's revolution against the British occupation and their determination to carry on the struggle and stand by the (deposed) Sultan (Ahmed Bin Abdullah) al-Fadhli for the sake of liberation and Arab nationalism."

(*Dawn*, Karachi)

[Prev. ref. 5975:ADN:A]

B. Hunt For Dissidents: The Supreme Council of the Federation of South Arabia on August 4 ordered a nation-wide pursuit of dissidents by the Federal National Guards.

The Council also threatened "severe steps" against any one sheltering or assisting dissidents.

Meanwhile, the Supreme Council accepted the resignation of Sheikh Said Mohammed Ashal as Federal Justice Minister.

(*The Indian Express*, Bombay)

[Prev. ref. 5855:ADN:A, 5963:ADN:A]

C. Dinar To Replace East African Shilling: The Finance Minister of the South Arabian Federation, Mr. Abdullah Salim Basandwah, said at a news conference in Aden on August 19 that the East African shilling, legal tender in South Arabia since 1951, was expected to be replaced by the dinar.

The Federal Supreme Council (Cabinet) had approved a draft Bill covering the introduction of the dinar and the Federal Council (legislative body) was expected to meet in two months' time to approve it before issuing the dinar. He added that negotiations were under way with the Eastern Aden Protectorate states outside the Federation with a view to making the dinar legal tender there as well.

The decision to replace the East African shilling, which ousted the Indian rupee in 1951, was made after a report by Mr. J. B. Loynes, a senior adviser in the Bank of England, who was asked two years ago by the British Government to examine the monetary situation in the area and make recommendations. In his report Mr. Loynes said it was impossible for the Federation to use the East African shilling indefinitely, particularly after member-countries of the East African Currency Board—Kenya, Uganda, Tanganyika, and Zanzibar had become independent. (The Board, now based in Nairobi, was set up in 1919 to replace the Indian rupee in member-countries.)

Mr. Loynes also recommended the establishment of a "South Arabian currency authority" which would have some 85 to 90 per cent of its currency reserve in sterling and British Government securities and the remainder in sterling securities issued by the Aden State Government.

The dinar will be at par with 20 East African shillings or £1 sterling and heavily backed by sterling convertible at a fixed rate. The new currency, now being minted in London, will be of five dinars, one dinar and 500 and 250 fils paper denominations, and coins of 50, 25, five and one fils denominations.

Meanwhile, the Federal Ministry of Commerce and Industry said in a statement that the introduction of the new currency would not affect the Federation's membership of the sterling area.

(*The Times*, London)

[Prev. ref. 5963:ADN:A]

AFGHANISTAN

A. Sardar Swaran Singh's Visit: The Indian External Affairs Minister, Sardar Swaran Singh, was given a warm welcome when he arrived in Kabul on August 27 on a two-day goodwill visit.

Speaking to newsmen he underlined the good relations existing between India and Afghanistan and expressed the hope that they would be further strengthened.

He was received at the airport by the Afghan Minister of Education, Dr. Annas, officials of the Ministry of Foreign Affairs, and members of the Indian Embassy.

He then visited the Dilkusha Palace and signed in the special book. He also placed a wreath on the tomb of the late King Nadir Shah.

Reception:

Later in the day (August 27) the Prime Minister, Dr. Mohammed Yusuf gave a reception in honour of Sardar Swaran Singh.

Speaking at the reception, Dr. Yusuf said that the policy of non-alignment and joint endeavours of India and Afghanistan in maintaining world peace and security were important factors in assuring continuity of understanding and goodwill between the peoples of the two countries.

Sardar Swaran Singh said that almost all members of the present Government of India had worked with the late Mr. Nehru and shared the spark of his great devotion to world peace and helped in raising the standard of living of the poor. Pursuit of the same policy of secularism and development in an orderly manner would continue.

India would also continue the policy of non-alignment and peaceful co-existence, of ending all forms of colonialism and easing tension.

He added that both India and Afghanistan were going through an exciting adventure in the development field. Nothing would please India more than being of help, may be of a marginal character, "if we could also participate in the exciting adventure of developing your country."

Returns Home:

Sardar Swaran Singh, who returned to New Delhi on August 29, said that India had offered to participate in the economic development programme of Afghanistan.

He said there were many spheres where useful economic collaboration and technical assistance could materialize.

During his talks with Afghan Government leaders certain specific fields where India could extend assistance were mentioned. These included agricultural small-scale industries and training facilities.

He said that during his discussions with the Afghan Prime Minister, Dr. Mohammed Yusuf, it was felt that the necessity to pursue vigorously the policy of non-alignment and peaceful co-existence was greater today and that a great deal of vigilance was necessary to maintain peace in the world.

He said he and members of his delegation were welcomed in a hospitable manner not only at the official level but also by the loving and affectionate people of Kabul.

India had always had the most friendly and cordial relations with Afghanistan and his visit had further strengthened his belief about the abiding friendship between the two countries.

He had extended an invitation to Dr. Yusuf on behalf of the Indian Prime Minister to visit New Delhi and he had accepted it.

On the night of August 28, Sardar Swaran Singh had talks with King Zahir Shah, who was host at a dinner in honour of the Indian visitor.

Observers said the gesture highlighted the close and cordial relations between India and Afghanistan as the King did such an honour only to Heads of State.

A statement issued jointly on behalf of the two delegations after the talks said that satisfaction was expressed on friendly relations and that the talks revealed an identity of views on major international matters.

(*The Hindu*, Madras and *Kabul Radio*)

[Prev. ref. 5968:INI:A]

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BURMA

A. Voluntary Dissolution Of Teachers' Association: The All-Burma Teachers' Association decided on May 10 to dissolve itself and to surrender its monetary assets and buildings to the Government.

It also asked the Government to use the assets for financing the construction of a primary school each year in any centre chosen by the Government.

It also endorsed the Government's Socialist education policy and pledged on behalf of teachers in general to give all-out co-operation in carrying out this policy.

The Association President, U Kun, who presided, recalled that the Association had originally been founded for raising education standards in the country, promoting unity and solidarity among all teachers throughout the Union, improving the individual qualifications and efficiency of its members and for protecting the rights and privileges of members of the profession.

However, he explained that as the fundamental rights and responsibilities of the workers—of whom the teachers represented one sector—had now been defined, there was no more need for the Association to continue to exist.

(*The Nation*, Rangoon)

[Prev. ref. 5903:BUR:C]

B. Sheikh Sabah's Visit: The Foreign Minister of Kuwait, Sheikh Sabah Al Ahmed Al Sabah, paid a visit to Burma from May 9 to 11.

He arrived in Rangoon as a representative of the Council of Kings and Heads of State of the Arab League which met in Cairo in January.

During the visit, he held talks with the members of the Burmese Government and explained to them the decisions of the Cairo Conference with particular reference to the Palestine question.

A joint communique issued in Rangoon on May 11 said: "The Government of the Union of Burma welcomed the positive contribution made by the Cairo Conference to the cause of unity and solidarity of the Arab people.

"They expressed their understanding and sympathy for the legitimate and just claims of the Arab people in Palestine. They further expressed their hope and support for efforts at the settlement of the Palestine question in accordance with the principles of the Charter of the United Nations and the resolutions adopted by the United Nations in this behalf.

"Both the Minister of Foreign Affairs of Kuwait and the members of the Government of the Union of Burma noted with satisfaction the friendly relations existing between their two countries and expressed their common desire to strengthen them further to their mutual benefit."

(*The Nation*, Rangoon)

[Prev. ref. 5997:KWT:A]

C. Religious Freedom Affirmed By Revolutionary Government: In a special broadcast on August 27, the Revolutionary Government declared it was not Communist and that it fully recognized the people's right to freedom of religion.

It explained that unlike in Communist countries, in Burma members of the Government-sponsored Burma Socialist Programme Party are permitted to follow any religion they choose.

The broadcast was made in connexion with lawlessness created by some monks at Mandalay who, on August 15 and 16, attacked the Bahosi newspaper office and a printing press following the appearance of an advertisement in the newspaper by a monk named Shin Ottama. This particular monk had been held as a heretic by most monks of the orthodox school.

The broadcast said certain persons in the guise of monks had been trying to create misunderstanding between the Government and genuine monks as well as the people by spreading the rumour that the Government was Communist.

It warned that the Government would in future take serious notice of such people.

(*The Statesman*, Calcutta)

[Prev. ref. 5830:BUR:A]

CAMBODIA

A. Border Dispute With South Viet-Nam—UN Recommendations Rejected: The *New China* News Agency reported on September 1 that Cambodia had rejected the recommendations made by a UN investigation commission to solve the border dispute between Cambodia and South Viet-Nam.

The Agency said Cambodia had accused the UN Security Council of "flagrant intervention" in Cambodia's internal affairs.

Quoting a dispatch issued in Pnom Penh, it said the Cambodian Government had accused the investigation commission of being derelict in its investigations and submitting recommendations which "are entirely unacceptable to Cambodia."

The Agency said the commission "has only given conditions about what it called 'border incidents' but failed to name who were responsible for the aggression."

[The three-man commission had recommended to the Security Council on July 28 that the Council should appoint a mediator agreeable to Cambodia and South Viet-Nam to get the two to resume talks on the border dispute and possibly re-establish diplomatic relations. The two nations severed diplomatic relations in August, 1963.]

(*The Times of India*, Bombay)

[Prev. ref. 5976:CAM:A]

INDIA

SUMMARY: A-ICC Meeting; Chinese Reject Colombo Proposal; Ties With Latin America; Indian Oil Corporation; Bonus Commission's Recommendations.

A. A-ICC Meeting: Addressing a meeting of the All-India Congress Committee (A-ICC) in New Delhi on August 29, the Prime Minister, Mr. Lal Bahadur Shastri, referred to the international situation and reminded USA and USSR of their responsibility to maintain peace.

He pointed, in particular, to the "dangerous" situation in such areas as South-East Asia and Cyprus and appealed to the two Great Powers to help maintain peace in small countries. Unless this was done, it would constitute a threat to the peace of the entire world and also retard the development of the small countries concerned.

He also referred to India's border problems and expressed his regret that these had not been settled yet. A further delay in reaching a settlement, was not the way out; the people should have the courage to find an answer. But he made it clear that he was not thinking in terms of any particular solution.

He was trying to go ahead from the position at which the late Mr. Nehru had left the border dispute. But in doing so there could not be "one-way traffic". "If our neighbours do not see reason or say one thing and do another, then it will make things more difficult."

The late Prime Minister had adopted a peaceful and firm approach to problems. But he had taken a welcome initiative at the Bombay session by stressing that the world and the times could change. It would be his endeavour also not to be inflexible and to follow in Mr. Nehru's path with firmness and courage.

The void created by the absence of the central figure in all such gatherings and deliberations over the past three decades was poignantly felt when the first A-ICC session without Mr. Jawaharlal Nehru began.

The Congress President, Mr. K. Kamaraj, said: "We are meeting for the first time without the inspiring presence of Jawaharlalji. Even though he is not with us, I am sure his spirit will be guiding us in all our deliberations and in meeting difficult situations in the country. We are determined to pursue the path and policies laid down by him. Let us go forward with the implementation of those programmes."

He added that after Mr. Nehru's death, Mr. Lal Bahadur Shastri, who had been elected Prime Minister, had been functioning with efficiency and effectiveness. "In all his attempts, we should give our full co-operation."

He moved a condolence resolution mourning the loss of Mr. Nehru and the meeting observed a few minutes' silence, standing.

The resolution, read out by the General Secretary, Mr. G. Rajagopalan, re-affirmed the nation's resolve to continue Mr. Nehru's policy of non-alignment, friendship to all and of strengthening the forces of peace in the world.

Resolution On Food Situation:

On August 29, the A-ICC adopted the Working Committee's resolution on the food situation after a nine-hour sitting, but only after the Government's handling of the situation ran into heavy weather during the debate.

Some sharp criticism, particularly by such senior Congressmen as Mr. N. V. Gadgil and Mr. K. Hanumanthaiya, of the Government soon after the session began made it clear that not all the members were satisfied by the optimistic tone of the resolution.

It was only the intervention of the Prime Minister and the Food Minister, Mr. C. Subramaniam towards the end of the day, by which both managed to effectively convey the Government's determination to overcome the crisis, that changed the bleak impression that was formed earlier.

Both Mr. Shastri and Mr. Subramaniam spoke of the short and long-term aspects of the crisis. To deal with the former, it was made clear by both that imports, however distasteful and undesirable, were unavoidable.

Criticism of the fact that India was relying on other countries for its basic needs—voiced during the debate by several members—was thus rejected outright; it was made clear that only through imports could the present crisis be tided over.

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It was on the long-term aspect that both Mr. Shastri and Mr. Subramaniam gave a more hopeful picture, placing in perspective the steps that the Government was taking to increase production, improve distribution and check the rise in prices.

Mr. Subramaniam, for instance, made it clear that he felt several important decisions would have to be taken soon on a number of issues and these would have to be based upon a broad, national approach.

He made no secret of the fact that the zonal system—also criticized by several delegates—was a harmful one and that it would almost certainly be abolished before the next harvest season. Whatever the policy decided upon, he was firm in stating it would have to be followed by all the States sincerely; great harm had been done by inter-State rivalry.

Both Mr. Shastri and Mr. Subramaniam also clarified the price policy. The basis of this would have to be its effect on production and, therefore, prices had to be fixed accordingly, even though the consumer might suffer.

The Agricultural Prices Commission would thus fix prices that were remunerative (a persistent demand for which was made during the debate) and thus provide an incentive to the farmer to raise production by increasing investment on his land.

The Commission was likely to start functioning by January, 1965 but in the meantime, also, Mr. Subramaniam said, an ad hoc committee would fix prices. He hoped to announce the prices for the kharif crop by the middle of September.

On the method of administering the prices, Mr. Subramaniam explained the working of the proposed Foodgrains Trading Corporation, making it clear that the Government did not have the resources to completely take over trading, nor did it trust traders to go it alone.

The Corporation was an "intermediate stage" towards State trading and it would have extensive powers to check malpractices, such as compulsory acquisition of stocks and a monopoly over movement of grain by train. Should the traders prove to be unco-operative, they would be eliminated.

Mr. Lal Bahadur Shastri's speech was in more general terms. He gave assurances of firm, courageous leadership and answered criticism against some steps he had taken like the appeal to traders to bring their hoards into the open and the fortnight's grace period for them. He felt that an attitude of hatred should not be adopted, particularly against a community.

He also expressed his confidence at being able to tide over the present crisis, admitting that the country was going through a difficult time of food shortages and soaring prices. To check these, he said controls, particularly those over prices, were inevitable. He was especially concerned at the prices of necessities.

He appealed to Congressmen to help in tiding over the crisis. This they could do by taking the message to the farmers that higher production was needed. If production could be raised, reserve stocks of food built up and prices controlled, the problem would be solved.

Debate On Kamaraj Plan:

A tense seven-hour battle at the A-ICC session on August 30 over the Kamaraj Plan ended after the Prime Minister, Mr. Lal Bahadur Shastri, disclosed the inside story in order to dispel the erroneous impression sought to be created by some that the Plan was a diabolical plot to oust some of the top leaders from power.

Mr. Shastri, Mr. U. N. Dhebar, Mr. S. K. Patil and other leaders regretted that such motives which could blur the image of Mr. Nehru and also of the Congress organization should have been attributed to the Plan.

Several participants in the debate spoke with indignation, and others with deep emotion, against the non-official resolution moved by Mr. Trikamlal Jamunadas Patel demanding the withdrawal of the Plan. They took particular exception to his observations questioning the bona fides of those who had conceived the Plan.

The author of the Plan, Mr. Kamaraj, himself sat stoically throughout the acrimonious debate, not uttering a word. After Mr. Shastri's intervention, Mr. Patel withdrew his resolution.

This and the earlier resolution charging the Working Committee with non-implementation of the past non-official resolutions adopted by the A-ICC (which was also subsequently withdrawn) looked like an open challenge to the authority of the High Command, judging from some of the hard-hitting utterances. These were, however, effectively countered by other speakers.

The Prime Minister, in a mild but telling speech, first clarified the position that the Kamaraj Plan was conceived by none other than the present Congress President. After his discussions with Mr. Nehru it was unanimously adopted by the Working Committee. Till the very last, Mr. Nehru had resisted undertaking the sole responsibility of deciding who among the leaders should be permitted to retire from office. He had all the time insisted upon a committee of three or four persons to undertake the task.

Mr. Shastri recalled how when Mr. Morarji Desai's name came up, Mr. Nehru had observed that if Mr. Desai was desirous of giving up office he would certainly attain a much higher stature and become a more important leader.

Mr. Shastri recounted his association with Mr. Nehru for more than 37 years and said it would be completely wrong to associate any attributes of intrigue or manoeuvring with Mr. Nehru. He never functioned with any group or party nor thought of getting rid of anybody in order to strengthen his own position.

Mr. Shastri pleaded "guilty" to the charge of committing the first break of the Kamaraj Plan.

He urged that there could not be a hard-and-fast rule in regard to who should take up party work and who should be in the administration. He was prepared to consider any elaboration or improvement of the Plan, but they had to keep that concept going in order to activise the organization.

Moving his resolution, Mr. T. J. Patel explained the reasons for his conclusion that the Kamaraj Plan had failed. He said in the first place, the only person who had been authorised by the A-ICC to implement the Plan was Mr. Nehru and after his death nobody else had the right to implement it. Secondly, Mr. Lal Bahadur Shastri and Mr. S. K. Patil, who had given up office under the Kamaraj Plan, were now back in the Government. Thirdly, no organizational work was assigned to those who had given up office. In his view, therefore, the Plan was "dead."

Mr. Patel recalled how the Plan had been conceived in the wake of the serious setbacks for the Congress in the by-elections at Amroha, Farrukhabad at Rajkot. Six Central Ministers and six Chief Ministers had retired under the Plan but no party work was assigned to them.

After Mr. Nehru's death there was nobody to execute the Plan unless the A-ICC adopted a fresh resolution that it should be carried on. In his view, that was not likely to happen.

According to Mr. Patel, the Plan was nothing more than a "calculated and deliberate action to pick out some people and put them out of power." Now, three ex-Presidents of the Congress—Mr. D. Sanjivayya, Mr. Sanjiva Reddy and Mrs. Indira Gandhi—had assumed office. Some of those who had retired were, however, still out of office. This had given rise to a feeling of wrath and anger among their followers that their leaders had been let down.

He said Mr. C. B. Gupta, considered as the "iron man" of UP was not even elected to the Working Committee at Bhuvaneswar and when he was declared elected President of the UPCC, the High Command stepped in and altered the situation.

Nothing was being heard of Mr. B. N. Jha, former Chief Minister of Bihar, or of Mr. Mandloi, ex-Chief Minister of Madhya Pradesh. Regarding the former Chief Minister of Orissa, he said if the High Command had any charge against him, why not confront him with it openly instead of allowing things to be misunderstood? Why was Bakshi Ghulam Mohammad disturbed from his Premiership of Jammu and Kashmir?

He wanted that the Kamaraj Plan should now be treated as ineffective and all those leaders who had left office should be called back.

Mr. Mansingh Shah, seconding the resolution, did not agree with all that Mr. Patel had said. He wanted the spirit behind the Plan to be revitalised. He was not sure that the same policy was being followed by the High Command with regard to all the States. He demanded that the A-ICC should give a verdict that the Plan was dead, or else its spirit should be revitalised.

Mr. S. K. Patil then said that the purpose of his entering into the debate at an early stage was to request Mr. Patel to withdraw the resolution. A great calamity had befallen the country after the drafting of the resolution and the vacuum created had not been filled—emotionally, at any rate. It was, therefore, not proper to allow things which might lead to controversies.

The Plan, when it was conceived, was intended to correct an impression in the country that Congressmen were addicted to power. Mr. Kamaraj set the example in his own State by stepping down from Chief Ministership. It was in such a noble spirit that the Plan was conceived and not with some diabolical objective as was being suggested. The soul of the Plan was that Congressmen, whether a Minister or an ordinary member, were prepared to respond to the call of the party.

Such a plan, he asserted, could never die. It was immortal. The need of the hour was to tide over the present difficulties, whether in regard to food or prices and the spirit of selfless work had to be generated among Congressmen. "A great leader is gone. When a huge tree is uprooted, there are other trees, no doubt, but they are so small that we still see the emptiness." If they continued with the discussion, they might be going into dangerous avenues.

Mr. U. N. Dhebar, a former Congress President, pleaded with the members to consider the sum total of the speeches made—whether it did or did not affect the image of Mr. Nehru and of the Congress Party. What was the purpose of the resolution? Was it to put forward somebody's case?

He urged the meeting to reflect upon what Mr. Nehru had meant for the country. He was the soul and spirit of the Congress which he had served for half-a-century with devotion. There could be nothing greater to be treasured than his memory. The background and purpose of the pledge they had taken both at Jaipur and Bhuvaneswar were to introduce a new social order and to raise the standard of life of the people within the next 10 years so that at least their elementary needs were satisfied.

Mr. Mahavir Tyagi deplored that at a time of crisis—food, prices and the refu-

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gee problem—the A-ICC should hold such a debate. Was it that a person could serve the country only as a Minister? He was prepared to give up office if need be. A Congress leader's stature and importance should not be measured in terms of whether he was in office or outside it.

Mr. S. N. Mishra said that the idea of Party before post was not quite new. As a member of a three-man committee appointed by Mr. Nehru in 1959, he had suggested that some important Congressmen should keep out of the Government and even legislatures for a period of five years at least. His contention was that the Kamaraj Plan was no longer in existence except for the "troika"—Mr. Jagjivan Ram, Mr. C. B. Gupta and Bakshi Ghulam Mohammad. Mr. B. N. Jha and Mr. Mandloi had been offered governorships while Mr. Morarji Desai was invited to join the Cabinet.

As for party work, even the three-man anti-corruption committee had ceased to function. It would be extremely hypocritical to claim that the Plan still existed. He, therefore, moved an amendment that it was no use keeping the Kamaraj Plan merely on paper.

Non-Implementation Of Earlier Resolutions—Discussion:

Earlier, a non-official resolution was introduced by Mr. Kedar Pandey (Bihar) criticising the non-implementation of certain resolutions passed by the A-ICC. Although the resolution received strong support, it was withdrawn following an effective reply by the General Secretary, Mr. G. Rajagopalan.

Mr. Pandey listed four non-official resolutions adopted by the A-ICC which, he said, had remained only on paper. He particularly, referred to the scheme prepared some years ago to impart proper training and education to Congress workers which had remained unimplemented.

In a highly critical speech, Mr. S. N. Mishra (Bihar) warned that if the Congress was to survive, it must implement all the resolutions passed at various sessions.

Mr. Mishra, who had also tabled an identical resolution, said he had no intention to censure the Congress leadership. "All that we want now is an assurance that no slackness will be shown in future in implementing the resolutions."

Mrs. Tarakeshwari Sinha (Bihar) said she had no doubt that the country would have made rapid advance on the economic front if all the resolutions passed by the Congress had been implemented. She was sorry that the Nagpur resolution on co-operative farming had been put in cold storage. This had created misgivings in the minds of farmers.

Mr. Abid Ali (Maharashtra) said no power on earth could come in the way of the Congress if it implemented its decisions and resolutions properly. Congressmen must remain constantly in touch with the people, particularly in villages and explain to them the party's policies and programmes. They should not go to them for merely getting votes during the elections.

Replying to the debate, Mr. Rajagopalan said that action had been taken on all the resolutions mentioned by the mover. The first resolution passed in 1960 related to the annual programme for every Congress Committee from mandal upwards. The former Congress Secretary, Mr. Sadiq Ali, had reminded all the PCCs soon after the resolution was adopted, for its speedy implementation. Implementation was the responsibility of the PCCs; the A-ICC could only send circulars.

The second resolution, adopted in April, 1963, enjoined upon the A-ICC to present annual reports on the implementation of the decisions taken by it. The report of the Congress secretaries presented to the annual Congress session dealt with this aspect fully.

The third resolution related to the education and training of Congress workers. An all-India training camp was organized in 1961 in Naini Tal for this purpose. Similar camps were arranged by the Pradesh Congress Committees. Due to elections in 1962 and the Emergency other camps could not be held. The presidents and secretaries of the PCCs were asked recently at Bhopal to implement the training programme more vigorously. It was decided to conduct another training camp in Bombay from November 14.

The fourth resolution concerned the appointment of a standing committee on plans. This would be set up shortly.

Mr. Rajagopalan pointed out that most of these resolutions had to be implemented by the PCCs. It would have been much better if the Bihar PCC (most of the speakers were from Bihar) had taken a leading part in implementing them.

Mr. S. N. Mishra joined issue with Mr. Rajagopalan and said that he had slurred over some important facts. The Congress Secretaries' report did not contain all the details. He was sorry that the A-ICC had made no contribution so far to the formulation of the Fourth Plan.

The A-ICC meeting ended on August 30.

(*The Times of India* and *The Statesman*, New Delhi)

[Prev. ref. 5857:INI:B]

B. Withdrawal Of Civilian Posts From Ladakh—Chinese Rejection Of Colombo Proposal: The *New China* News Agency said on August 29 that "it is China's internal affair to set up civilian posts in these places (Ladakh). There is no reason whatsoever for the Indian Government to ask China to withdraw its civilian posts on its own territory on the western sector of the Sino-Indian boundary."

The broadcast, monitored in Tokyo, was commenting on statements by Indian leaders recently, including the Foreign Minister, Sardar Swaran Singh, that India would negotiate with the Chinese only after they withdrew their posts in Ladakh.

When Mr. Felix Bandaranaike, Parliamentary Secretary to the Ceylon Prime Minister, expressed the hope that China might be willing to vacate the posts, the Minister for External Affairs, Sardar Swaran Singh, had said that India at least was not aware of any evidence to support such a belief on the part of Ceylon. He had also made it clear that India had requested neither Ceylon nor any other friendly country to persuade China "to adopt this attitude or that."

Observers in New Delhi interpreted the latest statement from Peking as her refusal to accept the Colombo proposals.

India had made it quite clear that the demolition of the seven posts would be considered a substantial fulfilment of the Colombo proposals.

The Chinese statement only heightened the belief in New Delhi that Peking was in no mood to pursue peaceful methods to solve the boundary dispute.

Indian Comment:

An Indian Government spokesman said on August 31 that the Chinese stand on withdrawal of posts in Ladakh, as spelt out by the *New China* News Agency, showed that China was interested neither in the Colombo proposals nor in direct negotiations with India at present.

He said the Colombo proposals were not Indian pre-conditions but recommendations made by six Afro-Asian countries at the Colombo Conference. The suggestion that negotiations be held on the basis that neither side should have posts in the demilitarized zone was made by friends of China and India in order to overcome one of the major objections raised by Peking to the Colombo proposals—that there should be no Indian civil posts in the 20 km demilitarized area.

In reacting favourably to this suggestion, India had actually made a conciliatory gesture in order to enable negotiations to take place and was not putting obstacles in the way of opening negotiations.

It was "significant" that NCNA and the People's Daily of Peking had chosen to describe the Indian gesture as another pre-condition.

Officials also described as "preposterous" the statement in the People's Daily that the 20 km demilitarized area was Chinese territory.

[It is well known that China has seized 14,500 square miles of Indian territory in Ladakh by force and aggression. The 20 km demilitarized area is part of this Indian territory taken illegally by force. This demilitarized area has relevance only in the context of the Colombo proposals which contain recommendations for agreed cease-fire arrangements, whose implementation can prepare the ground for discussion of the main question—the differences between India and China on the boundary question. In the discussions, the question of the entire Indian area of 14,500 square miles forcibly taken over by China would obviously figure along with other matters concerned with this boundary.]

(*The Statesman*, Calcutta and *The Hindustan Times*, New Delhi)

[Prev. ref. 5989:INI:A]

C. Financial Agreement With West Germany Initialled: An Agreement on West German financial assistance to India was initialled on August 29 at the Economics Ministry in Bonn by representatives of the two countries.

The Agreement is in implementation of the commitments made by West Germany at the Aid-India Consortium in May to grant DM270 million in capital aid and DM110 million in guarantee for supplier credits for the fourth year of the Third Five-Year Plan.

(*The Times of India*, Bombay)

[Prev. ref. 5885:INI:E]

D. Commercial Ties With Latin America—Trade Delegation's Visit: It was made known in New Delhi on August 3 that India was taking steps to develop commercial and industrial contacts with Latin American countries, following the visit to that area recently of an official trade delegation which found it a vast growing market.

A developing area like India, Latin America has a total import bill of over Rs. 4,000 crores of which India's share is a bare Rs. 17 crores—more than 90 per cent of it from jute export. Imports from Latin America total only Rs. 3 crores.

The delegation, which was led by Mr. G. J. Malik of the Commerce Ministry, feels that apart from increasing traditional jute exports to Latin American countries, there are opportunities of setting up industries both there and in India as joint ventures based on their mining products.

There is also a possibility of increasing exports of such goods as superior-quality textiles, silks, handicraft, domestic electri-

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cal and other hand-operated appliances, and certain light engineering goods.

Latin American countries have invited capital investment also, and a curious result of this might well be a decline in certain Indian exports to them. This, the delegation feels, has to be accepted as inevitable.

Brazil and Peru, for instance, have now decided to increase their jute production and want India to send machinery and experts to help them in developing the industry. Although this might lead to a decline in jute exports eventually, India has no option but to help these countries. Otherwise others would probably step in and the result would be a loss of machinery exports.

The delegation has also pointed out that, although India is trying to increase her exports to Latin America, she has Embassies in only three countries there. None of these has any commercial and trade section.

Another finding of the delegation is that so far China has made no commercial inroads in the area. A Chinese delegation did visit Brazil recently, but its visit coincided with a revolt in that country and its members found themselves in jail as a result.

(*The Statesman*, New Delhi)

[Prev. ref. 3620:INI:L]

E. **New Mongolian Envoy:** Mr. Oyuny Khosbayer has been appointed as the new Ambassador of Mongolia to India.

Mr. Khosbayer, who became Vice-Minister of Foreign Affairs in 1963, has held many diplomatic posts since 1951. He served in India as the First Secretary in the Mongolian Embassy in 1956-57.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5407:INI:O]

F. **US Loan Offer:** The US Government has offered a loan of Rs. 11.9 crores ($25 million) to the Government of India to finance the purchase of American capital equipment and services required for development projects in the public and private sectors.

The loan, advanced through the US Export-Import Bank, is repayable over a period of 12 years from 1967. It bears interest at 5½ per cent.

The total amount of assistance extended by the Bank to India exceeds Rs. 180.6 crores ($379.3 million). The Bank's assistance is part of the US aid to India, which now totals Rs. 2,547 crores ($5,348 million).

(*The Hindustan Times*, New Delhi)

[Prev. ref. 6005:INI:C]

G. **Nehru Stamp Issued In Russia:** The Soviet Union on August 26 honoured the memory of Jawaharlal Nehru by issuing a special memorial stamp carrying his portrait.

The stamp, put out by the Soviet Ministry of Communications, displayed a portrait of Mr. Nehru in brown and light green colours.

A white inscription on a black ground read: "Jawaharlal Nehru 1889-1964."

Priced at four kopeks, the stamp was designed by Mr. Sergei Sokolov.

(*Tass*)

[Prev. ref. 5879:INI:A]

H. **Indian Oil Corporation Set** A new integrated undertaking look over the functions of Indian Oil Company and the Indian Refineries Corporation on September 1. To be known as the Indian Oil Corporation, it is headed by Mr. P. A. Gopalkrishnan, who has been designated chairman of the new board of directors.

The integrated set-up consists of two divisions. The refineries division is headed by Mr. N. N. Kashyap, Joint Secretary in the Ministry of Petroleum and Chemicals. He is managing director of the refineries unit, with headquarters in New Delhi.

The marketing unit has Mr. Gopalkrishnan as its managing director and its headquarters continue to be at Bombay.

Mr. Kashyap will be succeeded by Mr. S. K. Guha, at present Deputy Secretary in the Ministry.

(*The Times of India*, New Delhi)

[Prev. ref. 5632:INI:K]

I. **FICCI Conference On Agriculture:** A two-day Conference on agriculture organized by the Federation of Indian Chambers of Commerce and Industry (FICCI), which ended in New Delhi on August 29, said there was "no reason for the whole business community being maligned" and held responsible for the current food crisis.

It was unfortunate that the trade had been subjected to criticism for a failure for which it was not responsible.

While those who indulged in malpractices such as hoarding, profiteering and speculation might be dealt with severely, there was no justification for precluding the trade from "playing its traditional role". The trade could function usefully "under a well conceived and accepted set of rules and regulations which could be followed without the constant risk of harassment at the hands of the administration."

The Conference suggested that advisory bodies composed of producers, traders and experts should be formed. These should be consulted regularly by the Government about distribution, fertilizers, marketing, pricing and other related matters.

The Conference criticized the zonal system of food distribution. The present distribution arrangements "reflect the absence of a co-ordinated approach and militate against the basic postulates of distribution policy which should aim at maintaining a smooth flow of foodgrains to the various parts of the country and make them available to the public at prices which can be deemed reasonable".

The Government's policy of placing a ceiling on land holdings also came in for criticism. The land released by this measure, it felt, would be "too inconsequential" as compared to the total area under cultivation.

It suggested that a spirit of enterprise should be injected into the countryside. Dynamic and progressive farmers were emerging as "the main spearhead of improvements in agriculture." Such farmers who constituted "the new rural elite" should be given protection and encouragement so that their potentialities were fully utilized in the national interest.

The present land policy of the Government and the laws introduced so far had created a sense of insecurity among the farmers and they were not willing to invest more money in land. This apprehension should be removed from their minds.

The Conference also stressed the need of improving agricultural administration and speeding up the implementation of various schemes to raise farm output.

Addressing the concluding session, Mr. Shriman Narayan, member for agriculture in the Planning Commission, said that if only the business community were to realize its responsibility it would not be necessary for the Government to "multiply bureaucracy" by taking over the grain trade.

(*The Statesman*, New Delhi)

J. **Bonus Commission's Recommendations Accepted By Government:** The Government has accepted the Bonus Commission's recommendations subject to certain modifications relating to prior charges on gross profits before amounts available for distribution are computed. Such prior charges include direct taxes and fixed percentages of return on capital as well as provision of reserves.

The Commission's formula is applicable also to public undertakings which compete with the private sector.

Existing agreements between managements and their employees providing for a large amount of bonus will not be disturbed but whenever a dispute arises the Commission's formula will prevail.

The modifications introduced by the Government are:

(1) In computing the "available surplus," all direct taxes for the time being in force will be deducted as prior charges. Tax concessions given to industry to provide resources for development will also be accepted as prior charges. Steps are to be taken to ensure by law that the amounts involved in such concessions are used for the purposes for which they are given.

(2) The rate of return on capital to be allowed as a prior charge deductible before calculating available surpluses should be: (a) the actual rate payable on preference share capital; (b) 8.5 per cent, taxable, on paid-up equity capital, and in the case of banks 7.5 per cent; and (c) six per cent on reserves—in the case of banks five per cent.

(3) The Government considered it desirable that beyond a certain maximum the bonus should be paid in the form of securities or investment, instead of in cash. This matter is to be discussed and decided by negotiation with the parties concerned, including labour organizations, and, if necessary, by tripartite discussions.

Suitable legislation is to be promoted to give effect to the proposals which have been accepted by the Government.

A consequential modification relates to the giving of retrospective effect to the decision. In cases where any retrospection has been settled through agreement or by a decision having been given, the matter would not be re-opened. In other cases, where a dispute is raised or is pending, it will be related to the accounting year ending on any date in the calendar year 1962. In all other cases, it will be related to the calendar year 1963.

The broad features of the Bonus Commission's formula are as follows:

The "available surplus" from out of which bonus will be paid should be arrived at after deducting from the gross profits the following prior charges: (a) Depreciation as admissible under the Income-Tax Act; (b) Income-Tax and Super Tax; and (c) Return at the actual rate payable on the preference share capital at 7 per cent on ordinary capital and at 4 per cent on reserves.

Sixty per cent of this "available surplus" should be distributed as bonus subject to a minimum equivalent of 4 per cent of the annual basic wages and dearness allowance, or Rs. 40, whichever is higher, and a maximum equivalent of 20 per cent of the annual basic wages and dearness allowance. The payment should

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be in cash. Where the amount allocatable as bonus exceeds the maximum of 20 per cent of the earnings, the excess up to a further limit of 20 per cent is to be carried forward to be "set off" in the succeeding years up to a period of the next four years. Similarly, where there is no "available surplus" or the amount of the "available surplus" allocatable as bonus is a sum less than 4 per cent of the annual earnings, the whole of the quantum of 4 per cent or the amount necessary to make up 4 per cent, as the case may be, should be carried forward and 'set off' in the succeeding years up to a period of four years.

The formula will apply to those public sector undertakings which are not departmentally run and which compete with the establishments in the private sector. For this purpose, if not less than 20 per cent of the gross aggregate of sales turn-over of a public sector undertaking consists of sales of services or products which compete with the sales of services or products by units in the private sector, that undertaking will be deemed to be competitive with the private sector.

Where in particular undertakings, employers and units have adopted or may adopt in future, annual bonus linked with production or productivity in substitution of bonus based on profits, the Commission's formula will have no application. Similarly, where industry-wise agreements already exist, the parties are at liberty to renew the agreements with such modifications, if any, as may be agreed to by them.

The formula will not apply to new concerns until they have recouped all early losses including all arrears of normal depreciation admissible under the Income-Tax Act subject to a time-limit of six years.

The Commission recommended that its proposals should apply to all bonus matters relating to the accounting year ending on any day in the calendar year 1962 other than those cases in which settlements have been reached or decisions have been given.

One member of the Commission representing the private sector employers had differed from the main recommendations of the committee on some points of detail. His view was that in calculating the "available surplus" direct taxes like Super-Profits Tax and suitable allowance for rehabilitation should also be included as prior charges and that the rate of return on capital as a prior charge should not be less than 8.5 per cent of paid-up capital and 6 per cent for reserves. He had suggested further that in the case of certain industries like jute plantations, coal and other mines the limits of minimum and maximum should be fixed at 2 per cent and 10 per cent of the year's basic wages and dearness allowance as against limits of 4 per cent and 20 per cent in the case of other industries.

(*The Times of India*, New Delhi)

[Prev. ref. 5596:INI:P]

K. Dearness Allowance Relief For Central Government Employees—Inquiry Body Appointed: The Government on August 27 decided to appoint Mr. S. K. Das, former Judge of the Supreme Court, as a one-man independent body to examine and report on the question of dearness allowance relief to be given to Central Government employees.

According to the terms of reference, the body will examine the question of dearness allowance subject to the recommendations and general observations made by the Second Pay Commission in its report and having regard to the various causes of the rise in prices, the state of the economy, the impact of the increased salaries on prices and other relevant circumstances.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5680:INI:J]

L. Refinance Corporation Taken Over By Industrial Development Bank: The Industrial Development Bank of India took over from September 1 the entire undertaking of the Refinance Corporation for Industry Ltd., in terms of the Industrial Development Bank of India Act, 1964.

Announcing the merger, the Bank in a Press communique said that the facilities extended by the Refinance Corporation would be continued by the Development Bank of India Act, 1964.

The present limit of refinance of Rs. 50,00,000 for any one industrial concern has been raised to Rs. 100,00,000 and the limit will be related to outstanding balance in a refinanced loan account and not to sanction.

The upper limit of Rs. 50,00,000 in respect of refinance for medium-term export credits has been altogether removed.

The Development Bank has paid to the Refinance Corporation as compensation, an amount equal to its paid-up capital of Rs. 2.50 crores for distribution to the shareholders as provided in the Act.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5886:INI:J]

M. Measures To Uncover "Black Money": The Central Finance Minister, Mr. T. T. Krishnamachari said in Hyderabad on August 28 that the Government hoped to uncover all "black money" in due course. The law was stringent and it should be possible to get at the concealed money.

Asked by newsmen on arrival if there were no "short-cuts" to finding unaccounted money, he said that if the Government resorted to any drastic steps, it might be accused of harassing the people. Because the recent raids on film stars' houses in Bombay had yielded results, the people might not accuse the Government of high-handedness now.

Answering questions whether currency notes could not be replaced by new ones to deter people from concealing money, he said it was physically impossible to replace all currency. It might take a long time to print new notes to replace the old ones.

He said that the "iceberg" theory was true of some "great people." Explaining the theory, he said very little of a floating iceberg could be seen. The larger part of it was concealed under water. Similarly, very little of the wealth of "great people" was known.

He said the Government was studying a proposal to acquire some fast seacraft to operate along the country's coastline to prevent smuggling of gold into India.

He said that the smuggling of gold into the country was not a new thing. It could not be the result of the Gold Control Order. The country could afford to import gold. India would require Rs. 1,000 crores annually if gold was to be imported freely.

(*The Hindu*, Madras)

[Prev. ref. 5531:INI:B]

N. Transfer Of Union Territories To Central Home Ministry: It was officially announced in New Delhi on August 31 that the responsibility for the administration of the Union Territories of Pondicherry, Goa, Daman and Diu and Dadra and Nagar Haveli had been transferred from the Ministry of External Affairs to the Central Home Ministry.

Pondicherry, which includes Karaikal, Mahe and Yanum, came under India's de facto control in November, 1954. The treaty of cession with France was ratified in August, 1962. The Government of Union Territories Act was extended to Pondicherry in July, 1963. A popular Ministry was formed subsequently and the Advisory Council became Legislative Assembly for the Union Territory.

The Union Territories Act was extended to Goa, Daman and Diu after the General Election there in November, 1963. The enclave of Dadra and Nagar Haveli was liberated from the Portuguese in August, 1954. The territory is being administered under the Dadra and Nagar Haveli Act 1961.

(*The Times of India*, New Delhi)

[Prev. ref. 5028:INI:E]

O. Increase In Railway Facilities—Mr. S. K. Patil's News Conference: At a news conference in New Delhi on August 28, the Railway Minister, Mr. S. K. Patil, announced that 62 new passenger trains would be introduced on October 1—the largest expansion in passenger train traffic at any one time during the past 10 years.

Among the new trains will be the "Taj Express", a fast vestibule train between New Delhi and Agra, the Assam Mail between Delhi and Barauni, the Cochin-Bangalore Express, the Brindaban Express between Bangalore and Madras and the Chandigarh Express between Ferozepore and Kalka.

Mr. Patil claimed that facilities for moving freight had now outstripped the demand. In fact, about 20,000 wagons on the broad-gauge and 3,000 on the metre-gauge remained unused every day.

Referring to coal and steel traffic, he said that the freight moved had actually been 3.24 million tonnes less during the first four months of this year as compared to the corresponding period last year.

Movement of iron-ore for export and other goods traffic had shown an increase, but even this was less than what had been planned.

He said that priority had been given to the movement of grain. Special arrangements had been made for the clearance of imported grain unloaded at various ports. About 700,000 tons could be moved now from the ports to various inland centres.

He also spoke of the encouraging decline in serious rail accidents and said that modern signalling techniques based on developments in electronics were being increasingly installed.

Many other safety devices were also being introduced, two of the most important being the automatic warning arrangements worked by approaching trains and fixed flashing lights at unmanned level-crossings. Experiments were being made on these and if such devices proved successful, he expected that criticism of unmanned crossings would end.

He referred to the praise the foreigners had for Indian Railways. An indication of this was the ease with which development loans could be obtained from abroad. A new $60 million loan from the World Bank for rolling stock, steel products, etc., had been agreed upon and a delegation would

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visit USA in September to finalize the details.

(*The Statesman*, New Delhi)

[Prev. ref. 5813:INI:J]

P. **Fertilizer Factory Near Visakhapatnam:** India's largest fertilizer factory to be located near Visakhapatnam is expected to be commissioned by December, 1966.

The Rs. 32.5-crore project in the private sector is being financed by sale of capital stocks and long-term borrowing.

The details were formally approved on August 31 by the Coromandel Board, of which Mr. H. V. R. Iengar, former Governor of the Reserve Bank, is Chairman.

A loan of $27 million from the US Export-Import Bank and another of Rs. 8.5 crores from the US Agency for International Development will be used to finance the project. A 400-acre site has been leased from the Vizag Port Administration. It will have dock, rail and highway facilities.

The fertilizer produced in the plant is expected to result in a saving of Rs. 11 crores of foreign exchange.

The project envisages the construction of godowns in Visakhapatnam, Kakinada and other towns in the interior. Negotiations are in progress for the construction of a wharf in the Vizag harbour to be used exclusively by Coromandel Fertilizers.

The project also envisages the creation of an organization to sell and transport 1200 tonnes of fertilizer daily.

(*The Times of India*, Bombay)

[Prev. ref. 5472:INI:B]

Q. **Public Trustee Appointed:** The appointment of a Public Trustee has been announced by the Central Finance Ministry with the object of ensuring that the funds of trusts are spent in accordance with their objects and generally to see that they function properly.

The Public Trustee is Mr. M. N. Kaul, retiring Secretary of the Lok Sabha, who took up his new duties on September 1. His appointment has been made under the Companies Act.

Under the Act, as amended in 1963, a trustee is required to make a declaration to the Public Trustee by October 31, 1964 in respect of shares or debentures held by him in trust on September 1, 1964, and regarding other cases within 60 days from the date on which the shares or debentures are held in trust.

A trustee is required to send a copy of his declaration to the company concerned within 21 days after he has sent the declaration to the Public Trustee.

No declaration by a trustee is necessary in respect of a trust which has not been created by an instrument in writing. Even where the trust is created by an instrument in writing no declaration is necessary in cases where the value of the shares or debentures of a company held in trust does not exceed Rs. 1,00,000 or exceeds Rs. 1,00,000 but does not exceed either Rs. 5,00,000 or 25 per cent of the paid-up capital of the company, whichever is less.

Where a trustee has made a declaration to the Public Trustee he will cease to exercise the rights and powers exercisable by him as a member at any meeting of the company. Such rights and powers will be exercised by the Public Trustee from December 1, 1964.

In order to enable the Public Trustee to exercise his rights and powers, he will, among other things, be entitled to receive from the company concerned all books and papers under the Companies Act which a member is entitled to receive.

(*The Times of India*, New Delhi)

R. **Kohima And Mokokchung Declared Normal Areas:** Kohima and Mokokchung districts in Nagaland ceased to be disturbed areas with effect from September 6.

Special powers of the armed forces in these areas ceased from the same date.

The Nagaland Governor agreed to take these steps in order to normalize the situation during the forthcoming peace talks with the representatives of the hostile Nagas.

Various prohibitory and restrictive notifications relating to permits under the Nagaland Security Regulations have also been withdrawn with immediate effect. The present practice of issuing permits for visits by Nagas to territories outside Nagaland has also been suspended with immediate effect.

During the period of the peace talks from September 6 no special permits will be required for the movement of vehicles within the State. All checkposts on the roads except those for checking inner-line permits will be withdrawn.

The checkposts for inner-line permits will be manned by Nagaland police. Any checkpost maintained by the security forces on the roads will only be for the purpose of checking military vehicles.

Necessary instructions have also been issued to the public prosecutor to withdraw all cases pending under security regulations except those against the new hostiles who had been recently captured.

(*The Statesman*, Calcutta)

[Prev. ref. 6004:INI:B]

S. **Suit Against Rulers Of Former Princely States:** Nearly 1,000 applications seeking permission to sue rulers of former princely States have reached the Central Government since the Constitution came into force.

The Government was believed to have granted consent in 500 cases.

Prior to the integration of the States with India the rulers enjoyed immunity from the process of law in the British Indian courts as foreign rulers. The covenants and merger agreements signed by the rulers provided that they be entitled to all personal privileges, dignities and titles enjoyed by them before August 15, 1947.

To implement this assurance, the Civil and Criminal Procedure Codes were amended in 1951. Section 87-B of the Civil Procedure Code bars legal action against rulers except with the consent of the Central Government, and Section 197-A of the Criminal Procedure Code stops courts from taking cognizance of any offence alleged to have been committed by rulers except with the previous sanction of the Central Government.

Applications for consent to sue a ruler are received by the Central Home Ministry and processed by the Law Ministry. The Ministries confine themselves to examining facts and not contentions.

According to a Government spokesman, the principle followed is that "normally consent should be given in every case where the plaint makes out a prima face and justifiable claim".

Mr. C. C. Biswas, former Law Minister, laid down the policy in 1953 thus: "In considering the case, the attitude should be in favour of giving consent rather than of refusing it."

The Government spokesman says that consent is refused if the "object of the suit appears to be exploitation, blackmailing or vexatious harassment", or where from facts within the knowledge of the Government the allegations appear to be unfounded.

Similarly, permission is refused if it will amount to a breach of any guarantees or assurances given to the ruler or where the suit is in respect of "anything done or omitted to be done by the ruler or under his authority during the period of his administration of the State".

(*The Statesman*, New Delhi)

INDONESIA

A. **Cabinet Re-shuffle:** President Sukarno on August 27 re-shuffled his Cabinet, bringing in a Communist for the first time.

The Communist is Mr. Njoto, Deputy Chairman of the Communist Party, who becomes a Minister attached to the Presidium.

President Sukarno, who made 14 changes and divided some Ministers' duties, said the new administration would emphasize the crushing of Malaysia and the programme he set out on Independence Day 10 days earlier—**Vivere Pericoloso**, a year of "living dangerously".

The appointment of Mr. Njoto gives Indonesia its first "Nasakom" Cabinet—representatives of the three major forces, the nationalists, religious groups, and communists. A Nasakom Cabinet had been President Sukarno's stated objective for some time.

The new Cabinet is:

Presidium—First Deputy Prime Minister, Dr. Subandrio; Second Deputy Prime Minister, Dr. J. Leimena; Third Deputy Prime Minister, Dr. Chaerul Saleh; Ministers attached to Presidium, Mr. Oei Tjoe Tat, Mr. Njoto, Dr. Arifin Harahap and Brigadier General Murdjoko;

Co-ordinator Minister of National Development Plan—Dr. Suharto;

Co-ordinator Minister-Chairman of Finance Supervisory Body—Sri Sultan Hamengkubuwono;

Foreign Affairs:

Co-ordinator Minister and Minister of Foreign Affairs and Foreign Economic Relations—Dr. Subandrio;

Justice and Home Affairs:

Co-ordinator Minister—Dr. Wirjono Prodjodikoro;

Minister of Home Affairs—Brig.-Gen. Dr. Sumarno;

Minister of Justice—Dr. Astrawinata;

Minister|Chairman of the Supreme Court—Dr. Wirjono Prodjodikoro;

Attorney General—Col. Sutardjo;

Defence and Security:

Co-ordinator Minister, Chief of Armed Forces and Defence Minister—Gen. Abdul Haris Nasution;

Army Commander—Lieut/-Gen. Ahmad Jani;

Navy Commander—Rear-Admiral E. Martadinata;

Air Force Commander—Air Vice-Marshal Omar Dani;

Police Commander — Commissioner Sutjipto Dukusumo;

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Finance:

Co-ordinator Minister—Dr. Sumarno;

Minister of States' Revenue, Financing and Auditing—Mr. Muhammad Hassan;

Minister of Central Bank—Dr. Jusuf Muda Dalma;

Minister of State Budget—Dr. Sujardi;

Development:

Co-ordinator Minister—Dr. Chaerul Saleh;

Minister of Private Bank and Capital —Mr. J. D. Massie;

Minister of Labour—Mr. Sutomo;

Minister of National Research—Dr. Djuned Pusponegoro;

Minister of Public Works and Energy —Maj.-Gen. Suprajogi;

Minister of People's Industries—Maj.-Gen. Azis Saleh;

Minister of Veterans and Demobilization—Maj.-Gen. Sarbini;

Minister of Basic Industries and Mines —Dr. Chaerul Saleh;

State Minister attached to Department of Development—Mr. Ahem Erningpradja;

Agriculture and Agrarian Affairs:

Co-ordinator Minister—Dr. Sadjarwo;

Minister of Estates—Dr. Frans Seda;

Minister of Forestry—Mr. Sudjarwo;

Minister of Fishery—Commodore Hamzah Admohandojo;

Minister of Agraria—Mr. Hermanses;

Minister of Rural Development—Mr. Ipik Gandamana;

Distribution:

Co-ordinator Minister—Dr. J. Leimena;

Minister of Trade—Mr. Adam Malik;

Minister of Land Communication, Tele-communication and Tourism—Lieut.-Gen. Hidajat;

Minister of Communication—Maj.-Gen. A. Adikin;

Minister of Air Communication—Vice-Marshal Iskandar;

Minister of Transmigration and Co-operatives—Mr. Achadi;

People's Welfare:

Co-ordinator Minister—Mr. Muljadi Djojomartono;

Minister of Religion—Hadji Saifuddin Zuchri;

Minister of Social Affairs—Mrs. Rusiah Sardjono;

Minister of Health—Maj.-Gen. Dr. Satrijo;

Minister of Religious Liaison—Mr. Fattah Jassin;

Education and Culture:

Co-ordinator Minister—Dr. Prijono;

Minister of Basic Education and Culture—Mrs. Artati Marzuki;

Minister of Higher Education and Science—Maj.-Gen. Dr. Sjarif Thajib;

Minister of Sports—Mr. Maladi;

People's Relations:

Co-ordinator Minister—Dr. Ruslan Abdul Gani; and

Minister of Information—Maj.-Gen. Achmadi.

(*The Times*, London)

[Prev. ref. 5634:IND:A]

JAPAN

A. Nuclear-Powered Submarines' Visit Permitted: After 20 months of sporadic but meticulous negotiations, the Government agreed on August 27 to permit US nuclear-powered submarines—albeit conventionally armed—to call at ports in Japan.

Tokyo reports said the Government proposed to take a series of safety precautions and make compensation arrangements.

The Government decision provoked a bitter campaign of protest by the Left Opposition parties.

In a statement, the Government declared that the submarine visitors would be of the Nautilus and not the Polaris types, and emphasized that there was no question of deploying nuclear weapons in Japan.

It added its conviction of the submarines, safety and stated that they would be engaged in the defence of Japan like other American vessels there, thus falling within the scope of the United States-Japan Security Treaty.

An American public statement made no mention of missiles. It affirmed that with the exception of propulsion systems the submarines were no different from other United States vessels there, and thus enjoy the same entry rights. However, in respect of other matters requiring prior consultation (which presumably covers missiles), the United States Government "has no intention of acting in a manner contrary to the wishes of the Japanese Government".

Permission Withdrawn:

The Government decided on September 2 to refuse permission to US submarines equipped with nuclear warheads to enter its ports unless their warheads were removed.

The decision was a victory for the opponents of the entry of nuclear-equipped submarines into Japanese ports. The opponents had threatened to launch a massive agitation if the Government allowed the submarines to enter Japanese ports.

The chief Cabinet spokesman, Mr. Zenko Suzuki, explained that nuclear-equipped US submarines would be subject to the provision of prior consultation in the US-Japan Security Treaty.

(*The New York Times* and *The Japan Times*, Tokyo)

[Prev. ref. 5634:JAP:A]

MALAYSIA

A. Restrictions On Import Of British Goods Imposed By Singapore: The Singapore Finance Minister, Dr. Goh Keng Swee, said at the opening of a textile factory on August 23 that Singapore proposed to ban the import of certain classes of British goods if the British Board of Trade refused to negotiate on its restrictions on imports of Singapore-manufactured goods.

At that time he did not indicate what these goods would be, but said that his Ministry was making plans "for the progressive prohibition of imports from Britain."

He added: "I do not propose... an entire prohibition...but we are prepared to escalate to that position as quickly or as slowly as it (the Board of Trade) wishes."

He said that the British restrictions came at a time "when Singapore has been shouldering the main burden of Indonesian economic confrontation. The recent closing of the barter trade with Indonesian islands near by (see page 6032) has added to our difficulties".

He added that there was nothing that Singapore imported from Britain that could not be imported from other countries. If Britain invoked action under the General Agreement on Tariffs and Trade (GATT), "there are other measures by which we can close the doors to British exports to Singapore".

He referred to a statement of the problem made by a local garment manufacturer, Mr. Lam Thian, who charged that "the Board of Trade action had prevented the establishment of some 50 factories in the state, representing a loss of 10,000 jobs".

He deplored the Board of Trade's refusal to negotiate, declaring: "We were made to understand that it will be useless to discuss this matter before the British General Elections".

He said that he had threatened retaliatory action when he first heard of the intentions of the Board of Trade early this year, but he had apparently not been believed. "As a result we are placed in an intolerable position where not only our enemies are making life difficult for us but even our allies."

A British Board of Trade official said in London later in the day: "We are at the moment negotiating with Malaysia about the future level of their exports of cotton textiles to Britain."

The official, referring to Dr. Goh, added: "It is not clear whether this is a threat or a promise. Naturally we wish for some settlement in the talks which is as reasonable as possible under the circumstances. I cannot really comment on it as we need official confirmation of the threat first from our Embassy.

"I should point out that Britain does have one of the most liberal policies for importing cotton textiles of any other country in the world. But we have to negotiate levels, and the exporters are never really satisfied.."

A total of 46 types of commodities manufactured in Britain were banned from Singapore on August 26. All other British goods would require specific import licences.

Dr. Goh said that he hoped the ban would remove any further misunderstanding in London.

In Kuala Lumpur on August 26, Mr. Tan Siew Sin, the Malaysian Finance Minister said that Singapore had a good case.

He agreed with Singapore that the British action was rather precipitate in view of the fact that negotiations for a new level of exports from Malaysia as a whole had not yet been completed and in view of the assurance said to have been given that pending the completion of the current negotiations there would be no prohibition of textile exports to Britain.

He said that Spain was allowed a level of import 12 times greater than that given to the former Federation of Malaya, and Hong Kong was allowed about 40 times more. Malaysia was not only a loyal member of the Commonwealth, fulfilling all its obligations and responsibilities, but still continued to be the Commonwealth's largest net United States dollars earner, earning even more than Britain herself. All those dollars went into the sterling pool to benefit the Commonwealth as a whole. Singapore had a good case and the Central Government should pursue the matter with Britain on its behalf and also that of Malaysia.

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Government officials and Malayan manufacturers had gone to great pains to emphasize that the ban would not affect the people of Singapore because some of the prohibited commodities were produced locally and the rest could be obtained from West Germany, Japan, New Zealand and Australia.

Restriction On Import Of Dutch Goods:

The Singapore Government said on August 24 that the import of goods of Netherlands origin consigned from any country into Singapore would be subject to specific import licensing from August 25.

This measure was necessary because of the help which the Dutch Government had extended to Indonesia, thus enabling it to continue its economic confrontation against Malaysia.

Singapore, it was stated, had borne the brunt of that policy. The prohibition of specific imports from Holland was being considered.

Earlier in the month, the Dutch Government announced the grant of considerable export credits to Indonesia. (There has been increasing co-operation between the two countries since diplomatic relations were resumed last year after a three-year breach over West Irian).

The Malaysian Cabinet discussed on August 26 the implications of Dutch economic assistance to Indonesia and the British Board of Trade's curtailment of imports of cotton textiles from Singapore. Dutch support for President Sukarno was understood to have been regarded by the Cabinet with grave concern because it was tantamount to offering aid to a declared enemy of Malaysia.

The Cabinet endorsed without equivocation the decision to make subject to licence the import of Dutch goods to Singapore and also to prohibit 46 commodities of British manufacture and to license other British products. The retaliatory action against Britain found warm support.

Malaysia's attitude is that the issue could have been avoided if British officials in Kuala Lumpur had been in the picture and available.

Mr. A. V. Cordeiro, the acting Controller and Registrar of imports and exports in Singapore, gave importers seven days in which to produce documentary evidence that they had established irrevocable letters of credit for Dutch goods. Imports from Holland, including foodstuffs, radio and television sets, gramophones and records, totalled 40 million Malayan dollars (about £4,000,000) in the first half of this year.

The Dutch Government announced recently the granting of an £11,500,000 export credit to Indonesia and has also indicated that it is willing to import a considerable amount of Indonesian goods.

Official sources in Britain confirmed that negotiations on import levels had been going on with Malaysia and could continue. The action of the Singapore authorities according to them might well be aimed at forcing the separate negotiations with Britain desired by Singapore.

British Reaction—Ban Lifted:

The British High Commissioner to Malaysia, Lord Head, said in Kuala Lumpur on August 27 that the Singapore decision was unique in Commonwealth relations.

The trade dispute, he said, was showing signs of causing a substantial rift in the excellent relations that existed between Britain and Malaysia, about which he was deeply concerned.

Britain was a major consumer of cotton and cotton goods and had a large cotton textile industry. It had suffered a sharp reduction in recent years because of the very great expansion of imports from many countries. Whereas 325,000 people were employed in it in 1951, in 1963 there were only 125,000. Last year Singapore was given a clear warning that she should not count on building up her cotton industry by exporting to Britain, but it was disregarded and the textile industry was built up without any attempt to reach agreement on a quota for imports to Britain.

In May of this year, he said, Britain announced that in view of the very large amount of outstanding contracts no further import licences would be issued until agreement on a quota had been reached, and negotiations started. Singapore declined Britain's initial proposal of a quota covering exports from Singapore and Malaya. Since then the Board of Trade had given further consideration to the situation as a whole and was given detailed information by the Singapore Government on August 13 after an inquiry. In other words, the information was supplied less than two weeks before the ban was placed on 46 items of British goods. This unilateral action without awaiting the outcome of negotiations on the British proposals was, he understood, unique throughout the whole field of Commonwealth relations.

In London, the Board of Trade said that it was seriously concerned at the Singapore restrictions on British goods without consultation with the Government, and that the matter was being taken up with the authorities in Malaysia.

The statement said: "The Board of Trade have at all times been willing to negotiate with the Government of Malaysia on the question of restraint on exports of cotton textiles to the United Kingdom from both the states of Malaya and Singapore. Indeed, in the view of the Board of Trade, such negotiations were already in progress.

"At a meeting between officials of the two Governments in May last, representatives of Malaysia and Singapore declined Britain's proposal that there should be a single quota covering exports from Singapore as well as from the states of Malaya. Their alternative proposals included the provision that there should be no limit on exports of cotton textiles from Singapore to Britain. This was clearly unacceptable to the British Government.

"The Board of Trade told Mr. Lim Kim San, Singapore Minister of National Development, on July 22, during his visit to this country, that it was for the Malaysian Government now to submit fresh proposals of a more realistic nature. The Board also requested further information on July 21 from the Singapore authorities. This was received on August 13. Since then the Board have been considering whether they could advance new proposals.

"The British Government's policy towards imports of low cost cotton textiles was announced by the President of the Board of Trade in Parliament on June 6, 1962. This was to the effect that countries with no traditional trade in cotton textiles should not count on being able to build up a new market in Britain. This policy was announced in view of the serious difficulties of the domestic cotton industry and the fact that it would be wholly unfair to those countries which were exercising restraint (including India, Pakistan and Hong Kong) to allow new suppliers to develop trade in the British market.

"Nevertheless, orders for rapidly increasing quantities of textile goods from Singapore and other countries were placed for admittance into this country and it became necessary to hold the situation by the imposition of import licensing on May 1, 1964, pending the completion of negotiations with the countries concerned.

"The matter is being taken up with the authorities in Malaysia."

On August 28, Dr. Lim Swee Aun, the Malaysian Federal Minister for Commerce and Industry, had talks with Mr. Lee Kuan Yew, Lord Head and a nine-man delegation from the cotton manufacturers of Singapore. The manufacturers claimed that five of the 23 cotton textile factories in Singapore had been forced to close, while plans had been cancelled for the opening of 18 new factories.

As a result of the negotiations, the ban on British goods was lifted with effect from September 1.

The announcement said that the decision to lift the ban was made after discussions between the British High Commissioner, Lord Head, the Singapore Prime Minister, Mr. Lee Kuan Yew and the Malaysian Minister of Commerce and Industry, Dr. Lim Swee Aun.

It said: "Negotiations between UK and Malaysian officials will resume within the next few days."

(*The Times*, London, *The Malayan Times*, Kuala Lumpur and *The Statesman*, Calcutta)

[Prev. ref. 6045:MAL:A]

NEPAL

A. King Mahendra's Address To Ministerial Council: Addressing the Ministerial Council in Khatmandu on August 30, King Mahendra called for a war on under-development and poverty "with total mobilization and invincible determination."

He asked everyone "to accept his responsibility."

In his speech, a report of which was circulated by the Government-owned National News Agency, he remarked that in a fast-changing world Nepal could not retain her independence without keeping pace with the changes. He recalled that the changes in 1960 (dissolution of Parliament) had become inevitable.

Poverty of the people was being exploited to further party interests. The parliamentary system was so expensive that political parties could not meet their expenses without external support and this made them dependent on others.

One of the main objectives of the changes made in December, 1960, he said, was to establish political stability through the partyless democratic panchayat system.

In about 43 months his Government had to its credit six major achievements which included Nepal's adherence to a non-aligned foreign policy and laying of the foundation for partyless democratic system on panchayats.

The traditional bureaucratic machinery had become inadequate to meet the challenge of the time and the "urgency of the situation called for a revolutionary attitude at every step." To reach that goal Nepal must have a new cadre of workers for the partyless panchayat system.

(*The Statesman*, Calcutta)

[Prev. ref. 5273:NEP:C]

B. Sunauli-Pokhra Road Project —Committee To Draft Programme: The Government constituted on August 26 a five-member committee to determine the programme of execution of the Indian-aided Su-

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nauli-Pokhra road project, to evaluate its progress and remove any difficulties that might crop up from time to time.

The committee is headed by the Transport and Communications Minister, Dr. Nageswara Prasad. The other members are Nepal's Transport and Communications Secretary, the Chief Engineer (Roads), the Director of Indian Aid Mission, Mr. D. R. Kohli and the Indian Chief Engineer of the Sunauli-Pokhra road project.

The agreement on the 128-mile road was signed on August 25 before the Indian External Affairs Minister, Sardar Swaran Singh's departure for New Delhi (see page 6043).

Survey work relating to the road has already been completed and construction will be taken up in October. The road is expected to be completed by December, 1968.

(*The Times of India*, New Delhi)

[Prev. ref. 6046:NEP:A]

PAKISTAN

A. National Economic Council Approves Outline Of Third Plan: The National Economic Council, which met in Dacca on August 27 under the chairmanship of President Ayub Khan, "generally endorsed" the outline of the country's Third Five-Year Plan, which is to be launched on July 1, 1965.

The gross size of the Plan has been fixed by the Council at Rs. 5,200 crores with the public sector being allotted Rs. 3,400 crores and the private sector Rs. 1,800 crores.

Total spending in the East Wing will be of the order of Rs. 2,650 crores and in the West Wing Rs. 2,550 crores.

Out of Rs. 3,400 crores proposed to be spent in the public sector during the Plan period Rs. 1,800 crores have been allocated to East Pakistan and Rs. 1,600 crores to West Pakistan.

An official source said that the outline of the Plan was thoroughly discussed by the Council members before it was generally endorsed. It was also decided that the outline should be circulated to elicit public opinion.

The Council also considered proposals for development of fertilizer industries and petrochemical complexes in both the Provinces based on the existing natural gas resources.

It was, therefore, decided to work out detailed plans for these industries in consultation with Provinces and Ministries concerned.

The principal objectives set for the Third Plan are to attain a rapid growth of the national economy with a view to ensuring a break-through to self-sustained growth in the shortest possible time. It was proposed to aim at a minimum increase of 20 per cent in national income over the five-year period from 1964-65 to 1969-70.

In order to reduce the degree of inter-regional and intra-regional disparity, it was proposed to reduce the existing level of disparity in income per head between East and West Pakistan by about one-fifth.

With a view to preventing any aggravation of the existing unemployment situation, it will provide at least 4.5 million new job opportunities.

The Plan envisages the strengthening of the balance of payments by increasing the country's foreign exchange earnings at a rate faster than GNP and by driving ahead with the import situation. It was expected that the country's earnings of foreign exchange will reach a level of Rs. 425 crores by 1970 compared with about Rs. 295 crores at the end of the Second Plan.

Other objectives of the Plan are to develop basic industries for the manufacture of producer goods so that the requirements of further industrialization can be met mainly from the country's own capacity; to secure the transformation of agriculture, by increasing productivity and expanding purchasing power in rural areas through a massive works programme; to arrest the menacing growth of population by taking decisive steps towards population control; to provide better housing, more health services and greater facilities for education, especially for the lower income groups.

The Plan is also designed to make substantial progress towards achieving certain specific social objectives such as diminishing inequalities in the distribution of income, wealth and economic power, providing a measure of social security and promoting social and cultural change conducive to accelerated economic expansion.

The national income data that have become available recently reveal that the growth rate has been faster than previously estimated for the Second Plan. In the first four year of the Plan, national income increased by about 22 per cent or over 5 per cent per annum. Even assuming a modest growth rate in the last year of the Plan, the target of 24 per cent is certain to be exceeded. On current indication, an increase of 26 to 27 per cent in national income is likely to be achieved with an estimated total development expenditure of Rs. 2,500 crores during the Second Plan period. This also points to the possibility of obtaining higher increase than 30 per cent in the Third Plan with the proposed allocation.

President Ayub Khan's Foreword:

The following is President Ayub Khan's foreword to the outline of the Third Five-Year Plan approved by the National Economic Council:

"I look back upon the economic progress in the last five years with sincere happiness and deep humility. We made our Second Five-Year Plan in the shadow of the past. Then our problems were grave and they appeared intransigent. Our resources were small and our needs enormous. The financial and economic system was precariously poised and endangered by policies of drift.

"Today one looks back on the progress made in the years of the Second Plan and one gives silent thanks for what has been achieved and says a silent prayer for the years ahead when the Third Plan will be in operation and the country will be advancing into the future with fresh hopes and aspirations.

"A national plan of development embodies the economic and social philosophy of a country. The successive Five-Year Plans indicate the sense of direction and national purpose that is inherent in economic planning. A Five-Year Plan must, therefore, be viewed not only as a collection of complex facts and figures and lists of schemes but as a projection of a nation's effort to reach goals of human happiness.

"There are various ways of assessing national progress. The usual measure is the increase in national income or income per head. By this measure Pakistan has already increased its national income by about 60 per cent and will achieve a further increase of 200 per cent in the next 20 years. The advance is in geometrical progression. But figures are meaningless unless they are related to the welfare of the common man.

"The real index of economic development is not cold statistics, but the visible effects on the pattern of the daily life of the people and it is here that we have to go far beyond the usual economic measurements and consider the cultural, social and religious enrichment of life, besides the material progress and it is for this reason that economic planning has to be conceived as a part, and only as a part, of the broader social and economic frame-work which is rooted in our cultural and religious traditions.

"To provide a decent life to nearly 110 million people, which number will increase by another 80 million over the next 20 years, is a vast challenge. We have accepted this challenge. As a nation, we are also conscious that the path chosen by us to economic development should be guided by our own political ideals, our long-term social objectives and our proud cultural heritage.

"We must evolve a synthesis between economic growth and moral and spiritual values. Of course, the need of the hour is to move speedily towards a progressive, technological, industrialized society. Basic to such a society is the spirit of inquiry and criticism and it is inevitable that many traditional institutions should change in the process if they stand in the way of rapid progress.

"But here are parts of our heritage so valuable that they must be preserved. There is for instance the family life as it is organized at present with its close ties, its traditional simplicity, its warmth and depth. It will be a poor bargain if this were replaced by an impersonal urbanised society, however developed it may be materially.

"The emancipation of a great number of people from dire poverty in the next few decades will certainly give them greater control over their environment, but it will not necessarily make them happier unless the moral, cultural and spiritual values of life are also preserved.

"We, as a nation, are committed to planned development. For us Five-Year Plans represent a concrete programme of action. We gave unstinted political support to the Second Five-Year Plan and its success owed itself largely to the economic discipline that the country was willing to accept. We are equally determined to make the Third Plan our platform for action in the economic field. Our approach to economic planning has been pragmatic all along. It has been the constant endeavour of the Government to mobilise the creative energies of the nation and to give all possible incentives for the stimulation of private initiative. The Government has limited its own role to providing a suitable frame-work for the private sector which had neither the ability nor the willingness to develop. There have been no grand experiments in nationalization, no fancy slogans about socialism, no under-intervention in the private sector.

"In fact, the Government has gradually removed most of the administrative and bureaucratic controls which hampered the progress of the private sector. The result of this approach has been the rapid growth of private capitalism in Pakistan.

"This has certainly yielded high rates of growth, especially in recent years, but it has also led to certain problems. Private capitalism all over the world has already undergone a profound transformation and its character today in the Western countries is far different from the private capitalism of the 18th and 19th centuries which was characterized by excessive profits, brutal treatment of labour and disregard of the larger welfare of society.

"We have to ensure that in Pakistan, too, private capitalism moves towards that stage of enlightenment where making of high profits and their re-investing

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ment ceases to be the sole or even the major criterion of success and the private sector is motivated by the larger interests of society.

"It will be our firm policy, therefore, to prevent excessive concentration of income and wealth in the hands of a few, to distribute economic opportunities more widely and to regulate further development of private capitalism in the best national interest. It is our intention to humanise all such vested interests as stand in the way of a progressive, dynamic society.

"The feudalistic structure in the rural areas has already been humanised through land reforms. We are determined to see that such a feudalistic pattern does not emerge elsewhere, whether in the industrial field or in the social sphere. The rising industrial aristocracy must turn its undoubted energies to efficient economic management of the country and refrain from conspicuous consumption and luxurious living and developing any political interests so that the need for corrective action does not arise.

"The ultimate aim of all our efforts in economic and social spheres can only be to move speedily towards the attainment of Islamic socialism in Pakistan. The term Islamic socialism is almost interchangeable with welfare state. In addition to the familiar welfare goals Islamic socialism implies that the cultural and religious heritage of the country should be preserved and not allowed to be destroyed by the fruitless pursuit of economic development. It is, therefore, a concept much broader than the welfare state and embraces all the phases of an individual life.

"What is basic to the establishment of Islamic socialism is the creation of equal opportunities for all rather than equal distribution of wealth. In fact, equality of incomes has never been achieved, not even in the Communist countries, because differences in aptitudes and talents make for differences in incomes even when individuals start off with equal opportunities.

"And this is as it should be. The important thing is that every individual must be given the fullest opportunity to develop his natural talents and that he should not be inhibited by an oppressive economic and social frame-work. There are three corner-stones of this policy of ensuring equal opportunities to which we are committed; first, it is the intention of the Government to provide universal free primary education to all; secondly, it is our aim to ensure a system of merit scholarships at the secondary education level; thirdly, we intend to provide competitive entry to jobs at all levels. These objectives are already embodied in the Constitution, their achievement will automatically ensure that a child gets the maximum possible opportunity for advancement irrespective of his economic or social class.

"Besides providing equal opportunities in the field of education and jobs, the Government is also committed to providing all the welfare facilities which are by now a common feature in the Western world. Our resources will not permit us to provide the kind of health services and social security benefits which are prevalent in UK and Sweden today but we certainly intend to cover a large part of the population with social security legislation over the period of the Perspective Plan (1965-85). Thus the coverage of health services will be increased about 10 times and every family will be provided with a decent house to live in by constructing about 16 million new housing units in the next 20 years.

"The Government is also determined that a certain minimum income should be assured to every citizen. At present, about 40 per cent of the total households in East Pakistan and about 24 per cent in West Pakistan obtain a monthly income of less than Rs. 100. Such a maldistribution of income is totally unacceptable. We are determined to ensure that no household should have a monthly income of less than Rs. 100 by 1985. This will at least provide the minimum facilities of life and protect a large segment of the population against the constant fear of privation and hunger.

"One of the fundamental objectives of our policy is to bring about a better cohesion between East Pakistan and West Pakistan in all fields,—economic, political and social. We are firmly committed to eliminate disparities in per capita income in the shortest possible time and this has been made a specific objective of the Perspective Plan. But the process of national integration has to extend far beyond the economic field and must embrace all the phases of an individual's life. At the same time, we should also take advantage of the possibilities of regional co-operation on a broader scale, particularly with the neighbouring Islamic countries. The recent moves towards regional economic co-operation between Pakistan, Iran and Turkey should be looked at in the context of this long-term goal of extending our regional ties as broadly as possible.

"This is only an outline of the Third Plan. This is not the final Plan. It is being released to elicit public opinion. Economic planning is an exercise in which not only the technicians but the whole nation participate. We are already bringing about a democratization of the planning and implementation process through the recent decentralisation of development functions of the Government. This is creating an unprecedented enthusiasm for planned economic development, particularly the Rural Works Programme, which has carried development to the very heart of the countryside and caught the imagination of the people. We are convinced that it is only through mobilization of the creative energies of the entire nation that economic planning can really succeed."

(*Dawn*, Karachi)

[Prev. ref. 5659:PAK:D]

B. US Naval Ships' Visit To Karachi—Indian Report: A New Delhi report on August 6 said that a US aircraft carrier armed with nuclear weapons had paid a visit to Karachi the previous week and stayed there for two days.

This information was available in New Delhi on August 26 in spite of the fact that it was not publicized at all in Pakistan.

The nuclear carrier, **Enterprise**, was accompanied by **Long Beach**, a cruiser, and **Bainbridge**, a "guided missile frigate".

As far as could be ascertained, the ships came to Karachi from the West, via the Cape of Good Hope, and left southwards for an undisclosed destination.

Normally the goodwill visit of one country's ships to another is widely publicized. But the Pakistan Government blacked out the news of the US naval ships with their nuclear cargo presumably because of the embarrassment it would have caused Pakistan with its newfound ally, China.

Pakistan also apparently apprehended displeasure from non-aligned countries of the region which protested strongly when USA first announced its intention to send its 7th Fleet for a cruise in the Indian Ocean.

Another New Delhi report on August 29 said that further details were available of the visit to Karachi by the US aircraft carrier **Enterprise** and its accompanying naval ships.

According to the report, the US naval vessels were engaged in exercises which were watched by senior naval officers of Pakistan as well as the military attaches to the US Embassy and the British High-Commission in Karachi.

Some Pakistani naval officers were also reported to have flown in one of the aircraft which took off from the US carrier.

According to available information, the US carrier and the accompanying vessels were on a world cruise on what was called "endurance test". The idea was to find out how far the carrier, among the largest in the world, can go without refuelling.

The USA has already given Pakistan a submarine and a fleet tanker. The main use of the latter is that it can refuel naval ships on the high seas.

(*The Statesman*, Calcutta)

[Prev. ref. 5889:PAK:C]

C. Air Pact With Kuwait Initialled: A draft for a bilateral Air Agreement between Pakistan and Kuwait was initialled at the Pakistan Civil Aviation headquarters in Karachi on August 22.

Air Commodore B. K. Das, Director-General of Civil Aviation, initialled the draft Agreement on behalf of Pakistan while Mr. Abd Allah Samhan, Director-General of Kuwait Civil Aviation, initialled it for his country.

The draft Agreement was finalised on August 21 between the visiting four-member Kuwaiti delegation and Pakistan Civil Aviation and PIA authorities.

Kuwait Airways and the PIA might soon enter into an interline agreement for pooling their passenger services, Mr. Abd Allah Samhan indicated on August 22. He told newsmen before formally signing the Agreement with Pakistan that opportunities existed for co-operation between the PIA and the Kuwait Airways in many fields. The two airlines had just concluded a semi-official accord for the use of each other's spare-parts stores.

He said PIA's progress during the last few years was fascinating and unbelievable. The airline deserved all congratulations for operating its planes on the Chinese route with "hundred per cent success." "We sincerely hope that this service progresses rapidly and the frequency of flights on this route is increased."

(*Dawn*, Karachi)

[Prev. ref. 6001:PAK:D]

D. Shipping Policy: The Central Communications Minister, Mr. Khan A. Sabur, said in Dacca on August 25 that a fleet of 35 seagoing ships would be purchased within the current Plan period.

In an interview, he said that of the total of 35 ships, there would be 15 new ships and 20 modern second-hand fast ships. They would replace 16 ships in the private sector and nine would be placed under the disposal of the National Shipping Corporation. The remaining 10 ships, to be imported from West Germany, would be allotted to the newcomers from East Pakistan.

At present, he said, the country had a fleet of 43 ships, against only three old ships at the time of Independence. Twelve ships were now operating on foreign routes, besides two tankers for importing oil from the Persian Gulf.

The domestic trade, he added, was reserved for national flag ships and it was the policy of the Government to reduce its reliance on foreign carriers, "who were prone to resort to monopolistic abuses like arbitrary increase on foreign rates, etc."

He said that as a result of the enhanced share secured by USA on the UK-Continent route, "we are committed to increase our fleet of six on that route to 14 modern and fast ships."

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The foreign exchange earnings of the country on shipping had increased from Rs. 43,00,000 during January-June, 1962, to Rs. 180,00,000 during July-December, 1962, through the route participation on the United Kingdom and northern part of the Continent.

He however, hoped that with the implementation of the new policy, the earnings would be increased roughly to Rs. 600,00,000 annually.

Explaining the new shipping policy of the Government, he said that it envisaged effective and larger participation and modernization of the existing fleet, re-organization of the domestic services and stream-lining of the procedures and practices in the field of shipping.

The policy sought to enhance the current Plan ceiling from Rs. 10.30 crores to Rs. 38 crores so as to permit acquisition of the 35 ships. The policy also envisaged the creation of the National Shipping Corporation with 25 per cent Government shares for handling the liner trade on some of the foreign routes.

Referring to Mercantile Marine Academy, which had been established at Jaldia, near Chittagong, he said the Academy aimed at imparting technical and professional training to 21 nautical and 21 engineering officers and four radio operators of the Pakistan Merchant Navy.

(*Dawn*, Karachi)

[Prev. ref. 5466:PAK:F]

ASIA OUTSIDE ASIA

A. Possibilities Of Water Desalination—UN Survey: Cautious optimism concerning the role of water desalination in assisting water-short areas in developing countries was expressed in a report published on July 17 by United Nations.

Prepared by the UN Department of Economic and Social Affairs, the report, **Water Desalination in Developing Countries**, was to be considered at the current session of the Economic and Social Council in Geneva.

Based on a survey of 43 developing countries and territories carried out during 1961 and 1962, the optimism expressed in the report cited not only the rapid growth in demand for water in water-short areas, but also "the increasing pace of development being experienced in some of the water-short areas in developing countries". The growing industrial and research efforts being undertaken to expand the types and sizes of desalination plants "promise a growing variety of equipment at competitive prices and foreshadows a continuing decline in equipment cost per unit of output". An anticipated increase in the per person income in developing areas would improve the prospects of placing the relatively high cost of desalinated water within the reach of users.

For potentially water-short areas, desalination gives some assurance that fresh water will continue to be available in the future, provided it can be economically justified and provided such areas are within a reasonable distance from the sea or an inland brackish water body.

The survey findings highlighted the fact that there appear to be at least 50 water-short areas in the countries and territories examined, in which technical and economic feasibility studies were warranted to establish whether or not possibilities exist for the economic utilization of desalinated water. However, it was stated that "in most developing countries there is a strong need to undertake an inventory of existing fresh and brackish water reserves in areas with water needs prior to determining what should be the role of desalination within the frame-work of water resources development programme". The installation of a desalination plant prior to a comprehensive inventory may become relatively less important as a water supply source if, subsequently, ground water is discovered in adequate quantities, or water from other areas becomes available.

Present processes of desalination involve either the extraction of fresh water from salty solutions or the removal of salts from water. The former method is by distillation—most widely used at present—while the latter employs electrodialysis or freezing. Other processes are still in an experimental or pilot plant stage.

The survey focused on the provision of fresh water for non-agricultural uses, as desalinated water has not yet proved to be economical for irrigation requiring large quantities of cheap water.

The survey of potential economic applications of desalination was in response to an Economic and Social Council resolution of April 21, 1960 calling for further action in the field of water resources development. Full implementation of the project was made possible by a grant of $75,000 by the Ford Foundation.

Seventy-four countries and territories were invited to co-operate in the survey, and they received copies of a basic questionnaire to be used for each water-short area selected. Staff members of the UN Resources and Transport Division and consultants specially recruited for the purpose undertook field missions to the 43 countries and territories finally selected. These included 14 countries and territories in Africa, 13 in Latin America and the Caribbean, 10 in Asia and the Middle East and 6 in Europe.

The survey has already prompted a number of countries—Argentina, Netherlands Antilles, Saudi Arabia, Tunisia and United Arab Republic—to undertake further investigations and to request UN assistance. In the case of Tunisia, a team of technical assistance experts has already prepared a report on fresh-water problems in Tunisia's southern region and on the economic alternatives to desalination.

The report revealed that fresh-water shortage in the areas surveyed was the principal limiting factor to economic development and that water desalination was thus becoming a useful way, when economically and technically feasible, of improving the possibilities of economic growth. However, the cost of supplying fresh water from a desalination plant was at present considerably higher than that of water supplied from available conventional sources. In the areas surveyed, information was gathered on 61 operating desalination plants with a total daily capacity of some 77,000 cubic metres (one cubic metre equals 264 US gallons). Prices of desalinated water ranged from $0.37 per cubic metre at the plants in Kuwait producing 27,273 cubic metres per day to $9,000 per cubic metre at the relatively small installation in Port Etienne (Mauretania) producing 115 cubic metres per day.

The majority of the desalination plants surveyed commenced production after 1950, and at the end of 1962, 19 new plants with a combined daily capacity of 43,000 cubic metres had been approved or were under construction in Africa (5), in Asia and the Middle East (7), in Latin America and the Caribbean (6) and in Europe (1). The largest new plants are at Curacao (Netherlands Antilles) and Doha (Qatar). Their installed daily capacities are 12,000 and 6,000 cubic metres respectively.

As for the further application of water desalination in developing countries, the report advised that:

(1) In countries where low-cost energy is available, desalination by electro-dialysis, which was electricity-intensive, should be given preference; under other conditions, it was advisable to turn to such processes as freezing or vapour compression distillation;

(2) Distribution facilities for desalinated water should be taken into account, when relevant, in planning new desalination plants;

(3) Governments in developing countries should clearly consider the relationship between desalinated water costs and prices and its possible influences on the efficiency with which the desalinated water is used.

As a result of progress in the last five years, the conversion cost for saline water has been reduced to a range of $.25 to $.34 per cubic metre. These figures, however, refer to large-sized plants in industrialized countries, where electricity is available at very low cost. Further improvement in the three major desalination processes in use today (distillation, electro-dialysis and freezing) will likely occur and, according to the report, new developments may be possible in the solar distillation field. Also, desalination by freezing is expected to lead to substantial reductions in energy requirements; a number of other processes are under investigation at the laboratory stage.

As for the possibility of using electricity produced in nuclear power stations for desalination and of producing steam in a nuclear reactor and using such steam for desalination, the report said: "Nuclear power could be utilized for desalination only if in the modest quantities needed for desalination plants (in under-developed areas), such power could be produced at relatively low cost. However, the cost of power generation by a nuclear plant must be compared to that supplied by a conventional plant. At the present time, conventional generating stations are, in all cases, still producing power at lower cost than nuclear plants of equal size in a given location. And it will be appreciated that there are many uncertainties involved in attempting appraisals of future nuclear power costs in comparison with future conventional power costs. A nuclear reactor to produce steam in competition with a conventional boiler is also a technical possibility. At present, there is no basis to assume that a process steam reactor will produce steam at a lower cost than conventional boilers."

(*United Nations*)

[Prev. ref. 5930:ISR:A]

B. Russia Launches "Cosmos XXXVI": Another artificial satellite, *Cosmos XXXVI*, was launched on July 30 by the Soviet Union.

The sputnik carried scientific equipment to continue the exploration of outer space under the programme announced by Tass on March 16, 1962.

Apart from scientific instrumentation, the satellite carried a radio system for accurate measurement of orbital elements; a radio-telemetric system for relaying to the Earth data on the operation of the instruments and scientific equipment.

The equipment installed in the satellite was functioning normally. The incoming information was being processed at the co-ordinating-computing centre.

(*Tass*)

[Prev. ref. 5974:AOA:C]

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ASIAN RECORDER

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ADEN

A. Proposal For Fisheries Harbour: The Economic Intelligence Unit of the South Arabian Federation was commissioned in August to prepare a report on the economic possibilities of the proposed major international fisheries harbour at Aden.

A number of overseas investors are interested in the project, which is designed to meet the varying needs of the fishing industry, from fishermen using simple canoes to large trawlers scouring thousands of miles in search of tuna fish.

The report will assess the importance of Aden's position in relation to the known developments taking place in the Indian Ocean and the Red Sea and Gulf fisheries, especially in relation to the £400,000 UN Fund for Economic Development grant for a two to three-year investigation into the fishery potential of the whole area.

As well as the proposed harbour, a number of schemes are to be implemented to improve the means of marketing fish landed from traditional craft at Aden and neighbouring Federal States. The Co-operative Development and Marketing Department has almost completed the installation of a cold store at Shuqra which will open up wider markets for the fresh fish catch.

In Aden itself, a second cold store and blast freezer are to be installed providing facilities for the production of fish fillets and steaks to compete against the present overseas imports. The Van Camp Sea Food Company is reported to be interested in entering the production field should the report on the exploratory work be favourable.

(*Middle East Economic Digest*, London)

[Prev. ref. 5795:ADN:B]

AFGHANISTAN

A. Pact Between Pakistan, Iraq And Turkey—Afghan View: A Press despatch on August 30 said that the Istanbul Pact between Pakistan, Iran and Turkey, forged in July at the initiative of Pakistan, was considered by Afghanistan more as a "political show" than a link for economic collaboration.

Afghan Government leaders have unequivocally declared that their country's basic policy is not to join any kind of regional groupings unless they are in line with the United Nations Charter or in the spirit of co-operation between the Afro-Asian group of countries or non-aligned nations.

According to Dr. Farhadi, an Afghan Foreign Office spokesman, Kabul has no intention of joining the Istanbul Pact. In fact, he said, Afghanistan had not been invited to join the alliance.

It is known that Pakistan had made informal overtures to Kabul to enter into the Istanbul agreement, but was politely told that Afghanistan saw no reason to join the group although it was interested in economic co-operation. Kabul sees no room for economic collaboration between Pakistan, Iran and Turkey as their economies are not complementary to each other. They have all joined for different political purposes.

The Pakistan President had in July talked of a united front of Pakistan, Afghanistan, Iran and Turkey to "raise our voices jointly in a world of Great Powers—the Soviet Union, USA, China as well as India because of its 450 million people." But since there was no positive response, they thought it was better to leave political issues and talk of "something harmless to everybody."

Observers in Kabul have also taken note of the fact that the three countries are all members of the Western-sponsored Central Treaty Organization (CENTO); Turkey of NATO and Pakistan of S-EATO. But Afghanistan, like India, recognizes that the alliance cannot further genuine Afro--Asian or world peace causes.

(*The Times of India*, Bombay)

[Prev. ref. 5984:PAK:A]

BURMA

A. Sardar Swaran Singh's Visit: The Indian Minister for External Affairs, Sardar Swaran Singh, arrived in Rangoon on September 2 on a three-day goodwill visit at the invitation of the Revolutionary Government.

He was given a warm reception on arrival. At the airport he said: "This is my first visit to Burma as Foreign Minister. Burma is one of the countries which I thought I should visit in the first round of my travels.

"I bring to the Government and people of Burma warm wishes and friendly greetings of the people and Government of India. Our relations have been friendly and cordial. Since Independence, we have had good neighbourly and friendly ties. Characteristic of this is that there has been no occasion for conflict and strife. There are historical ties binding us. We have contacts in the economic and cultural fields.

"It may be good to recall the Treaty of Friendship signed by our countries in 1951. According to this Treaty, there shall be everlasting peace and unalterable friendship. I hope my visit will further strengthen the cordial relations between our two countries. Our representatives will meet from time to time and as often as occasion requires for exchange of views on matters of common interest."

Talks:

Sardar Swaran Singh went through a packed programme of talks with Burmese leaders and State receptions during his visit.

During his talks with the Burmese counterpart, U Thi Han, he was accompanied by the Indian Ambassador, Mr. R. D. Katari, Mr. C. S. Jha, Commonwealth Secretary, Mr. N. P. Alexander, Deputy Secretary, External Affairs Ministry, and Mr. Eric Gonsalves, First Secretary of the Indian Embassy.

Sardar Swaran Singh said: "We had very cordial and friendly talks on matters of mutual interest to India and Burma."

U Thi Han was assisted by U Soe Tin, Permanent Secretary at the Foreign Office, U Ohn Khin, Foreign Office Executive Secretary, U Ba Chit, Chief of the Political Division, and other officials during the talks.

In the course of his talks, Sardar Swaran Singh was believed to have urged on Burma's representatives the importance India attached to Burma's role in international affairs and the need for Burma's leaders to visit India not only to strengthen the bonds of friendship existing between the two countries but also to further the cause of world peace through policies of peaceful co-existence and non-alignment.

His talks with the Minister for Agriculture, Brigadier Tin Pe and the Health Minister, Colonel Hla Han covered economic matters. The prospect of increasing the trade between the two countries, exchange of research and training facilities and generally bringing the two countries closer in the economic sphere were discussed in detail. The talks will be pursued through diplomatic channels to evolve concrete measures.

The problem of the Indian community affected by Burma's nationalization laws came up for discussion. The issues involved are too many and too complicated to lend themselves to any easy or quick solution.

Joint Communique:

A joint *communique* was issued at the end of Sardar Swaran Singh's visit.

It said: "At the invitation of U Thi Han, Burmese Minister for Foreign Affairs, Sardar Swaran Singh paid a goodwill visit to Burma from September 2 to 5 accompanied by Commonwealth Secretary C. S. Jha and other officials of the Ministry of External Affairs.

"Sardar Swaran Singh called on the Chairman of the Revolutionary Council of the Union of Burma and held talks with U Thi Han, and also with Brig. Tin Pe, Minister for Agriculture and Forests, Supply and Co-operatives, Land Nationalization and Trade Development, and Col. Hla Han, Minister for Education and Health, and Information and Union Culture.

"The talks provided a welcome opportunity for a free and frank exchange of views in an atmosphere of cordiality and mutual understanding on matters of common interest to the two countries as well as on certain international issues affecting peace and security, particularly in Asia.

"The talks between the Ministers of the countries disclosed broad unity and identity of approach on international issues and it was recognized by both sides that periodical exchange of views could help co-ordinate the efforts of the two countries in the cause of peace and friendly relations among nations and would serve to strengthen further the relations between the two countries.

"The two Ministers noted that in the conduct of their foreign relations, both India and Burma are wedded to the principles of equality, mutual respect, non-

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alignment and peaceful co-existence. These and the other principles embodied in the Bandung Declaration would continue to govern the relations between the two countries.

"Sardar Swaran Singh and the Burmese leaders also studied the various problems which have arisen in connexion with the departure of a large number of Indians from Burma and exchanged views on ways of settling these problems. This matter will be pursued further.

"On behalf of the President of India, Sardar Swaran Singh renewed the invitation to the Chairman of the Revolutionary Council of the Union of Burma to visit India at a time convenient to him. Gen. Ne Win re-affirmed his acceptance of the invitation and expressed thanks for it.

"The Minister of External Affairs of India also extended an invitation to U Thi Han to visit India at a time convenient to him. The invitation was accepted and it is hoped that that U Thi Han will be able to visit India in the near future to review the valuable personal contact between the two Governments at ministerial level."

Statement In Indian Parliament:

The plight of Indians in Burma and the visit of Sardar Swaran Singh to Rangoon was the subject of several questions in the Lok Sabha in New Delhi on September 7.

Mr. Hem Barua (P-SP) said despite assurances given to the Foreign Secretary, Mr. Y. D. Gundevia, during his visit to Rangoon some months ago, the hardships of Indians had considerably increased. Mr. Barua wanted to know the outcome of the Foreign Minister's talks with Burmese leaders and also whether he was satisfied that they were prepared to implement the assurances they had previously given.

Sardar Swaran Singh said that he had no doubt that the Burmese Government would implement whatever assurances it had given or might give. But the difficulty was that the arrangements so far agreed upon did not provide much relief to the Indian repatriates. Whatever agreement had already been reached between the two Governments was being given effect to. However, the important question concerning the repatriation of assets of Indians wanting to return to India still remained to be settled.

In reply to supplementaries by Dr. I. M. Singhvi (Ind) and Mr. P. K. Deo (S), Sardar Swaran Singh said it was wrong that Indian nationals in Burma were not being treated in the same manner as other foreign nationals. There had been no discrimination against them. "We should accept the assurances of the Burmese Government which are borne out by circumstances."

Mrs. Tarkeshwari Sinha (C) asked whether it was true that the Burmese Government was encouraging the labour class among the Indians to stay there.

Sardar Swaran Singh replied that this matter had been briefly mentioned in the joint communique on the talks. It had been stated that those Indians or other foreign nationals who were prepared to live in the changed conditions in Burma were welcome to do so. He received assurances from top leaders that their security and dignity would be the responsibility of the Burmese Government. This had a reassuring effect on some Indians in that country.

He made it clear that the trade establishments taken over by the Burmese Government belonged to Indians, Chinese and Pakistanis. The same law was applicable to all irrespective of their nationality. It was wrong that the majority of these establishments belonged to Indian nationals or persons of Indian origin.

Earlier, the Deputy Foreign Minister Mr. Dinesh Singh said that agreement had been reached with the Burmese Government on several questions connected with Indian nationals returning home. The procedures regarding departure formalities had been straightened out and various documents required by foreigners wishing to leave Burma were now being issued to them expeditiously, particularly in case of persons not paying any income-tax.

Several additional flights had been arranged between Calcutta and Rangoon. Three ships were also plying between Rangoon and Madras. Up to September 5, there had been nine sailings to Madras and two to Visakhapatnam. By the first week of December, these ships would have made 28 trips. Further sailings were also envisaged. About 28,755 Indians had left Burma this year.

The Burmese Government had announced that equitable compensation would be paid for property taken over by it. No payment had, however, been made so far. The Indian Embassy in Rangoon had been pursuing the matter.

A scheme for temporary relief and rehabilitation of repatriates had been worked out. The Central Government would meet the major part of the expenditure.

(*The Times of India* and *The Hindustan Times*, New Delhi)

[Prev. ref. 5976:BUR:A]

B. Government Takes Over Newspaper: The Burmese-language newspaper *Mirror*, which was suspended in August, was taken over on September 1 by the Government.

Its premises and equipment are being put under the Ministry of Information, which will operate it as a nationalized newspaper. Arrangements are being made to resume publication soon.

The **Mirror**, regarded as pro-communist, is the first newspaper to be nationalized in Burma. The Government announcement said that publication was suspended 12 days ago because the publisher, U Thaung, had no official permission to act as editor.

U Thaung was taken into protective custody on August 20.

(*The Statesman*, Calcutta)

[Prev. ref. 5807:BUR:A]

CHINA

A. Alleged Claim On Russian Territory: Russia on September 2 accused China of questioning the Soviet Union's rights to more than 1,500,000 square kilometres of its Siberian territory and warned the Chinese leaders that "any attempt to recarve the map of the world" could lead to the most dangerous consequences.

A long editorial article in **Pravda** said that Mr. Mao Tse-tung "is not just claiming this or that part of Soviet territory, but is portraying his claims as part of some general territorial question. We are faced with an openly expansionist programme with far-reaching pretensions".

The **Pravda** article, filling a page was in response to a news conference in Hong Kong at which a group of Japanese socialists had reported on an interview which they had had with Mr. Mao on July 10. This interview was not reported by the official **New China** news agency.

Questioned about his views on the Kurile Islands which Japan ceded to Russia in 1945, Mr. Mao was said to have remarked that "the places occupied by the Soviet Union are too numerous". According to some Asian newspapers he mentioned, among these places, the area north of the Amur river, Outer Mongolia and "parts of Eastern Europe".

Pravda quoted Mr. Mao as saying that China had "not yet called for an account" of the fact that "about 100 years ago the area to the east of Lake Baikal became the territory of Russia and from then on Vladivostok, Khabarovsk, Kamchatka, and other points are the territory of the Soviet Union". The article said that history was full of examples of the emergence and fall of States and the establishment of peoples during which the borders between States changed more than once.

Historic references on borders could prove anything. "For instance, one can prove that England is French territory because she was once the possession of the Duke of Normandy. One can prove on the contrary that France is an English possession because in her turn, during the Hundred Years War, she was nearly completely conquered by the English. With the help of such arguments one can prove that the borders of China pass only along the line of the Great Wall of China, which is less than 100 kilometres from Peking."

Hard words passed between Moscow and Peking last year on the subject of what China calls the "unequal treaties" by which Tsarist Russia—and by succession the Soviet Union—acquired large tracts of Chinese territory. The vehemence of **Pravda**'s reply to Mr. Mao's restatement of his views—which was not even widely reported in the West—may be part of a move to prepare Russian public opinion for a serious deterioration in State relations between the two countries and possibly a rupture of diplomatic relations.

The article anticipated the public reaction in the Soviet Union. "Do those who question the Soviet Union's possession of a territory of more than 1,500,000 square kilometres", it asked, "think how these claims will be taken by Soviet people who have been living and working on this land for several generations and consider it their homeland?"

The article also reflected Soviet indignation at Chinese meddling in the sensitive issue of Sakhalin and the Kuriles, which have bedevilled Soviet-Japanese relations for some years. The curious reference to Eastern Europe—whether it is taken to apply to the Soviet Baltic republics or to excessive Russian influence over its Balkan and Central European allies—is certain to have caused great offence in Moscow.

Pravda said that in 1954 China had published a history textbook which included a map showing Burma, Viet-Nam, Korea, Thailand, Malaya, Nepal, Bhutan and Sikkim as "state territory of China", taken away from her during the opium wars. It said that in the north "the border ran along the Stanovoy mountain range, cutting the maritime territory from the Soviet Union. In the west a part of Kirghiziya, Tadzhikistan and Kazakhstan (up to Lake Balkash) was also included in China. Sakhalin was also shown as Chinese territory.

The claims to Soviet-held territory north of China cover the maritime areas acquired by Russia under the Treaties of Aigun, 1858 and Peking, 1860. In replying last year to Mr. Khrushchev's taunt that they were talking about revolution and liberation elsewhere but in fact tolerating Hong Kong and Macao on the Chinese mainland, the Chinese called these "unequal treaties" among the instruments which they intended to "recognize, abrogate or re-negotiate when conditions are ripe".

Pravda said that if all States followed the Peking recipe for border revision claims, there would be "an inevitable aggravation of international tensions ... fraught with military conflicts". Warning Peking against trying to carve up the map of the world. **Pravda** said that "China has every right to press for the

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liberation and re-unification of Formosa and Hong Kong, which are part of the country and the majority of whose population are Chinese. Such examples are numerous".

It expressed indignation at Mr. Mao's saying that Mongolia was under Soviet rule. Mongolia, it said enjoyed all the rights of an independent State. Referring to Mongolian alignment with Russia in the ideological dispute, it continued: "The existence of an independent Mongolian State, which maintains friendly relations with the Soviet Union and other countries of socialism, does not suit the Chinese leaders. They would like to deprive Mongolia of its independence and make it a Chinese province."

The Chinese, according to **Pravda**, had tried to reach agreement on this when Mr. Khruschev visited Peking in 1954, but he had refused to discuss it, pointing out that only the Mongolian people could decide on their country's destiny.

The article ridiculed what it described as Mr. Mao's new theory of the world divided into a "Soviet-American" zone and an "intermediate" zone including China as well as nearly the whole "capitalist" world outside the United States. Under this theory, it held, General Franco would be welcome in China's ranks and General de Gaulle would become "one of the most active fighters against American imperialism."

Chinese Accusation:

Earlier on August 30, the Chinese Communists in a letter accused the Soviet Union of "actively supporting the United States attempt to intervene in Viet-Nam through the United Nations."

"While you pursue this anti-communist, anti-popular and anti-revolutionary line, how can the Marxist-Leninists reach any agreement or take any common action with you?", they asked.

The letter was the latest in an exchange between the Chinese Communist Party and its Soviet counterpart on the disputed Soviet move to call an international communist conference in mid-1965.

It rejected the Soviet proposal and repeated the Chinese stand for an international meeting "on the basis of Marxism-Leninism, to be held after ample preparation".

It said: "We will never be taken in by your fine words, never submit to your threats, never be accomplices in your divisive activities and never share with you the responsibility for splitting the international communist movement.

"If we were to take part in your schismatic meeting, it would be tantamount to legalizing your illegal activities ... to accepting the Communist Party of the Soviet Union as a patriarchal father party."

The letter said that December 15, 1964, when the Soviet Union is to convene a conference-drafting committee of 26 parties designated by itself, would go down in history as "the day of the great split".

The letter added: "We have already warned you that the day you call a schismatic meeting will be the day you step into your grave.... We hope you will weigh the pros and cons and choose carefully between continuing on the road to doom and turning back to safety."

Border Incidents In Ili Region:

China said on September 3 that the Soviet Union had again been "creating constant border incidents" in the Ili region of Sinkiang, China's far north-western province.

The charges were made in a report to a party congress of Ili and Kazakh peoples in Sinkiang and made public by the New China news agency.

Last year the Chinese communists declared that in 1962 Russians in the Ili region had "enticed and coerced tens of thousands of Chinese citizens into going to the Soviet Union".

The news agency said that deputies of 13 nationalities in the region had condemned "the Khruschev revisionist clique" for its subversive and sabotaging activities in the Ili area. The report added that economic achievements had been made in the course of the struggle against this sabotage, but the Soviet Union had not accepted defeat and was attempting new subversive and sabotage activities.

Since April, the report stated, the Soviet Union had been attacking the Communist Party of China and its leader, Mr. Mao Tse-tung, in broadcasts and in its Press and "distorting the history" of the regions and "trying to poison relations among the various nationalities of this area in order to undermine our national unity."

Mr. Irhali, the chairman of the Ili-Kazakh autonomous administration, was reported as saying: "Still more outrageous is the fact that the Khruschev revisionist clique has been creating constant border incidents and attempting to disrupt our production work in the border area.

"We must enhance our vigilance against the ambitions behind these criminal activities of the Khruschev revisionist clique. We must firmly smash all schemes of sabotage."

The **People's Daily**, in the first detailed comment on the American election campaign, on September 3 carried a long article which accused "modern revisionists"—Mr. Khruschev and his supporters—of supporting President Johnson because they were afraid that the election of Senator Goldwater would "upset all their plans to reach a compromise with United States imperialism or even capitulate to it."

"They are mortally afraid that their painstaking quest for United States-Soviet co-operation to dominate the world will be dashed to the ground. They therefore pile up their stakes on Lyndon Johnson. They go to the extent of giving him a helping hand in his election campaign at the expense of the fundamental interests of the world's people."

The article said that though there might be some apparent differences between the two American parties, this was not actually so. "Those who judge things for what they really are, and not what they seem to be—another obvious dig at Mr. Khruschev—would easily recognize this." The policies of both parties were aimed at turning the tide for American imperialism.

(*The Times*, London and *The Statesman*, Calcutta)

[Prev. ref. 5807:CHI:A]

B. Attack On Party Official: Mr. Yang Hsien-chen, a leading member of the central committee of the Chinese Communist Party and principal of its higher party school, on August 31 came under sharp attack for his opposition to the current dialectical thinking of Mr. Mao Tse-tung.

An article in **Red Flag**, the party theoretical journal, accused him of intentionally meeting the needs of modern revisionists and supporting the bourgeois outlook towards China.

The attack brought to a head a debate which has been raging for several weeks in the Chinese Press on the dialectical point of whether "a whole divides into two" or "two combine into a whole." Mr. Yang Hsien-chen was accused of propagating the latter idea in opposition to the former one which Mr. Mao Tse-tung and other Chinese leaders use as a dialectical basis for their internal and international policies.

Observers said it seemed no coincidence that the attack on Mr. Yang Hsien-chen was on the same day as the letter rejecting the Soviet Party's invitation to attend a preparatory meeting in Moscow in December to prepare for a world communist conference in the middle of 1965 on restoring communist unity. Mr. Yang Hsien-chen is by far the highest Chinese party official to be accused openly of siding with the Russians.

(*The Statesman*, Calcutta)

[Prev. ref. 6003:CHI:A]

C. Peking Symposium: China is to set up a permanent new organization for scientists from Asia, Africa, Latin America and Oceania. Known as the liaison office of the Peking symposium, the new body is seen as a rival to the Moscow dominated World Federation of Scientific Workers.

It is the first such organization with headquarters in Peking. Its founding was announced at the closing session on August 31 of an 11-day Peking symposium attended by more than 300 scientists from countries outside Europe and the United States.

It was also announced that a larger Peking symposium would be held ni 1968 while smaller specialized seminars would be held meanwhile in various member-countries.

More than 10,000 people, including the Foreign Minister, Marshal Chen Yi, attended a day-long closing ceremony in Peking's Parliament building. Foreign correspondents were excluded from all but the formal opening and closing sessions, and were prevented from making contact with delegates.

More than 200 papers, many on political subjects, were read during the the symposium.

(*The Times*, London)

D. Elections To National People's Congress: Mr. Mao Tse-tung, the Communist Party Chairman, and Mr. Chou En-lai, the Prime Minister, were among those unanimously elected to represent Peking as deputies to the new National People's Congress (Parliament).

Mr. Mao, now 70, retained his seat in the Congress when he gave up his position as Head of State in favour of Mr. Liu Shao-chi in 1959. He holds no other post outside the party.

The Peking deputies elected on September 12 numbered 101, compared with 29 in 1959. This was in line with a decision taken last year to increase the membership of the Congress more than two-fold.

The Peking Congress, now ended, was held in private, but according to accounts it dealt mainly with industrial production and intensification of the "socialist education" movement in order "thoroughly to uproot capitalism and revisionism."

(*People's Daily*, Peking)

[Prev. ref. 6003:CHI:A]

INDIA

SUMMARY: Consolidation Of Chinese Position Along Border; Pakistan Violations Of Ceasefire Line; US Credit; Postal Agreements With Nepal.

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A. Consolidation Of Chinese Position Along Sino-Indian Border —Mr. A. M. Thomas' Statement In Lok Sabha: The Minister for Defence Production, Mr. A. M. Thomas, told the Lok Sabha on September 8 that the Chinese had been concentrating their troops and developing communications and airfields all along the Indian border.

"They are consolidating their positions and improving their logistic capacity", he said in response to a calling attention notice by Mr. P. C. Borooah and 13 others.

He added that "we have strengthened our forces and taking all precautions" on the Sikkim side where a Chinese intrusion took place on August 27. It was a fact that a Chinese patrol had intruded into Sikkim, at 6-30 p.m. on August 27, a Chinese patrol of three men was seen 150 yards inside Sikkim.

"The place is about 900 yards north-west of Nathula and about 14 miles north-east of Gangtok. An Indian patrol was sent immediately to investigate and intercept the Chinese patrol, but in the dark the latter withdrew across the border on seeing the Indian patrol. A protest has been lodged with the Chinese Government about this intrusion."

The same evening, about 7-15 p.m. Indian troops at Nathula saw a powerful light on a hill feature in Tibetan territory about 500 yards north of Nathula. A white tent and 90 yaks were seen for the first time on the other side near Nathula.

Some other Chinese activity was also noticed earlier. In June an Indian patrol at Tangkharla (11 miles east-north-east of Chunthang) observed two bunkers and three Chinese soldiers in blue uniform, about a mile away on the other side of the border.

Recently on August 20, one thatched hut, four stone pillars and two bunkers were seen about a mile from the border, about 17 miles east of Gangtok.

India had told China that its latest intrusion into Sikkim was a "calculated violation" of a well-recognized boundary and a projection of the aggressive concentration of troops and military installations by it in the Chumbi Valley.

Protest Notes:

In a protest Note handed to the Chinese Embassy in New Delhi on September 5, the Government of India said that the Chinese military concentration and intrusions across the borders were undoubtedly part of its scheme for keeping up tension along the Sino-Indian boundary.

The Note said: "The Chinese Government is well aware that under the Anglo-Chinese Convention of 1890 between Great Britain, acting for the Government of India and China, the boundary between Sikkim and Tibet was clearly recognized by both sides.

"The Government of the People's Republic of China, in various Notes exchanged with the Government of India, has also recognized this position.

Mr. Prakash Vir Shastri (Ind) complained that there was a discrepancy in Mr. Thomas' statement. While stating that the place of intrusion was 14 miles north-east of Gangtok, the Minister said the Chinese penetrated only 150 yards inside Sikkim, whereas it must have been actually about 23 miles.

Mr. Thomas explained that there was no discrepancy. The Chinese had intruded from the Chumbi Valley which was a southward projection into the Sikkim region.

The Speaker also observed that the place concerned could be on another side of the border where the distance from Gangtok might not be the same as Mr. Shastri had apparently in mind.

Mr. Hem Barua (SSP) referred to the Chinese attitude that according to them Bhutan and Sikkim were sovereign States and they would not acknowledge India's special relations with those States. This could be a fore-warning to an attack by the Chinese. Mr. Barua wanted to know whether the Government could assure the House that any attack on Sikkim would be treated as an attack on India.

Mr. Thomas replied that it was India's responsibility and a protest had been lodged with the Chinese against the recent intrusion.

One of three Notes placed on the table of the Lok Sabha on behalf of the Minister of External Affairs on September 8 related to the Chinese intrusion into Sikkim.

In lodging a strong protest against the Chinese action, the Government of India pointed out: "The Chinese Government is well aware that under the Anglo-Chinese Convention of 1890, between Great Britain, acting for the Government of India and China the boundary between Sikkim and Tibet was clearly recognized by both sides. The Government of the People's Republic of China, in various Notes exchanged with the Government of India, has also recognized this position. The latest Chinese intrusion into Sikkim is, therefore, a calculated violation of a well-recognized boundary and a projection of the aggressive concentration of troops and military installations by China in the Chumbi Valley. In the context of the Chinese Government's negative and intransigent attitude towards the Colombo proposals and other constructive suggestions made by India for a peaceful and honourable settlement of the border problem, these military concentrations, and intrusions across the border are undoubtedly part of China's scheme for keeping up the tension along the Sino-Indian boundary. The Government of India hereby lodges a strong protest against this intrusion into the Sikkim State and ask the Government of China to desist from such aggressive activities."

The second Note dated September 5, was in reply to a Chinese Note of July 7 in which Peking had alleged trespass by Indian troops.

The Indian reply said the Chinese Government was fully aware that although the Government of India had at no stage accepted the Chinese version of the so-called "line of actual control", it had exercised supreme self-restraint and not sent any Indian troops across that line, even though the international frontier in the western sector of the India-China border lay far to the east of that line. "In these circumstances, it is fantastic that the Chinese Government should have alleged intrusions by Indian troops across Nathula. The Chinese Government is fully aware that the India-China boundary in this sector is not only well-defined but has been actually demarcated on the ground."

It was ironic that China should accuse India of expansionist ambitions, when China openly preached violence, revolution and the overthrow of established Governments in Asia, Africa and other parts of the world, and when China continued to occupy by force, 14,500 square miles of Indian territory in the Ladakh region. "The expansionist nature of the Chinese Government itself is further demonstrated by the fact that many of the places, where the so-called violations by Indian aircraft are alleged to have taken place in the Chinese Note, are in acknowledged Indian territory.

"In the light of the above facts, it is obvious that the Chinese Government has made the false allegations in its Note of July 7, 1964, merely to serve the ends of its anti-Indian propaganda and to heighten the tension on the India-China border. This is confirmed by the veiled threat introduced in paragraph 5 of the Note, that the Chinese Government hopes that the Indian side will change its course, stop its intrusions.... so as to keep the Sino-Indian border situation [illegible]. It is clear that the Chinese Government has fabricated these so-called Indian 'intrusions' solely for the purpose of stepping up more and more tension on the border."

The third was the Chinese Note containing allegations of intrusions by Indian troops and aircraft.

Meanwhile, according to official information, the Chinese have constructed a net-work of roads in the area bordering India and have connected all the seven posts which they have established in the usurped territory in Ladakh.

The Chinese are also building a major railway line between Peking and Lhasa which is nearing completion and is expected to be opened early in 1966.

The Aksaichin road which has been widened and linked to the main road which starts from beyond Poch'e in Sinkiang goes right up to Kaehrmul in Shanghai province.

The Aksaichin is one of its offshoots and turns from Pishan (Guma). This diversion now comes right through Bazar Dara, spans the Valleys of Chip Chap and Galwan and connects Rudok in Tibet.

This road, more than 2,000 miles long passes through Thog Jalung (Chalum) and Ed Dzong and connected the hinterland of China.

The highway passing through Rudok is connected by another road which extends right up to Demchok, forcibly occupied by China in 1962. This road then turns back and joins Thog Jalung to merge with the main road passing through Tibet.

Feeders have been built to link the seven Chinese posts in Ladakh—Shensenwian, Tienwentian, Hot Springs, Kongka Pass, Nyagzu Pass, Kurnak Fort and Spanggur.

Connecting the horizontal highway passing through Tibet is a vertical road constructed from Dagtse Tsha which passes through Lingakok, bridges Brahmaputra and connects Shigatse, which has already a road up to Gyangtse and goes further along the borders of Sikkim and Bhutan.

From Lhasa to Chonggye Dzong exists a road which passes through Tseethang. This has now been extended to Thimbu on the Sikkim border, ending near Chumbi Thang. The road passes through Dhama Dzong and skirts Bhutan.

A road between Lhasa and Nagchhu Dzong has been in existence. It has now been connected with Huang Chung, a distance of more than 1,000 miles, and goes right up to Peking. Another road from Huang Chung has been connected with Yushu and extended to Tibet.

China is also working on several other roads through the most difficult terrain in the world to open Tibet, Sinkiang and Yunnan. Gorges between 8,000 and 10,000 feet deep are being bridged. The Chinese are said to be using a version of the World War II "Bailey Bridge" which can be thrown across a canyon while putting up the support at the same time.

A 76-mile-road is also being built from the Tibetan border to Khatmandu. It is expected to be completed some time in 1965.

The Hunza-Sinkiang trading route between Pakistan and China is to be opened soon. The two countries have reached an understanding on this. The route was closed in 1958. The re-opening coincides with the completion of Pakistan's first all-weather link with the northernmost outposts, Gilgit and Hunza, at the Chinese border.

Mr. Lal Bahadur Shastri's Letter To Mrs. S. Bandaranaike:

Meanwhile, the Prime Minister, Mr. Lal Bahadur Shastri, has replied to the recent communication from the Ceylon Prime Minister, Mrs. Sirimavo Bandaranaike.

In his letter, Mr. Shastri was reported to have said that India had been approached more than once to find out whether

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she would be willing to start negotiations on the border dispute if China were to vacate the seven posts in Ladakh. But no effort had been made to ascertain Peking's mind.

From the reports emanating from Peking, it was clear that China had no intension to withdraw from the posts it had established in the demilitarized zone in Ladakh. Mr. Shastri also quoted the despatch of the New China News Agency, which said on August 30: "There is no reason whatsoever for the Indian Government to ask China to withdraw its civilian posts".

He pointed out to Mrs. Bandaranaike that he at least was not aware of any evidence to support Ceylon's belief that China might be willing to vacate the posts. He has, however, assured that the vacation of seven posts would be considered a substantial fulfilment of the Colombo proposals. But he emphasized that the Peking Government should have "a proper approach" in the matter.

In her communication Mrs. Bandaranaike had asked Mr. Shastri if she could take up with Peking the question of China's vacating the seven posts.

India's policy has been enunciated again and again, and it has been said that China must accept the Colombo proposals in toto without any preconditions to enable New Delhi to go to the negotiating table.

(*The Statesman* and *The Times of India*, New Delhi)

[Prev. ref. 5989:INI:A]

B. Commonwealth Premiers' Conference—Mr. Lal Bahadur Shastri's Statement In Parliament: The Prime Minister, Mr. Lal Bahadur Shastri said in both Houses of Parliament on September 7 that India could not accept the view that the Commonwealth Prime Ministers' Conference should be used as a forum to discuss differences between member-countries.

He made this categorical statement in reply to questions when proceedings in both Houses were interrupted to enable him to make an identical statement on the reference to Indo-Pakistan differences in the London Conference communique.

The reference, he felt, should not be construed as a violation of the convention that inter-Commonwealth disputes should not be discussed at the Conference. He was convinced that it was merely a "general expression of goodwill."

India had publicly expressed her desire for the peaceful settlement of differences with Pakistan in a manner consistent with her honour and dignity. This had been misunderstood in India and misrepresented in certain quarters abroad and "we firmly and categorically repudiate the suggestion contained in such misunderstandings and misrepresentations."

He faced several sharp questions after he had read his statement, particularly on the failure of India's representatives to enlist the support of Commonwealth countries on the Sino-Indian dispute and their "submission" to Pakistan's demand for the reference of her differences with India in the communique.

He defended both Mr. T. T. Krishnamachari and Mrs. Indira Gandhi, saying they had worked jointly and well; their work had been commended by the Prime Ministers present at the Conference.

He said Mr. Krishnamachari had made a "categorical reference" to the India-China dispute in his opening speech and later discussed it at informal meetings with the heads of Government present in London.

But he admitted that the matter was not raised at the Conference table as such. He thought that such an issue could not be discussed there, nor would anything have been achieved had it been raised there.

In reply to a question on whether the reference to Indo-Pakistan differences had been mentioned for the first time he felt there had been no departure from past practice.

But he took the opportunity to point out that the "character of the Conference has changed" because of the admission of new members to the Commonwealth. The new members, he said, were "more active" and wanted subjects discussed that had not been taken up before.

He also made it clear that no specific reference to Kashmir had been made in the Conference and there was no question of India accepting any mediation or the good offices of any third party on the matter.

(*The Statesman*, New Delhi)

[Prev. ref. 6010:AOA:A]

C. Pakistani Violations Of Cease-fire Line In Jammu And Kashmir—Statements In Parliament: The Prime Minister, Mr. Lal Bahadur Shastri assured both Congress and Opposition members in the Lok Sabha on September 7 that Indian troops had been dealing with increasing Pakistani violations of the cease-fire line in Jammu and Kashmir in an effective manner. "We have been very effective in dealing with them during the last few months."

Mr. Nath Pai (SSP) referred to Mr. Shastri's statement the previous day at a meeting of the Congress Parliamentary Party that President Ayub Khan had adopted a "constructive" attitude on Indo-Pakistan problems and asked how it could be reconciled with the increased cease-fire violations by Pakistan.

Mr. Shastri said that the Pakistan President wanted these violations and conflicts to stop. He was keen that representatives of the two countries should sit down and try to settle all their disputes. The violation of the cease-fire line would be one of the subjects for discussion at these talks.

Earlier, Mr. A. M. Thomas, Minister for Defence Production, said that there had been 426 cease-fire line incidents from June 1 to August 29. Twenty-two Indians were killed and 32 wounded during this period. The Government had lodged several protests with Pakistan. Cases of serious violations had been brought to the notice of the Security Council. He referred to the recent letter written to the Security Council President by India's Permanent Representative at UN.

He shared the concern of the members and said every effort was being made to stop them.

He confirmed that a number of Pakistani "irregulars" in military uniforms were operating along the cease-fire line.

Asked about the origin of the arms and ammunitions captured from Pakistani intruders during these incidents, he said most of these belonged to the pre-Partition period. There was no evidence to show that they were US arms.

In reply to another supplementary, Mr. Lal Bahadur Shastri said that the Government was in favour of supplying arms to people living in border areas in Kashmir. Any step in this matter would have to be taken after consulting the Kashmir Government.

He denied that incidents occurred more in the areas held by the Jammu and Kashmir Militia.

In reply to another question, he said the Centre would consult the Jammu and Kashmir Government on the question of supplying weapons to the border population to protect themselves against attacks.

Mr. Thomas told the House that Indian forces had been able to inflict a number of casualties on the intruders. A number of Pakistani irregulars like the Razakars and Mujahids were also operating on the cease-fire line and many incursions were made by them.

The question on the cease-fire violations was tabled by Mr. Surendra Pal Singh and 44 other members.

(*The Times of India*, New Delhi)

[Prev. ref. 5989:INI:B]

D. Economic Co-operation With Saudi Arabia: India and Saudi Arabia have agreed to set up a joint commission to work out proposals for greater trade and economic co-operation between the two countries.

The accord was reached at the talks between the Central Minister for Commerce, Mr. Manubhai Shah, and Mr. Abid Sheikh, the Saudi Arabian Minister for Commerce and Industry.

Mr. Sheikh, who arrived in New Delhi on September 1 at the invitation of the Government of India, had prolonged talks with Mr. Manubhai Shah.

In a statement issued on September 4 at the end of their talks, the two Ministers stated that the proposed joint commission should meet every six months alternatively in Jeddah and New Delhi to review the progress of the proposals in the field of trade and economic co-operation.

The two Ministers discussed the scope and possibility of Indian entrepreneurs participating in the industrial development of Saudi Arabia.

It was considered that Indian participation could take the form of project surveys, supply of raw materials and components, provision of technical 'know-how' and the supply of machinery.

For this purpose, visits of technical experts and businessmen would be facilitated and encouraged by the two Governments.

Mr. Shah suggested at the talks that there was a good field for investment of Saudi Arabian capital in Indian undertakings and for this purpose talks with the Saudi Arabian investment institutions in respect of specific schemes could be undertaken.

He also offered technical assistance for the establishment of industrial estates by the Government of Saudi Arabia. India could supply the technical 'know-how' and equipment required for such industrial estates.

Mr. Sheikh told Mr. Shah that Indian businessmen and Indian organizations were welcome to export their goods to Saudi Arabia through existing importing and trading firms in Saudi Arabia.

He invited the Indian Government to expand its trade centre in Jeddah to include more manufactured goods from India.

It was suggested that India should buy some sulphur from the Saudi Petroleum and Minerals Organization. Mr. Shah said he would explore such a possibility and expressed the hope that it would be possible for the Saudi Petroleum and Minerals Organization and other Saudi Government agencies to buy some of their requirements from India.

(*The Times of India*, New Delhi)

[Prev. ref. 1986:INI:E]

E. US Credit: The US Government announced on August 25 the signing of a $25,000,000 line of credit in favour of the Government of India. The credit was extended by the US Export-Import Bank.

The proceeds of the credit will be used to finance the purchase of American capi-

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tal equipment and services required by the public or private sectors engaged in development programmes and projects within India.

Three earlier credits for similar purposes had been authorized by the Bank in favour of India for a total of $225,000,000. These credits also financed capital goods such as mining and construction equipment, transportation and earth-moving equipment, communications equipment and machinery for the textile, aluminium, chemical and automobile industries.

The Loan Agreement, signed on August 25, is repayable over a period of 12 years commencing in 1967 and bears interest at 5½ per cent.

The Export-Import Bank announced in Washington on September 2 a $6,825,000 loan to Central Pulp Mills Limited, Poona, to assist in the establishment of a bamboo pulp mill at Fort Songad, 150 miles north of Bombay.

Central Pulp Mills was created in 1960 by five of India's older and more successful paper makers. Initial capacity of the new bamboo pulp mill will be 24,800 tons annually, to be increased to 33,000 tons in the seventh year of operations.

The new mill will supply the long fibre essential to newsprint manufacturers for blending with their main short-fibre raw material. It will also be used in manufacturing writing paper.

Central Pulp Mills will repay the loan over eight years beginning 1967. The interest rate is 5½ per cent.

Also on September 2, the Export-Import Bank authorized a loan of $2,100,000 to the Mysore Acetate and Chemical Company of Bangalore, to purchase American equipment and services for the construction of a cellulose plant.

The proposed $8,700,000 plant, to be located near raw material sources of cotton, acetic acid, and anhydride at Mandya near Bangalore, is expected to produce India's first cellulose acetate at an annual rate of some 3,300 metric tons. The product is used in film manufacture and as a moulding compound.

The loan carries interest at 5½ per cent and is repayable over a period of eight years.

(*USIS*, New Delhi)

[Prev. ref. 6005:INI:C]

F. Scientific Collaboration With UAR—Agreement Signed: India and UAR signed in New Delhi on September 7 an Agreement for close collaboration in the fields of science and technology.

Mr. M. C. Chagla, Central Education Minister, and Mr. Ahmed Riad Turki, UAR Minister of Scientific Research, signed the Agreement. It provides for exchange of scientists and technologists, grant of fellowships to scientists and advanced students of technology, import and export of scientific equipment, and exchange of literature and publications between scientific documentation centres, libraries and museums in India and UAR.

A joint scientific board, which will meet once a year, will formulate the general policy of scientific and technical co-operation, draft plans, study current programmes and review implementation. Ministers in charge of science of the two countries will be presidents of the board in alternate years.

The UAR proposes to send research workers for training in CSIR laboratories, while the CSIR may send some senior scientists to work in UAR research centres in chemical engineering, aeronautics (wind tunnels), electronic engineers and experimental medicine for periods of three months.

The Agreement is a supplement to the Indo-UAR Cultural Agreement of 1958.

Mr. Turki said after the signing ceremony he was certain that UAR would benefit very much from such collaboration.

Mr. Chagla referred to the "cordial and most intimate" relations between the two countries and said that the late Mr. Nehru and President Nasser were great personal friends. "I feel this agreement emphasizes and underlines our close relations".

(*The Statesman*, New Delhi)

[Prev. ref. 3560:INI:F]

G. Postal Agreements With Nepal: Three Postal Agreements relating to the exchange of letters, insured mail and parcels between India and Nepal were signed in New Delhi on September 1.

The Agreements will come into force on April 13, 1965, after ratification by the two Governments.

Mr. Maheshwar Dayal, a member of the Posts and Telegraphs Board, and the Nepalese Ambassador, Mr. Yadunath Khanal, signed the Agreements on behalf of their respective Governments.

Mr. Khanal expressed his country's thanks to India for providing postal services to the people of Nepal.

Mr. Dayal said that the Indian Posts and Telegraphs Department would deem it a great privilege to assist Nepal in the development of her postal services.

Before April, 1959, when the provisions of the Universal Postal Convention were applied to Nepal, postal services between India and Nepal were regulated by a bilateral agreement of 1936, which provided for the exchange of only unregistered letters between the two countries.

Since 1959 Nepal has developed her own international letter post service. Other services like insurance and parcel facilities were provided for Nepali citizens by the Indian Embassy post office in Khatmandu.

(*The Statesman*, New Delhi)

[Prev. ref. 5540:NEP:C]

H. Envoy To Somalia: Mr. Jagat Singh, Deputy Secretary in the Ministry of External Affairs, has been appointed Ambassador to Somalia.

He will assume charge of his new assignment shortly.

(*The Times of India*, New Delhi)

[Prev. ref. 3875:INI:E]

I. Cease-fire In Nagaland Comes Into Force: "Thanksgiving Day" was observed throughout Nagaland and Manipur on September 6, marking the suspension of operations in Nagaland and in the disturbed areas of Manipur State, following the truce agreement concluded between the Government and the underground Nagas (see page 6029) which came into effect at midnight on September 5.

In Kohima, the Capital of Nagaland, solemn thanksgiving prayers were held at midnight in all churches and public congregations.

The people of Kohima woke up to the pealing of church bells and the singing of prayer songs in rhythmic refrain. Popular enthusiasm was at its peak everywhere and the people danced in the streets for joy.

Reports of similar celebrations have come from all over the State. No incidents were reported since the coming into force of the truce.

The day was hailed by a Peace Mission spokesman as a new dawn in the history of Nagaland.

He said that the turbulent atmosphere of disorder and armed clashes which had lasted more than a decade in the State had now given place to a new spirit of calm and freedom from tension. It should now be possible for both sides, he said, to move about freely and to hold necessary consultations in an effort to bring about lasting peace to the State.

Under the terms of the truce agreement, the present cease-fire will be in force for one month initially. The main purpose of the suspension of operations is to bring the underground leaders to a conference table to facilitate peace talks.

In Shillong, Assam, a united Naga devotional service was held at Linam Hall to celebrate the cease-fire.

Addressing the congregation, Mr. Vishnu Sahay, Governor of Assam and Nagaland, said the cessation of hostilities had brought great relief not only to the people of Nagaland but all over India. He hoped that anxieties, miseries and sufferings of the people would be over now.

He said that the late Prime Minister, Mr. Nehru, was anxious for a solution of the problems of the Naga people.

He emphasized the need for mutual understanding. The problem should be solved in a realistic and practical manner.

He paid warm tributes to members of the Peace Mission and the Baptist Church Council leaders for their tireless work to restore normalcy.

Messages:

The President, Dr. S. Radhakrishnan and the Prime Minister, Mr. Lal Bahadur Shastri hailed the suspension of the operations in Nagaland and expressed the hope that a solution to the State's problems would emerge at the forthcoming talks between representatives of the Central Government and the Nagas.

Mr. Shastri commended the "valiant efforts" of the Peace Mission, which led to the cease-fire agreement. He said peace would be "the first condition which would help us to take up other activities in order to develop Nagaland into a prosperous area."

The following is the text of Dr. Radhakrishnan's message:

"Today is a happy day for the people of Nagaland as well as for the people in the rest of India. After years of disturbances and unrest, peace will be returning to Nagaland. This day, I hope, marks the beginning of an era of firm reconciliation so that the Nagas will be able to devote themselves to the development of their State. I send my best wishes for a happy future of the Naga people."

Mr. Shastri in his message said:

"No one has felt happy about the existing situation in Nagaland. There have been clashes and conflicts and the people in general have suffered. The Government of India some time back decided to give Nagaland the fullest opportunity for self-government. The State of Nagaland has been established and a Government has also been formed responsible to the people of the State. In spite of this there has not been peace in Nagaland. There is, however, no doubt, that almost all the people are keen to restore peace and normal conditions in that State. I am glad that efforts have been made in that direction and the 6th of September will surely be a happy day for the people who live in Nagaland.

"We are grateful to the members of the Peace Mission for their valiant efforts. It is my sincere hope that a practical solution may evolve from the talks that are about to take place which would undoubtedly bring real happiness and solace to

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the people of Nagaland. Peace will be the first condition which will help us to take up other activities in order to develop Nagaland into a prosperous area. May the efforts of all these friends result in the fulfilment of the hopes and aspirations of the people of Nagaland and of the rest of India."

Mr. Lal Bahadur Shastri's Statement In Parliament:

Doubts and apprehensions expressed by some Opposition members that Naga hostiles might import arms from Pakistan and China and send persons for training abroad during the truce period were removed by the Prime Minister, Mr. Lal Bahadur Shastri, while answering several interpellations in the Lok Sabha on September 7.

Mr. Shastri said that Naga underground leaders had been told in clear and unambiguous terms that they could not import any arms during this period. They had given an assurance to this effect and he hoped they would abide by it.

Asked by Mr. Indrajit Gupta (Com) why this assurance had not been recorded, Mr. Shastri said this was not necessary. Nagaland was a part of the Indian Union and it must be taken for granted that Nagas could not go to any other country for training or for arms. Only then the proposed peace talks between the Government and the underground leaders could take place.

Answering other questions, he said that most of the underground leaders had agreed to the terms laid down by the Government. But there might still be some small groups who might continue to create trouble. The Government would face them squarely. But he was confident that there would be no trouble during the talks.

He urged members to be patient as this was a delicate matter. They must see that the talks proved fruitful.

He informed Mr. Prakash Vir Shastri (Ind) that there were no foreign missionaries in Nagaland. The present peace efforts had been initiated by Indian missionaries whose role had been extremely helpful.

Mrs. Lakshmi Menon, Minister of State for External Affairs, laid on the table a statement containing the terms and conditions for suspension of operations in Nagaland.

To a question by Mr. Yash Pal Singh (S) as to why Rev. Michael Scott had been allowed to visit Nagaland, Mrs. Menon replied he was permitted to go there because the Nagaland Government was convinced of his bona fides.

(*The Times of India* and *The Hindustan Times*, New Delhi)

[Prev. ref. 6004:INI:B]

J. Progress Of Oil Exploration: At a news conference in New Delhi on September 4, the Minister for Oil and Chemicals, Mr. Humayun Kabir, disclosed that exploration during the last six or seven months had indicated "some more oil reserves".

He did not mention the areas where these signs had been noticed, but promised more definite information in the next two to three weeks.

In two of these areas, he said, the reserves might approach what "we have found already" in Assam and Gujerat. Assam at present produced over 1 million tons and Gujerat a little less than 1 million tons of crude, although the capacity of each was 3 to 3.5 million tons.

Because of these developments, he was confident that the Third Five-Year Plan target for crude production—6 to 7 million tons annually—would be reached.

He reviewed the progress of exploration, expansion of refining capacity, and the distribution machinery for indigenous products and explained the tentative targets for the next Plan, including the ambitious programme for the development of petro-chemical industries. He claimed the progress of the industry had been steady.

He said the Government proposed to set up "at least one more, if not two" refineries in the Fourth Plan, when the capacity of the existing units might also be expanded. All these issues would be considered after work had started on the Madras and Haldia projects.

A vital consideration in this connexion would be the rate of increase in the consumption of petroleum products. Since December, 1962 there had been a slight fall in the rate—from 10 per cent to 8 per cent annually. But "my feeling is", he said, the figure would go up again. He attributed this drop partly to the fact that a large number of vehicles which had been commandeered in the wake of the Emergency were not being used.

He refused, however, to be drawn into a discussion again on the claim of the former Oil Minister, Mr. K. D. Malaviya, that India need not expand its refinery capacity immediately.

He re-iterated the Government's policy in regard to the setting up of new refineries and petro-chemical industries. All new refineries in future would be in the public sector. So would be naphtha crackers.

As regards intermediates and end products of petro-chemical complexes, besides the Gujerat and Bombay units the Government would reserve the right to participate wholly or as a major partner wherever it was strategically important or exceptionally profitable.

Broadly, he explained the Government's policy by saying that every new refinery in future would have as its adjunct a group of industries to utilize its by-products. Also more attention would be given to the use of gas.

Henceforward, he added, great emphasis would be laid on developing local technical 'know-how' for the purpose of both project designing and production. A specialized agency had recently been created to design refineries. The question of having a similar set-up for chemical industries was being considered.

He admitted that there would be a shortfall so far as the Third Plan target for fertilizer production was concerned. But he hoped to fulfil it by 1968 and gave an assurance that no efforts would be spared to achieve the Fourth Plan target for nitrogenous fertilizers—2 million tons.

He said the Fourth Plan target for production of crude had tentatively been fixed at 14 million tons and hoped it would be met. He estimated that by 1971 the consumption of crude would go up to 30 million tons.

His estimate of expenditure likely to be incurred during the next Plan period on exploration was Rs. 225 crores of which about 50 per cent would be in foreign exchange. The Government had asked for Soviet assistance of Rs. 50 crores on this account.

Petro-chemical industries proposed for the Fourth Plan would cost Rs. 600 to Rs. 800 crores, over 50 per cent of this being in foreign exchange. Asked if he would be able to get sufficient funds for all these projects, he remarked: "I think I will."

Asked how many of his Ministry's schemes were likely to be effected by the Prime Minister's plea for economy, he said the criteria laid down by Mr. Lal Bahadur Shastri could not apply to fertilizer or refinery projects. "Most of the industries under me are basic industries and would yield high profits."

(*The Statesman*, New Delhi)

[Prev. ref. 5861:INI:N]

K. Flood Havoc: According to a detailed statement placed on the table of the Lok Sabha on September 7 by the Central Minister for Irrigation and Power, Dr. K. L. Rao, unprecedented floods caused by the erratic pattern of the Monsoon this year had so far affected 55,00,000 acres involving a population of 5.8 million.

The statement said that 24,00,000 acres of standing crop valued at Rs. 20 crores had been damaged. More than 73,000 houses had been washed away or destroyed involving a loss of over Rs. 32,00,000.

The statement said that 65 people and 894 head of cattle had lost their lives. The damage to public utilities was estimated at Rs. 8,00,000. The badly affected States were Assam, Bihar, Punjab, Rajasthan, Delhi, UP and West Bengal.

The statement observed that the pattern of rainfall this year had been different from the conventional pattern. There was more rain in the plains than in the hills and much of the rain was continuous thus causing unusually heavy floods, especially in the smaller rivers.

The statement said tha Rs. 1 crore had already been given to Rajasthan for flood relief work and Rs. 1,15,000 to other States from the Prime Minister's National Relief Fund.

In Assam, the floods had affected all parts of the State causing extensive damage to property and crops. The statement noted that the embankments constructed in Assam in the past had proved to be extremely useful in checking floods.

In Bihar, the major rivers (Kosi and Gandak) had not given any trouble although much money had to be spent to protect the Kosi embankments. An intensive study had to be made of the flood havoc that had occurred in North Bihar this year to find out how such small rivers had created so much damage. It had to be examined whether dredging of the beds of these rivers was necessary. A detailed and thorough technical study would be undertaken shortly to deal with the problem.

Punjab had experienced floods of high intensity owing to excessive rainfall. The damage to crops and property had been considerable and a larger number of villages in some of the areas had been "very badly affected".

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5271:INI:R]

INDONESIA

A. Text Of Dutch-Indonesian Communique: The Dutch Foreign Minister, Dr. Joseph Luns, visited Indonesia from July 25 to August 2. (A brief account of the visit appeared on page 5993).

Dr. Luns in his talks with the Foreign Minister, Dr. R. Subandrio, and other Indonesian leaders agreed that both their Governments should post Ambassadors accredited to each other.

A joint communique was signed after five days of negotiations on August 1 by Dr. Luns and Dr. Subandrio.

The following is the text of the communique:

"The talks, which were conducted in an atmosphere of utmost cordiality, were designed to give further substance to the

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present relations between the two countries in order to promote the normalization of these relations and to establish a new basis for a continuous and mutually advantageous growth thereof.

"To this end, the two Foreign Ministers explored a range of related subjects. In conformity with the Agreement reached on April 3, 1964, the Ministers have agreed that both Governments will submit soon a request for an agreement for their respective Ambassadors. The Netherlands Foreign Minister informed his Indonesian colleague that, with the concurrence of the Government of Surinam, the exequatur for a Consul-in-charge of the Indonesian Consulate-General in Paramaribo will be issued soon.

"At the request of the Netherlands Government, the Indonesian Foreign Minister expressed his Government's consent to conclude a War Graves Agreement.

"Both Foreign Ministers noted with satisfaction that the Mixed Commission referred to in Article XXII, Section of the West Irian Agreement of August 5, 1962, has been set up and has commenced its work.

"On the question of repatriation of Indonesians from the Moluccas at present living in the Netherlands and wishing to return to Indonesia, the Foreign Minister of Indonesia informed his colleague from the Netherlands, that, as requested by the Netherlands, the necessary time schedules and related procedures for a regular repatriation are being prepared and will be duly communicated to the Netherlands Government.

"Extensive discussions took place on the immediate implementation of the Technical Co-operation Agreement of April 3, 1964, after its ratification, on the basis of requests submitted to send experts. Pursuant to these requests the Netherlands is prepared to send experts, receive trainees and finance bilateral projects. Indonesia on its part agrees to send Indonesian guest-professors to the Netherlands, and receive Netherlands scholars in Indonesia for specialized studies.

"In pursuance of the agreement reached during the visit of Minister Subandrio at The Hague, the two Ministers started the discussion about the pending financial problems.

"The decision has been reached that shortly the exchange of views will be continued in a Joint Committee. The task of this Committee will be to study the relevant facts and data and to prepare a definitive settlement. It was confirmed that as soon as possible still existing discriminations in the financial and economic relations between the two countries will be discontinued on both sides. This will also open the possibility of furthering the economic co-operation.

"Further talks on a technical level will be held between representatives of the two Governments in September next.

"In order to review the development of relations and to discuss subjects of mutual interest, the Ministers deem it desirable to have another meeting in the course of next year."

(*Information Service Indonesia*)

[Prev. ref. 5993:IND:B]

ISRAEL

A. Status Of Indian Jews—Knesset Passes Resolution: Meeting in a special session on August 17, the Knesset (Parliament) voted in support of a Government resolution calling on the Chief Rabbinate to find a way of removing the causes of any feeling of discrimination among the Benei Israel (Community of Indian Jews).

The vote on the resolution, presented by the coalition parties, Mapai, NRP and Ahdut Ha'avoda, was 43 to 2, with 30 abstentions. Agudat Israel voted against and the other opposition parties abstained.

The resolution affirmed that the Knesset views the Benei Israel as "Jews in all respects, without qualification and with the same rights as all other Jews, including matters of personal status."

It also called on the Benei Israel to take the Knesset decision into account and end their strike.

A Herut resolution calling for cancellation of the Chief Rabbinate's directive and condemning attempts to besmirch the Rabbinate was defeated 11 to 44. The Liberals, Mapam, and the Communists submitted identically worded—but separate—resolutions calling for nullification of the directive.

The vote followed a three-hour debate on the statement by the Premier, Mr. L. Eshkol, in which he began by outlining the Government's decisions:

(1) The Benei Israel are Jews in all respects, without any limiting qualifications.

(2) Both the Minister of Religious Affairs and the Rabbinate have repeatedly declared that the Benei Israel are authorized to marry other Jews; in all the investigations into individual applications no reason has ever been found to ban such a marriage.

(3) The Benei Israel and a large section of the public are no longer willing to accept the discrimination involved in the directives, and this creates a public problem that demands consideration.

(4) It has become necessary for the Rabbinate to consider the public opinion in this matter and seek a way out of the difficulties.

(5) The Government expresses sharp criticism of the irresponsible and objectionable aspects of the demonstration held by the Benei Israel.

He recalled the history of the Benei Israel, with whom contact was first renewed in India about 200 years ago. Questions concerning marriage with the Benei Israel first arose in connexion with the arrival in India of members of the Iraqi community, but after some decades of debate, both the late Chief Rabbis Herzog and Uzziel had ruled that marriages between members of this community and all others were perfectly acceptable.

Following some cases in which rabbis had refused to carry out such marriages the Chief Rabbinate Council had studied the question and decided that there was no reason to forbid the marriages. Chief Rabbi Nissim was authorized to circulate this ruling, together with explanations and instructions to the officiating rabbis.

While there were no further difficulties concerning individual marriages, the public effect of the directives was not satisfactory. The Benei Israel claimed that if their position was that of all other communities, no special instructions were in place concerning investigations. The point particularly objected to was that these investigations were to be carried out only where a member of the Benei Israel wished to marry a member of another community; the rabbis thus were not concerned with what happened inside the Benei Israel community itself. This differentiation was not contained in the decisions of the Chief Rabbinate Council which had authorized Rabbi Nissim to send his instructions to the officiating rabbis.

Mr. Eshkol emphasized that the Rabbinate had been entrusted by the State with sole authority in matters of Jewish marriages, but with this went the obligation to make it possible for the people to live their lives and for immigrants to come. This concerned not only the Benei Israel, but others who might come later and had perhaps also lived for a period under conditions in which it had not been possible to observe halacha. The religious leaders must find a solution in keeping with the nation's needs, as the leaders of Israel had done in all generations.

(*Jerusalem Post Weekly*)

[Prev. ref. 4698:ISR:B, 6044:ISR:C]

B. New Year Celebrations: Jews in Israel and the world over celebrated the beginning of the Jewish year 5725 on September 7 and 8.

Rosh Hashana, the New Year, marks the beginning of the Solemn Days, when the people gather in the synagogues for prayer and heart-searching, and the Ten Days of Penitence, which culminate in Yom Kippur, the Day of Atonement.

The Prime Minister, Mr. Levi Eshkol, issued the following New Year message to Jews everywhere:

"I am happy to extend the greetings of the Government of Israel and my own personal wishes to the people of Israel in their own land and in the Diaspora on the approach of the New Year.

"We express special greetings to the immigrants who have recently arrived, for whom this is the first New Year in their own, free land and to the immigrants who will come during this next year. May they soon strike root in the land and become a part of its life, so that they derive from it the strength to absorb, together with us, those who will follow them.

"May this New Year bring its blessing to those who are devoted to our land and to those who engage in its defence. May the work of their hands be blessed; may they be given the strength which is the guarantee of peace.

"Foremost in our thoughts are the Jewish communities in lands of dispersion marked by persecution and separation from our people. We are today again witnesses to Jewish communities facing the danger of rising anti-Semitism in the lands where they dwell. Jewish communities, and among them a very large one, live cut off from the body of the Jewish people, without ways of expressing their Jewishness and prevented from coming and joining their families in Israel. We know their distress. They are our brothers, in the past, the present, and the future, in suffering and in hope: we wish them a year of pride and redemption.

"We send our greetings to our millions of brothers in the lands of abundance. May this year be a year of deepening their Jewish identity, a year of fruitful activity on behalf of Jewish education, and the strengthening of Israel.

"In Israel itself, we are called upon, during this New Year as well, for increased efforts to strengthen our security, to improve our society, to advance our economic basis, and for a great programme to deepen and broaden our education and enrich our spiritual activity. We shall face the test of a free democracy in the election campaign which should take place this year.

"May it be given all of us to succeed in the test of determining Israel's road to strength, pioneering and progress, in gathering the exiles, and educating her sons to halutziut and loyalty."

(*The Israeli Digest*, Jerusalem)

[Prev. ref. 5536:ISR:B]

JAPAN

A. Export Credit Contract To Russia: In defiance of American opposition, contract details of the sale to Russia of a $10 million urea

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fertilizer plant, with payment deferred throughout eight years, were settled in Tokyo on September 3 after Government authorization for the credit.

This is the first export credit contract to Russia in excess of five years to be underwritten by the Government.

The official Export-Import Bank is underwriting for the first five years, with the remainder guaranteed by private commercial banks. Terms are a 20 per cent down cash payment with interest at 5 per cent.

The contractor is the Tokyo Engineering Company, with Toho Bussan handling the trading arrangements. The price includes technical advice.

The change of policy is clear. The contract is the first concluded on the so-called $350 million "shopping list" indicated by Mr. Mikoyan during his Spring visit. Everywhere he went he promised orders in return for extended credit, and thereafter, under pressure from industry, the Government began scrutinizing arrangements in Western Europe. What they saw, particularly of British offers, convinced them they were being left at the post.

Subsequently, American expressions of disapproval were met with the obvious retort that what Japan intended was already "within the scope" of European relations.

Part of the American objection was that since Japan's credit resources were limited they ought to be directed more usefully towards developing countries, but the Japanese seem to have reassured them that this is not the opening of the flood gates and that each case will be examined strictly on commercial merit.

Government authorization coincided neatly with the departure on September 3 for Moscow of the first Japanese Parliamentary delegation to visit Russia since the War. Travelling by way of Karachi and Tashkent, their airliner was the first Japanese aircraft over Russia since the War.

Meanwhile, the same day (September 3) the Government announced that it had again postponed for another year its approval for a five-year export credit for a $30 million vinylon plant to China. The contract was initialled in May, 1963, but in its trade with China the Government was clearly preoccupied with keeping going the current improvement in relations with the nationalists in Formosa.

(*The Times*, London and *The Japan Times*, Tokyo)

[Prev. ref. 5910:JAP:A]

JORDAN

A. King Hussein's Visit To UAR: King Hussein arrived in Alexandria on August 15 on a five-day visit to the United Arab Republic.

He was accompanied by his brother, Emir Hassan, the head of the Royal Cabinet, Sherif Hussein Ben Nasser, and his Secretary, Emir Raad Ben Zaid.

King Hussein was received at the airport by President G. A. Nasser, Field-Marshal Abdul Hakim Amer, First Vice-President and Deputy Supreme Commander of the Armed Forces, other Vice-Presidents of UAR and high ranking officials and political leaders.

King Hussein flew back to Amman on August 20. He was seen off at Alexandria airport by President Nasser, Field-Marshal Amer and other UAR leaders.

President Nasser had earlier called on his distinguished guest at the Ras El Tin Palace, remaining with him for some time before accompanying him to the airport.

On his arrival at Amman, King Hussein sent a cable to President Nasser in which he said: "At the moment when my plane lands in the capital of your own land, Jordan, I send your Excellency the deepest thanks and gratitude for the warm welcome and the splendid hospitality accorded to me and my party by your Excellency and your honourable colleagues in my own land the United Arab Republic, the land of our kinsmen and compatriots.

"I shall ever cherish the most enjoyable holiday spent with you.

"Until we meet again shortly I pray the Almighty to grant you His blessings, with my most sincere wishes for your happiness, health and welfare."

President Nasser sent the following message of thanks to King Hussein in reply to his message:

"I received with great pleasure the message you have sent following your return to your dear country.

"The noble feelings contained in your message have deeply impressed me. I shall always be pleased to meet you in the United Arab Republic. May you accept my thanks as well as my sincerest wishes for health and happiness."

(*The Egyptian Gazette*, Cairo)

[Prev. ref. 5793:JOR:A]

KOREA (South)

A. New Minister Appointed: The Government announced on September 2 that Mr. Chong Chul Hong, Deputy Minister of Education, had been appointed Public Information Minister to succeed Mr. Soo Yung Lee, who, according to usually reliable sources, resigned over proposed Cabinet moves against four leading daily newspapers.

(*The Japan Times*, Tokyo)

[Prev. ref. 5931:KRS:A]

LEBANON

A. Budget For 1965: The draft Budget for 1965 was submitted to the Cabinet in August by Dr. Khattar Shebli, Director of the Budget Office.

Expenditure is estimated at £L555,584,-200, an increase of £L33,946,200 on the 1964 figure of £L521,638,000. Of this total, £L48,283,600 (£L45,238,000 in 1964) belongs to the self-financed annexed Budget which includes expenditure on the telephone service, the national lottery, the Cereals Office and Lebanon University, bringing the total for the ordinary budget down to £L507,300,600, an increase of £L30,900-600 on last year's estimate.

The biggest increase this year are in the allocations for defence (£L89,536,600), compared with £L78,844,800 in 1964; and education £L72,848,600 compared with £L63,299,100 in 1964. Other items of expenditure are: social services £L19,256,700 (£L11,951,300 in 1964), public works £L116,688,269 (£L135,005,400), office of the President of the Council £L17,714,900 (£L10,457,300), national economy £L6,499,-300 (£L10,458,800) and Plan Organization £L2,697,000 (£L3,313,400). The sum of £L84,838,500 has been earmarked for the repayment of loans, compared with £L19,858,000 last year and £L17,121,031 for unforeseen expenditure compared with £L9,421,200 in 1964.

The deficit in Lebanese Budgets has been growing steadily in the past years, from £L53.7 million in 1962 to £L63 million in 1963 and £L83 million in 1964, and in his budget speech, Dr. Shebli stated that the deficit this year is likely to be of the order of £L100 millon. In the past, the budget deficit had been met out fo reserves, But Dr. Shebli said that long-term foreign loans are now essential to meet the country's commitments under the present policy of social and economic development. A group of foreign firms and financiers are ready to finance a number of development projects if repayment of the necessary loans totalling some £L180 million is guaranteed by the Government. About £L75 million of this sum would be forthcoming from USA, £L55 million from Kuwait and £L50 million from various other sources.

(*Middle East Economic Digest*, London)

[Prev. ref. 5538:LEB:A]

B. New Real Estate Law: A new law has been passed which limits the purchase of real estate and property in Lebanon by foreign investors and foreign-controlled joint stock companies to 10,000 square metres of land in any one district.

According to details of the law, available on August 28, unlimited land may still be purchased by joint stock companies with 50 per cent Lebanese shareholdings and with two-thirds of their Boards of Directors Lebanese.

The object fo the law is to prevent massive foreign acquisition of land and property, but the move has not been welcomed in commercial circles where it is feared to be a step towards nationalization.

(*Middle East Economic Digest*, London)

C. MEA Annual Report: The annual report (available on August 28) of the Board of Directors and shareholders of Middle East Airlines (MEA) released by Sheikh Aajib Alamuddin, Chairman of the Board and President of the Airlines, stated that 1963 was a year of expanding operations and record achievements.

Of the Airline's expenditure for equipment and other capital items, "at the present rate of repayment all current equipment and other capital expenditure obligations can be cleared by the end of 1967." MEA's total revenue in 1963 rose by 29 per cent to £L84,941,542 compared with £L65,597,165 in 1962, its previous best year. The Company's operating profits for 1963 amounted to £L7,083,918, the highest since MEA's establishment in 1945, while the net profit amounted to £L3,123,-086.

Passenger revenue on scheduled services rose by 44 per cent in 1963 the number of passengers increasing by 38 per cent from 230,343 in 1962 to 316,790 last year. The company's main development in 1963 was the merger with Air Liban and the joint exploitation of Air Liban routes to Paris, West Africa, Kuwait Jeddah, Dahran, Nicosia, Cairo, Jerusalem and Aleppo. Jet aircraft were used for the first time during the year for flights to West Africa and the surplus capacity which arose from the end of MEA's association with Jordan Airways was used to meet the new commitments arising from the joint exploitation agreement with Air Liban.

Other outstanding events were the ordering of two Concords, the delivery of two Caravelles 6N and the ordering of a third. Mass holiday travel, according to

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Sheikh Najib, constituted the greatest source of new traffic and the company was applying itself very seriously to this potential by promoting inclusive tours to the Middle East together with travel agencies, and making full use of the 23-day tourist fares of £99. 15s. At the same time MEA is exploring all possible means of eliminating the growing practice of price-cutting by unscheduled airlines.

(*Middle East Economic Digest*, London)

[Prev. ref. 5550:JOR:A]

MALAYSIA

A. Commonwealth Finance Ministers' Conference: Finance Ministers of the Commonwealth met in Conference in Kuala Lumpur on September 1 and 2.

The Conference was attended by 18 countries. It has been the practice for the Finance Ministers of Commonwealth countries to hold a meeting of the Commonwealth Economic Consultative Council in advance of the annual meetings of the World Bank and the International Monetary Fund.

In his opening address, the Malaysian Finance Minister, Mr. Tan Siew Sin, said that such a family gathering in Kuala Lumpur was a morale-booster to the people of Malaysia, who were facing a grave external threat.

He re-affirmed Malaysia's faith in the Commonwealth. Malaysia, he said, regarded it a special honour to be host. The meeting had a further significance in that it was being held at a time when the World Bank and the International Monetary Fund were venturing into less familiar but more ambitious fields.

The meeting, therefore, apart from "providing us with the usual opportunity to review Commonwealth problems and Commonwealth challenges, should enable us to contribute our rich and varied experience to the solution of those greater world problems with whose large prosperity ours is so intimately bound."

He said there might be differences, but "they are the kind which are bound to exist in any large and high-spirited family. What is sometimes forgotten are the links which bind us."

Immediately after his speech the Nigerian Finance Minister, Mr. Okotie-Eboh, proposed Mr. Tan as Chairman of the Conference.

Later, the delegates held closed sessions. During the discussions under-developed nations were understood to have pleaded strongly for more opportunities of trade with developed nations and easier trade terms.

Communique:

A *communique* issued at the close of the Conference said the Ministers, reviewing trends in world trade and payments, noted the improved world economic situation and continuing strength of the balance of payments position of the sterling area.

They had referred to economic prospects of their respective countries and their problems, particularly the need to step up the growth rate in developing countries.

They emphasized the need for a continuing increase in aid to developing countries and expressed appreciation for measures already taken by certain countries to make aid available on favourable terms. But developed nations should consider providing a higher proportion of aid on more liberal terms.

The results of the Conference were valuable only as a first step, the communique said. Much remained to be done in following up the work done there.

The Ministers hoped that October's Tokyo meeting of the International Monetary Fund would agree on the need to increase its resources and extend its facilities. They attached the highest importance to the Fund.

The following is the text of the communique:

"A meeting of the Commonwealth Economic Consultative Council was held at the Parliament House, Kuala Lumpur, on September 1 and 2 under the chairmanship of Mr Tan Siew Sin, Finance Minister of Malaysia. All 18 independent countries of the Commonwealth were represented. There were also representatives from Mauritius Malta and Hong Kong.

"The Council reviewed trends in world trade and payments and noted the improvement in the world economic situation and the continuing strength of the balance of payments position of the sterling area as a whole.

"The Ministers referred to the economic prospects for their respective countries and the problems which they faced, in particular the need to step up the rate of growth in the developing countries.

"While there had been an improvement in the trading position of the sterling area as a whole, this had been unevenly spread and the basic weakness of many primary commodities pointed to the need for new approaches to the problem.

"The Council recognized the importance of the United Nations Conference on Trade and Development. It was noted that the results of the Conference were valuable only as a first step, and that much remained to be done in following up the work of the Conference.

"The need was also stressed for facilitating to a greater extent the access of manufactured goods from developing countries to the markets of the industrialized countries as well as devising means to ensure stable and reasonable commodity prices.

"The Council expressed the hope that the Kennedy round of trade and tariff negotiations in the GATT would achieve positive results of benefit for all members of the Commonwealth.

"In a discussion on the importance of maintaining adequate international liquidity and strengthening the international monetary system, Ministers expressed the hope that the meeting of the IMF in Tokyo would be able to reach agreement on the need to increase the resources and extend the facilities of the Fund to whose position in international monetary matters they attached the highest importance."

(*The Times of India*, Bombay, *The Times*, London and *The Malayan Times*, Kuala Lumpur)

[Prev. ref. 5578:AOA:G]

B. Parachute Landings By Indonesian Soldiers: About 30 members of the Indonesian regular Army landed by parachute in the Labis area of Johore on September 2.

The Government described it as another act of aggression which would be reported to United Nations.

The police, warned by villagers, attacked the Indonesian commandos and killed one and captured several others. Arms, ammunition, food supplies and first aid kits were recovered in crates dropped by parachute. Troops, jungle squads and other security forces had joined the police in trying to track down this latest batch of Indonesian infiltrators. Labis and the surrounding areas were put under a 24-hour curfew.

The Malaysian Ministry of Defence said in Kuala Lumpur that a Hercules-130 aircraft left Djakarta, the Indonesian Capital at 9 p.m. on September 1 and refuelled after midnight at Medan, a port on the north-east coast of Sumatra, opposite the west coast of Malaysia. The aircraft then flew to Labis and the parachute troops understood to be part of a commando brigade formed to invade West Irian, were dropped.

The crew had circled the area and dropped flares over the landing zone. Villagers in the vigilance corps established all over the country since Indonesian guerrillas landed at Pontian on August 17, told the police. The police engaged the commandos in a sharp skirmish.

The first indication that there had been any further aggression was when the Malaysian Prime Minister, Tengku Abdul Rehman, told correspondents that an Indonesian aircraft had dropped arms and food in the Labis area. When it was learnt that armed men had landed, the Tengku said that United Nations and Malaysia's allies would be told. Negotiations would have to be held on counter-measures.

Labis is the centre of the rubber and palm oil industry and is on the main trunk road and railway line. It is 100 miles north of Singapore, the capital of Malaysia.

Indonesian Denial:

Mr. Ganis Harsono, an Indonesian Foreign Ministry spokesman, denied on September 3 in Djakarta that Indonesian parachute troops had been dropped on the Malaysian mainland.

He told newsmen that an Indonesian C-10 Hercules transport aircraft had flown over Singapore because of a navigational error. He said it was on its way to Pnom Penh and Hanoi carrying home Cambodian and North Viet-Namese dancers who had performed during Indonesian independence festivities.

He added that Indonesia, in line with President Sukarno's recent statements, was still in favour of a negotiated settlement of the Malaysia issue.

In answer to a question he said that President Sukarno had cancelled all leave of the Indonesian armed forces and Government officials as "a precautionary measure." Malaysia would not be quiet, "so we have to face all eventualities coming from their side."

New Zealand Troops' Support:

New Zealand and Gurkha troops of the Commonwealth Strategic Reserve on September 3 moved into central Johore to track down the Indonesian parachute troops and to replace the Malaysian forces transferred to Singapore to assist the civil power in dealing with riots in which eight persons were reported killed.

By then, four of the Indonesian invaders, of whom there were believed to have been about 30, had been killed and seven captured.

Britain, Australia and New Zealand agreed to give further assistance to Malaysia to expand the security forces.

The Chancellor of the Exchequer, Mr. Reginald Maudling, who left Kuala Lumpur on September 4 on his way to Tokyo to attend the annual meetings of the World Monetary Fund, was reported to have said that Britain would send economic and military aid as quickly as possible. The immediate aid would be in the form of more arms and the sooner they were sent the better. The Malaysian Government had submitted a list of requirements to Britain, Australia, and New Zealand for assistance in defence and relative fields and they had agreed to give a large sum.

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Announcing in Wellington that New Zealand troops of the Commonwealth Strategic Reserve would be used in Malaya against Indonesian infiltrators, the Prime Minister, Mr. K. Holyoake said on September 4 that the Government had repeatedly stated that it was prepared to assist Malaysia to maintain its independence against the threat of armed attack. The dropping of Indonesian parachute troops inside Johore had all the marks of a "blatant act of aggression", New Zealand assistance was particularly necessary at the moment because of difficulties created for the Malaysian Forces by the Singapore riots, which the Malaysian Forces were restraining. The Government had no hesitation in expressing its readiness to see the New Zealand battalion now stationed in Malaya used against the infiltrators.

The battalion, about 760 strong, is part of the army brigade component of the Commonwealth Strategic Reserve stationed at Terendak.

The Malaysian Cabinet, meanwhile decided to send Dato Ismail, Minister of Home Affairs, and other Malaysian officials to New York to present Malaysia's case to United Nations against Indonesian aggression, both overt and covert.

State Of Emergency Declared:

All Malaysia was put under a State of Emergency on September 3 after the Central Government in Kuala Lumpur had discussed at great length landing of Indonesian parachute troops in Johore and its implications.

Tengku Abdul Rehman said that the proclamation of a State of Emergency should not affect the lives of ordinary people. There would be no restriction of movement or of food.

He said he believed that President Sukarno was planning something serious against Malaysia; the fact that he had cancelled all leave for the Indonesian forces meant that things might worsen. The seaborne landings at Pontian on August 17 and the air landings at Labis in central Johore had been made possible through the co-operation of Malaysians who had gone to Indonesia to be trained.

He said that there was evidence that the enemy was preparing for a big offensive by agents and saboteurs within Malaysia. The agents were planning to create chaos and havoc by disrupting the administration and endangering national security. Malaysia had been lenient and as a result people found with enough gelignite to blow up a building had been sentenced to only three months' imprisonment. With the proclamation of the Emergency they would be liable to the death penalty.

He said that in the past, Indonesian aggression had been reported to United Nations for information, but after the landing at Labis it had been decided to ask the United Nations Security Council for action. Close consultations had been held with Britain, Australia and New Zealand before the decision was taken and they had agreed.

(*The Times*, London, *The Statesman*, Calcutta and *The Malayan Times*, Kuala Lumpur)

[Prev. ref. 6000:MAL:A]

PAKISTAN

A. National Assembly Debate On Foreign Policy: Winding up a one-day debate on foreign policy in the National Assembly on August 21, the Foreign Minister, Mr. Z. A. Bhutto, said that Pakistan would welcome any development that would contribute to a settlement of Indo-Pakistan differences.

Regarding a meeting between President Ayub Khan and the Indian Prime Minister, Mr. Lal Bahadur Shastri, he said Pakistan would be happy to discuss Kashmir and other issues. But for any negotiation to be productive it was necessary that there be a change of heart and that India was really anxious to settle the Kashmir dispute.

He said Pakistan would make every effort to bring about an equitable and honourable settlement of the Kashmir question. She would never tire in her efforts to secure for the people of Kashmir the right of self-determination, which was Pakistan's "duty and obligation."

Referring to the suggestion by the Opposition leader, Mr. Yusuf Khattak, that they should rule out war and resort to negotiations with India to settle the Kashmir question he said negotiations meant "a spirit of give and take, accommodation and conciliation."

The basic difficulty, he claimed, was that India would never come to the negotiating table in that spirit.

Referring to the suggestion for a meeting between the Heads of Government, he said it had to be necessarily the last step. It was essential that there were indications of progress at the preparatory level.

He alleged that India was a "colonial Power" keeping "the colony of Kashmir under bondage" and added that she should "free Kashmir" at least to be "relieved" of her present food shortage.

He hoped that "international situation and domestic circumstances in India will compel her to come to terms with Pakistan."

He criticised India also for not negotiating on what he called the issues of eviction of "Indian Muslims," which he described as "economic aggression." "The situation may deteriorate. We may have to resort to the principle of eye for eye and tooth for tooth."

He characterized misgivings in the Arab Press at the Turkey-Iran-Pakistan regional agreement as outpourings of "some daily rag or other in some city or other."

He said there was no reason why the Arab world should react adversely to the agreement. If they thought calmly, they would find some advantages in it.

To Opposition demands for Pakistan to quit pacts with USA and UK, he said Pakistan was not going to leave them or basically change her foreign policy. She had achieved an independent status without having to quit pacts. This was a great step from pre-Ayub regimes when Pakistan had the status of a "satellite" and "stooge" of USA.

Pakistan did not want to strain her relations with USA with whom she had many common interests and from whom she received great assistance for her economic welfare. But if unfortunately she had to differ with any of her friends in promoting her own interests, Pakistan would do so.

Earlier, during the debate, the Government's policy on Kashmir came under heavy fire at the hands of the Opposition and the subjects which invariably used to command the largest amount of unanimity provoked sharp differences.

Mr. Khattak said that Pakistan on her part should create, as was being done in India, a climate of opinion in which they could assist such people in India who were working for the settlement of the Kashmir question and for a "decent life" for Muslims in India.

He said they had to rule out war on the Kashmir issue, having missed the chance twice—once in 1948 failing to destroy bulk of the Indian army in Kashmir and then in 1962, on the occasion of the Sino-Indian conflict.

There was no alternative except negotiations. No doubt, he said, Indian "intransigence" had been rendering negotiations fruitless so far but the wind of change was blowing in India itself. Mr. Rajagopalachari and Mr. Jaya Prakash Narayan were working steadfastly to bring about a solution to the Kashmir issue and improve Indo-Pakistani relations. Mr. Shastri had himself spoken of the need for improved relations.

Deploring the cult of personality that the Pakistan Government had been developing around Sheikh Abdullah, he said the Sheikh's position on the movement for plebiscite was not clear.

Mr. Farid Ahmed, an Opposition members from East Pakistan (Islamic Democratic Front) said that whether Pakistan admitted it or not, India's image among the Arab nations of Africa was that of a "mighty, benevolent force trying to keep peace between warring nations".

He said wherever he went, he found goodwill towards Pakistan and appreciation of her stand on the Kashmir issue. "Nevertheless the issue is not free from doubt."

[He recently toured Algeria, Morocco, Tunisia and other African countries as a member of a non-official team to canvass support for Pakistan's case on the Kashmir issue.]

He said that before Partition, Pakistan and India, were one—both under the Mughals, and the British. The image of India with its ancient civilization and culture had been projected all over the world. But after Partition, India alone was the inheritor of the past. In Africa, and Latin America, India was known as the land of Gandhi and Nehru, who had fought for liberty and freedom and peace.

Pakistan, he said, was isolated in the Arab world. She was unknown in Africa. Wherever he went, he was confronted with questions by the people from the common man to the Minister, as to what sacrifice Pakistan herself would be willing to undergo to realise her case in Kashmir. People did not believe Pakistan was ready to do anything.

(*The Times of India*, Bombay and *The Hindu*, Madras)

B. State Bank Report For 1963-64: The report of the State Bank for 1963-64, released in Karachi on September 2, referred to increased domestic production coupled with enlarged imports, improvement in the growth rate of economy, and expansion of banking facilities as well as of industrial finance.

It also mentioned a sizable deficit of Rs. 81 crores in the balance of payments on current account, introduction of a quota system in respect of scheduled banks borrowings against Government securities from the State Bank and the rise in money supply to the extent of Rs. 100.21 crores during 1963-64.

The increase in GNP estimated at 6.5 per cent compared with the growth rate of 2.6 per cent last year. The overall index of agricultural production recorded an increase of over 6 per cent, due largely to an all-time high production of rice up to 116,29,000 tons, representing an increase of 18.6 per cent as compared to 1962-63.

The index of industrial production which had risen to 133.6 in 1962-63, rose further to 156.5 by October-December, 1963.

Increased domestic production coupled with enlarged imports brought about a a notable improvement in overall availabilities.

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This, according to the report, helped maintain domestic price stability notwithstanding larger monetary expansion.

Commodity markets displayed mixed trends during the year under review. The production of jute declined from 65,00,000 bales in 1962-63 to 60,00,000 bales in 1963-64. The production of cotton, on the other hand, attained the record level of 23,70,000 bales, about 13 per cent higher than in 1962-63 exceeding the Second Five-Year Plan target by 70,000 bales.

Tea production in 1963-64 increased to 55 million lbs. from 52 million lbs. in 1962-63, due to the Government's compulsory extension programme.

Money supply rose by Rs. 100.21 crores during 1963-64, exceeding the previous record expansion of Rs. 88.16 crores last year. This raised the total monetary expansion over the first four years of the Second Plan period to Rs. 213.60 crores as against Rs. 150 crores envisaged for the entire Plan period. The largest money-creating influence during the year emanated from the Government sector which amounted to Rs. 62.67 crores as against Rs. 16.46 crores in 1962-63. The domestic private sector also exercised a larger expansionary influence during 1963-64.

Bank credit continued to expand at a brisk pace and recorded a rise of Rs. 112.13 crores to Rs. 479.13 crores during 1963-64. In contrast to a larger growth in bank deposits (general) than in bank credit in 1962-63, bank deposits registered a rise of Rs. 99.11 crores to Rs. 570.61 crores over 1963-64.

The rise in deposits during 1963-64 was almost equally shared by demand and time deposits the former increasing by Rs. 49.42 crores to Rs. 327.40 crores and the latter by Rs. 49.69 crores to Rs. 243 21 crores.

As the expansion in deposit resources fell short of the rise in demand for bank funds, the scheduled banks' borrowings from the State Bank rose considerably over the year from Rs. 38.58 crores to Rs. 78.30 crores.

The balance of payments on current account, according to the State Bank's annual report, recorded a sizeable deficit of Rs. 81.00 crores during 1963-64 as compared with a deficit of Rs. 8.78 crores in 1962-63. A substantial part of the current account deficit was financed by the inflow of foreign capital so that the gold, dollar and sterling reserves declined from Rs. 143.62 crores at the end of June, 1963 to Rs. 113.50 crores at the end of June, 1964.

The report said that the total foreign aid committed from July, 1960 to March 31, 1964, excluding the assistance received under the US PL 480 Title I and the contributions for the Indus Basin Replacement Works came to $1,480 million. Total disbursements from aid commitments during the period amounted to $928 million.

Expansion of banking facilities proceeded at a rapid pace during the year, with 348 new offices of the scheduled banks opened during 1963-64. Credit provided by the State Bank for agricultural purposes also continued to expand and so did the industrial financing.

Outstanding advances of the Industrial Development Bank stood at Rs. 13.21 crores as on June 30, 1963, as against Rs. 10.00 crores on June 30, 1962.

In the case of the Pakistan Industrial Credit and Investment Corporation the total number of loans as on June 30, 1964 stood at 382 aggregating Rs. 65.00 crores. Total loans sanctioned during the year under review amounted to Rs. 19.25 crores and reflected an increase of 13.50 per cent over the year.

(*Dawn*, Karachi)

[Prev. ref. 5467:PAK:G]

C. **Student Demonstrations In East Pakistan:** Violent demonstrations at several places marked a Province-wide strike on August 29 by East Pakistan students, which synchronized with the laying of the foundation stone of a new university at Chittagong by President Ayub Khan.

A student mob attacked passenger trains and blocked railway tracks and stations near Chittagong. Several persons, including Government officials and journalists returning to Dacca after the Chittagong function, were injured when the students smashed the windows of the Dacca-bound mail train.

Inside the University campus in Dacca, police fired tear-gas at student demonstrators who stoned the police from places of concealment. Several arrests were made.

The students were demanding an end to the "Government's repressive policy" against students, restoration of democratic rights and release of political prisoners.

In Comila the students had an added grievance—that the new university should have been located in their district instead of at Chittagong.

An order under Section 144 Cr. P.C. was imposed in Khulna town following an attack by some goonda elements on a students' procession in the evening. One student was arrested.

According to the local students' union sources, demonstrations were held in Pabna, Sirajganj and Mymensingh also.

(*The Indian Express*, Bombay)

[Prev. ref. 5767:PAK:A]

D. **Remains Of Early Arab Capital Revealed—Archaelogical Survey:** A Karachi report on August 30 said that archaeological excavations had revealed that the remains of the early Arab Capital, Mansura (8th to 13th century), is situated about eight miles south-east of Shahdadpur in Sanghar district, covering an area of one mile on the banks of the now dried-up branch of the Indus.

These findings, according to Dr. F. A. Khan, Director of Archæology were the results of preliminary survey of the site conducted by his Department.

He said that some limited and imperfect excavations in 1854 by Messrs Bellasis and Richardson and again by Mr. Cousens in 1897 and 1908 showed that Mansura was founded at the site of ancient Bahmanabad, also called incorrectly as Brahmanabad.

At different points at Banbhore a considerable area at the site has been uncovered bringing to light the remains of early Islamic culture and that of the non-Muslim period. Except about 900-feet-long fortification wall at the south-eastern corner, the whole defence wall around the citadel has been exposed in the previous year.

To uncover the greater area of the pre-Islamic levels at the western sector the Department will resume digging in the Temple area to know its dimensions with associated relics. There, the extension of the concrete and shell floor and mud-brick walls shall be traced out by extending the area towards south and west.

The excavation work at Taxila, another important site, was undertaken long ago and three important cities, namely, Bhir Mound, Sirkap and Sirsukh were uncovered. These cities were originated in three different periods. Their inter-relationships with each other could not be properly established. So, in order to discover the cultural affinities and social progress of the people of the area it was proposed that the excavation may be carried out soon in some important places where the structural remains and cultural sequences can be located right from the Archaemenid dynasty or earlier till the latest settlement in one and the same area.

Dr. Khan said during the current financial year excavations of the cells on the south-west and western sides of the Mainamati in East Pakistan will be taken up to recover more material. Previously, the cells around the central shirne at Salban Vihara and yielded a very rich collection of coins, copper plates and bronze sculptures. Seventy cells have been exposed so far.

Talking about other sites to be excavated he said work would be taken in hand at Rupban Mura, situated in the middle of the Lalmai-Mainamati ridge. The sites where diggings were executed so far represent religious establishments only. The whole of Lalmai-Mainamati ridge was the centre of cultural, religious and political activities of Chandres, who came to power in the beginning of the 10th century AC.

The Department now proposes to unearth the city proper, which could not have lain very far from them and to ascertain the cultural affinities with other sites already excavated.

Besides these excavations, the Department will collaborate with the following foreign archæological missions. (1) Italian Archæological mission—excavations in Swat State; (2) Kyoto University Archæological mission—excavations in Mardan district; (3) French Archæological mission—excavations in Kalat district.

The conservation of national monuments forms a major part of the Department's activities. Outstanding monuments and sites in both the Wings of the country, ranging in date from pre-historic to Muslim period, will be repaired and conserved. According to the present plans special repairs are to be carried out to excavate sites such as Mohenjo-Daro, Mainamati, Pabarpur and Banbhore, Makli and Thatta monuments.

In East Pakistan special attention will be paid to the conservation of several monuments such as Satra Ratna Temple Talban Vihara, Charpatra Mura, in Comilla district and Khotibari, the residence of the late Dr. Tagore in Kushtia. Repairs are also to be carried out to the exposed ruin at Paharpur, Sotyapir Bhita and Rajshahi and to the Mosque at Robijoypur, Haman Khana at Iswaripur and Bibi Begni's Mosque in Khulna district.

In Karachi the construction work of the large four-storeyed Central Museum building at Burn Garden will be completed by the end of the current financial year. A sum of Rs. 4,14,000 has been provided for the building during this year.

In East Pakistan the construction of the Ethnological Museum at Chittagong will be completed during the current year at a cost of Rs. 1 17,000. The conservation of Lalbagh Fort, Dacca, will be undertaken at a cost of Rs. 50,000 during the current financial year.

(*Dawn*, Karachi)

[Prev. ref. 5866:PAK:C]

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ASIAN RECORDER

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AFGHANISTAN

A. Highway Link With USSR: King Zahir Shah on September 4 opened the £16 million Salang highway linking Kandahar in South Afghanistan with Kushka, the southernmost town in Russia.

The road, over the Hindu Kush mountain range, took nearly four years to build. It is expected to bring in an annual income of more than £1,800,000.

Mr. Alexei Kosygin, Soviet Deputy Premier, headed a Russian delegation which attended the opening ceremony.

Mr. Kosygin and members of the Soviet Government delegation were received in Kabul on September 4 by King Zahir Shah.

The talks passed in a friendly atmosphere. Questions relating to Soviet-Afghan co-operation were discussed. In the evening the King gave a dinner in honour of the delegation. Earlier, they had a meeting with the Prime Minister, Dr. M. Yusuf.

On September 3, the Soviet Prime Minister, Mr. N. Khruschev and the Soviet President, Mr. A. Mikoyan, sent messages to King Mohammed Zahir Shah congratulating him on the completion of the construction of the motor road across the Hindu Kush.

The messages said: "The new road driven through the Hindu Kush is a symbol of the fruitful co-operation of the fraternal peoples of our two countries. This is a vivid manifestation of the traditional Soviet-Afghan friendship, the foundations of which were laid by the great Lenin."

(*Tass* and *The Hindu*, Madras)

[Prev. ref. 4971:AFG:A]

BURMA

A. Government Re-affirms Socialist Aims: The Revolutionary Government has in a manifesto reaffirmed its intention of building a completely socialist society. The pattern is not communist.

The 10,000-word manifesto points out the differences between "purely Burmese" socialism and international communism.

The manifesto followed in the wake of Buddhist unrest in Upper Burma where militant young monks had charged the Government with Leftist tendencies.

In an earlier statement, the Government denied any links with communism. The latest, much lengthier manifesto, explained the denial in detail.

The manifesto said: "Under Burmese socialism there is full freedom of conscience and religious worship is encouraged although there is respect for the rights of "non-believers and free thinkers."

(*The Statesman*, Calcutta)

[Prev. ref. 5795:BUR:A]

B. Train Sabotage By Rebels: A land mine planted by rebels on the railway track exploded on September 8 near Amawbi station, 25 miles from Rangoon, causing derailment of the engine and 14 wagons of a goods train.

The train was proceeding from Rangoon to Prome.

The sabotage cost the railway nearly 1,00,000 kyats. Railway traffic between Rangoon and Prome was temporarily dislocated as a result of the explosion.

In a series of clashes in the past few days, patrolling troops killed nine rebels —two Kachins, two Shans and five Communists—and captured another.

One soldier was killed and another slightly injured on the Government side.

(*The Times of India*, Bombay)

[Prev. ref. 5675:BUR:A]

CEYLON

A. Problem Of "Stateless" Citizens: Three important conferences took place recently, in all of which the citizenship issue of the "Stateless" people figured prominently.

The general view expressed at these conferences was that no useful purpose would be served by discussing the problem at the Prime Ministers' level unless an amicable settlement was reached in advance in Ceylon between the Government and the leaders representing the "Stateless" people.

Mr. A. Aziz, President of the Democratic Workers Congress, told the annual session of the Congress at Hatton that the very fact that the Governments of India and Ceylon had not been able to solve the citizenship problem of the "Stateless" people all these years only indicated that a solution over the head of persons actually concerned was doomed to failure. He hoped the Ceylon Prime Minister would at least now take cognizance of this fact and have talks with the representatives of the "Stateless" before she went to New Delhi for discussions with the Indian Premier, Mr. Lal Bahadur Shastri.

The most feasible solution, Mr. Aziz suggested, would be on the following lines:

(1) Ceylon should announce a new inducement scheme;

(2) A time-limit should be fixed for choosing either the inducements and go back to India or reject them and continue to claim Ceylon citizenship;

(3) On the expiration of the time-limit, those who do not opt for Indian nationality should be accepted as Ceylon citizens.

The inducement scheme already announced set no time-limit and did not indicate what would happen to those refusing the inducements.

He rejected as baseless the charge that the "Stateless" people and their organizations looked to the Government of India for help. While they had been urging the Ceylon Government to start negotiations with the representatives of the people concerned, the Ceylon Government was compelling them to go to the Indian Government which all along they had resisted. They should seek the help of the Indian Government only in regard to the repatriation of those persons who were willing to take up Indian nationality as a result of an understanding between the parties concerned.

Once the citizenship issue was settled, he pointed out, the Government could utilize the surplus labour in the estates for development of the dry zones and the production of food crops, thus reducing the drain on the foreign exchange reserves caused by grain imports.

Mr. S. Thondaman, who at the annual session of the Ceylon Workers Congress at Badulla claimed he had a ready-made solution for the settlement of the citizenship problem, said he would like to keep it a closely-guarded secret until the Government thought fit to initiate talks with his organization.

The Federal Party held its ninth National Convention at Trincomalee recently (see page 6040) under the chairmanship of Mr. S. J. V. Chelvanayagam, the veteran Tamil leader.

In his presidential address, Mr. Chelvanayagam dealt at great length on the sinister plan that was evolved to deprive the Tamil people in the plantations of their right to send their representatives to Parliament. If those Tamil workers had the franchise, he said, they could have returned 12 members of their choice to the House. Had not the Tamil people been deprived of their votes. Mr. Bandaranaike would not have had a Sinhala majority support for his Official Language Act of 1956, "an ultra communal piece of legislation making Sinhala the only official language in a country where over 30 per cent of the people were speaking Tamil".

Mr. Chelvanayagam felt that all language disputes and connected racial troubles in Ceylon were traceable to the citizenship laws of the Island.

(*The Hindu*, Madras)

[Prev. ref. 5435:CEY:A]

CHINA

A. Chinese Territorial Ambition —Soviet Allegation: In an editorial in *Pravda* on September 2, Russia accused the Chinese leaders of questioning Soviet rights to more than 1,500,000 square kilometres of territory.

It said that Mr. Mao Tse-tung had stated that "the places occupied by the Soviet Union are too numerous".

It devoted an entire page to a new broadside against Peking, in which it accused the Chinese of playing a dangerous political game in an attempt to isolate the Soviet Union. It said it was hard to believe that Mr. Mao was not aware of the most dangerous consequences which could result from any attempt to re-carve the map of the world in present conditions.

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It alleged that Mr. Mao had called the ideological struggle between China and the Soviet Union a "paper war" which "does nobody any harm since no one is killed in it." This was an admission that the Chinese leaders regarded their differences with Russia and the parties which agreed with her as a kind of war.

The Pravda article was commenting on a report published in Japan of an interview which Mr. Mao gave to Japanese socialists visiting China. "He is not just claiming this or that part of Soviet territory", it said, "but is portraying his claims as a part of some general territorial question. We are faced with an openly expansionist programme with far-reaching pretensions".

It said that in 1954 China published a history textbook which included a map showing Burma, Viet-Nam, Korea, Thailand, Malaya, Nepal, Bhutan, and Sikkim as "state territory of China" taken away from her during the opium wars.

It said that in the north "the border ran along the Stanovoy mountain range, cutting the maritime territory from the Soviet Union; in the west a part of Kirgiziya, Tadzhikistan, and Kazakhstan (up to Lake Balkash) was also included in China. Sakhalin also was shown as Chinese territory.

It quoted Mr. Mao as saying that China had "not yet called for an account" of the fact that "about 100 years ago the area to the east of Lake Baikal became the territory of Russia and from then on Vladivostok, Khabarovsk, Kamchatka, and other points are the territory of the Soviet Union."

It said that history was full of examples of the emergence and fall of States and the resettlement of peoples during which the borders between States changed more than once. Historic references on borders could prove anything. "For instance, one can prove that England is French territory because she was once *the possession of a Duke of Normandy*.

"One can prove, on the contrary, that France is an English possession because in her time, during the Hundred Years War, she was nearly completely conquered by the English. With the help of such arguments one can prove that the borders of China pass only along the line of the Great Wall of China which is less than 100 kilometres from Peking.

"One can only be amazed that there are people questioning the right of workers and peasants to the land where they are living and working from ancient times only on the grounds that once upon a time one emperor defeated another....

"Do those who question the Soviet ownership of a territory of more than 1,500,000 square kilometres think how these claims will be taken by Soviet people who have been living and working on this land for several generations and consider it their homeland?"

The editorial said that if all States followed the Peking recipe for border revision claims there would be "an inevitable aggravation of international tensions... fraught with military conflicts". Any attempt to re-carve the map of the world could lead to the most dangerous consequences.

However, China had every right to press for the liberation and re-unification of Formosa and Hong Kong, which were part of the country and the majority of whose population were Chinese.

Pravda expressed indignation at Mr. Mao's remark that Mongolia had been placed by the Soviet Union "under... its rule". It said that Mongolia enjoyed all the rights of an independent country. "The existence of an independent Mongolian State, which maintains friendly relations with the Soviet Union and other countries of socialism, does not suit the Chinese leaders. They would like to deprive Mongolia of independence and make her a Chinese province."

The article said that when Mr. Khruschev and other Soviet leaders visited Peking in 1954 the Chinese leaders suggested that they should reach agreement on this, but Mr. Khruschev refused to discuss it and said Mongolia's destiny could be settled only by the country's working people themselves.

Pravda ridiculed what it described as Mr. Mao's new theory of a world divided into two zones. The "Soviet-American" and the "intermediate", included China as well as nearly the whole "capitalist" world outside the United States. As a result, it commented, President de Gaulle was no longer a "fascist and bandit" but "one of the most active fighters against American imperialism".

Perhaps, it added, even General Franco would be welcomed to China's ranks in the fight against imperialism.

(*The Times*, London)

[Prev. ref. 5808:CHI:A]

INDIA

SUMMARY: Loan Agreements With Britain: Trade With East Germany; Code Of Conduct For Ministers; Reserve Bank's Annual Report; Foreign Missionaries.

A. Seven Loan Agreements With Britain: Seven Agreements for loans totalling £14.5 million by Britain to India were signed in New Delhi on September 9.

The Agreements were signed by the British High Commissioner, Sir Paul Gore-Booth, on behalf of his Government and Mr. P. Govindan Nair, Additional Secretary, Department of Economic Affairs, Ministry of Finance, on behalf of the Government of India.

The loans will benefit India's oil, heavy electrical, coal-mining and power-generating industries. They will also assist certain Indian private sector industries at present running below full capacity for lack of foreign exchange to buy vitally needed spares and maintenance items.

The loans form part of the £30 million aid programme for India in 1964-65 pledged by Britain at the Aid-India Consortium meeting in Washington on May 26.

The balance of the £30 million aid—£5.5 million—will be given mainly in the form of general purpose loans. (An Agreement for a loan of £10 million was signed some time ago.) The Government of India may allocate funds from the balance in payment for cargo ships to be built in British dockyards.

In the context of the general purpose loans given within the Consortium pledge for 1964-65 special arrangements have been made for certain types of steel. India will place an order in Britain worth £2 million for the purchase of high speed and tool steels, steel castings and alloys, stainless and heat-resisting steels.

Another £4 million will be used for improving the operating efficiency of manufacturers in India who traditionally look to Britain for supplies and who are having trouble because of India's tight foreign exchange position.

A sum of £2 million will be allocated for the import of large components such as transformers and switch gear for the Heavy Electricals.

The aid given previously by Britain for the new colliery at Singareni will be increased by £1.25 million. Power stations in Madhya Pradesh and West Bengal will benefit from a loan of £3.225 million for turbines.

For oil exploration and development by Oil India, £1.5 million is being provided. For the private sector there will be a loan of £1.525 million for capital goods and £1 million for components for British-oriented industries.

The £20 million aid for the current financial year is in addition to the aid already promised by Britain for the expansion of the Durgapur Steel Works.

Speaking on the occasion, Sir Paul Gore-Booth said he hoped the Agreement for the balance of £5.5 million would be signed in the Autumn. He was happy that within 16 weeks of the pledging of £30 million aid to India by his country, Agreements had been signed for utilizing most of it.

He said: "It speaks well for the good relations and mutual understanding that exists between us that it has been possible to achieve agreement on so many issues in such a short space of time."

British aid so far for the Third Five-Year Plan was £155 million (Rs. 208 crores).

Mr. Govindan Nair said the conclusion of Agreements on so many matters in so short a time, was undoubtedly due, in a great measure, to Britain's willingness to suit her credits to India's needs.

He thanked the British Government, the British people and Sir Paul for the assistance given by them to India for her development plans. He particularly thanked Britain for the non-project assistance given, which, he said, was very important from India's point of view. Over 70 per cent of Britain's aid this year would be non-project assistance.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5979:INI:B]

B. Shipping Agreement With USA: An Agreement was signed in New York on September 11 between the Government of India and the United States-India Conference Lines covering shipment of governmental cargoes to India.

According to Indian sources, the new Agreement will result in a net saving of about $2,000,000 annually exclusive of the savings effected by the decision of the Conference Lines announced in August to cancel a surcharge on shipments to Bombay.

The Agreement covers cargoes for the Government of India, State Governments and nearly 250 public sector projects in India.

Under the terms of the Agreement, 75 per cent of Governmental cargoes will be allocated to the Conference Lines, but the Government of India has reserved the right to allocate 25 per cent of the remainder.

There will be special reductions in the rates for heavy list cargoes like heavy electrical equipment, earth-moving equipment, power plants and the like.

The additional charges on cargoes shipped to ports like Kandla, Madras, Cochin and Visakhapatnam will be withdrawn.

(*The Statesman*, New Delhi)

[Prev. ref. 5437:INI:F]

C. Trade With East Germany: Trade between India and East Germany will reach the Rs. 40-crore mark in 1966—double that in 1963—according to letters exchanged in New Delhi on September 12 extending trade arrangements between the two countries.

Apart from traditional goods, East Germany has agreed to purchase from India non-traditional items like motor vehicle components, radiators, machine tools, electrical equipment, car batteries, chemicals and drugs.

India will import from East Germany

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fertilizers like ammonium sulphate, nu-
riate of potash, various items of industrial
raw materials like alloy steel, pig-iron,
caustic soda, heavy soda ash, dye interme-
diates and various chemicals.

East Germany will also supply machine
tools, rotary printing machines and other
printing machinery, textile machinery
and various other items of capital goods.

The letters were exchanged between
Mr. D. S. Joshi, Secretary, Central Mini-
stry of Commerce, and Mr. Kurt Epper-
lein, Deputy Foreign Trade Minister of
East Germany.

Speaking to newsmen, Mr. Kurt Epper-
lein said his country was in a position
to supply to India chemical and synthetic
fibre plants, equipment for power stations
and for the manufacture of pig-iron
based on low shaft furnace.

His country had also offered a credit of
Rs. 22.7 crores to supply these equipment.
Although the Government of India had
not accepted the credit, the negotiations
were not complete. He hoped India would
ultimately accept his country's offer.

He said he had urged that India should
open a trade representation in East Ger-
many to enable his country to purchase
more non-traditional goods from it. But
India maintained it was satisfied with its
participation in the Leipzig Fairs both in
Summer and Autumn.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5631:INI:C]

D. **Code Of Conduct For Minis-
ters Approved By Central Cabinet:**
The Central Cabinet approved on
September 15 a comprehensive code
for Ministers—Central and State—
which is expected to come into force
soon.

Under the code, every Minister will have
to make a declaration of his assets—to the
Prime Minister at the Centre, and the
Chief Minister in a State—on assuming
office, and subsequently every year.

The code also restricts the commercial
and business interests a Minister may
have while in office and prohibits Mini-
sters and the Central Home Mini-
ster from misusing their authority to fur-
ther the business interests of their rela-
tives and friends.

Of special significance is the code's
clause laying down the do's and don'ts
about collection of funds for political par-
ties by Ministers. This activity is sought
to be circumscribed sustantially.

In some respects the most important
part of the code is the section prescribing
the procedure for dealing with the alle-
gations that a Minister has contravened
the code of conduct or otherwise departed
from standards of integrity and honesty.

It has been laid down that in the case
of allegations against a Central Minister,
the Prime Minister will decide whether
the charges have any substance meriting
further action.

In the case of a Minister in a State this
decision will be taken by the Chief Mini-
ster. When the Chief Minister himself is
the target of attack, the decision will be
taken by the Prime Minister and the Cen-
tral Home Minister.

This method for the disposal of charges
against Ministers is thus clearly different
from the procedure suggested by the San-
thanam Committee on Corruption (page
[illegible]), which felt that wherever there
were charges against a Central Minister
or 10 MPs and a Minister in a State by
[illegible] MLAs, a commission of inquiry should
be formed automatically.

(*The Statesman*, New Delhi)

[Prev. ref. 5594:INI:J, 5790:INI:G]

E. **Indus Commission's Report
for 1963-64:** The India-Pakistan
Indus Commission in its report for
1963-64, published in India on Sep-
tember 11, said that the Commission's
work was marked by a spirit of good-
will, understanding and co-operation.

[The Commission was set up under the
Indus Waters Treaty signed by India and
Pakistan in 1960.]

The Commission at its three meetings
during the year considered the request of
Pakistan that India should set up wireless
stations for transmitting flood warnings to
Pakistan, and India's request for recovery
and restoration to owners of timber and
other property floating down the river
across the border. The Commissioners
agreed to discuss both issues at further
meetings.

The Commission undertook four general
tours and one special tour of inspection
of the rivers to ascertain facts about
various development works.

(*The Times of India*, Bombay)

[Prev. ref. 5458:PAK:A, 5820:PAK:
A]

F. **Reserve Bank's Annual Re-
port:** In its annual report released
in Calcutta on September 10, the
Reserve Bank of India urged caution
in relation to the size and priorities
of the next Plan.

The report contained prescriptions
for policy which reflect its grave
concern over the strains arising from
the superimposition on development
outlays of expenditures on defence
and refugee rehabilitation.

Taking a serious view of the inflationary
pressures generated by the steep rise in
bank credit which reached an all-time
peak durng the last busy season, the
Bank urged a "strict" scrutiny of Govern-
ment expenditures with a view to "weed-
ing out" less essential items. "Even if this
results in temporarily slowing down of
developmental activities in some areas, it
may in the long run prove beneficial."

Looking to the future the report said
that the strains would persist even on the
most optimistic assumptions about agri-
cultural production and the availability
of foreign exchange. It suggested there-
fore that the "size" and "content" of de-
velopment should be "carefully consider-
ed" from this angle and a solution worked
out to permit growth in "an environment
of stability".

Urging price stability as a major objec-
tive of policy, it pled for a "sizable" in-
crease in the output of consumer goods.
The plea was re-inforced by the specific
recommendation that long-term policy
should give the highest priority to an
increase in agricultural output. Price
incentives for the cultivator and buffer
stock operations were posed as essential
components of a sound farm policy.

The Bank conceded that defence has "a
certain priority." The "onus of adjustment"
should fall, therefore, on other sectors.
Taxation may be used as an instrument of
adjustment but the warning was sounded
that frequent changes would inevitably
have "unsettling effects" on the climate
of investment.

Noting the encouraging increase in ex-
ports in recent years, the report said the
pace must not only be maintained but
improved upon since aid alone cannot
cover the "indispensable" import content
of development. It urged the Centre and
the States to adopt "appropriate" mea-
sures to sustain and encourage exports.
At the same time it called upon the busi-
ness community to make greater efforts.

On the specific issue of price trends,
the Bank pronounced against res-
trictions on inter-State movement and the
system of compulsory levy which had, in
its view, aggravated the shortage of grain.
Other contributory factors were the in-
crease in the holding capacity of big far-
mers and speculative activity by the
trade. The result had been to raise prices
"beyond the level justified by the basic
supply and demand position".

Reviewing the Government measures on
the price front, the report said that "the
all-round co-operation to hold the price
line, which looked so assured in the cri-
tical months of the Emergency, was not
much in evidence subsequently". It came
to the conclusion that in spite of recent
measures, the price level remained a
"highly disturbing" factor in the economy.

Looking at the capital market, it said
that investor confidence had not shown
any significant revival. Share prices
moved up in expection of reliefs in the
last Budget, but disappointment reversed
the trend after March. Total of consents
granted during 1963-64 for issue of capital
was Rs. 138 crores, some Rs. 20 crores less
than last year, but more significant was
the marked decline in equity issues re-
flecting the difficulty in attracting risk
capital.

These domestic difficulties notwith-
standing, the climate for foreign invest-
ment in India had in the Bank's judg-
ment improved. Consents for issue of
capital to non-residents, which is the best
available index of investment intentions,
moved up from Rs. 56 crores in 1961 to
Rs. 130 crores in 1963. (This figure relates
to the calendar year and is not compar-
able therefore with the figures in the pre-
ceding paragraph for the Bank's year
running from July to June.)

The external position of the economy
showed several heartening improvements,
reflected in a rise in reserves. This rise
would have been of the order of Rs. 49
crores over the period April, 1963 to
March, 1964, against a fall of Rs. 14 crores
in the previous year.

The improvement of Rs. 119 crores in
export earnings was attributed to buoyant
conditions in world trade which registered
a growth of 8 per cent in 1963. The Bank
was particularly heartened by the fact
that two-thirds of the expansion in Indian
exports was accounted for by items which
do not receive any special assistance by
way of incentives. The small rise in ex-
ports to Western Europe and the UK was
noted with disappointment which sug-
gested to the Bank that little benefit had
accrued to India out of the expanding im-
ports of this region.

Higher exports combined with a 31 per
cent rise in utilization of foreign aid to
permit larger imports. The import bill
which rose by Rs. 85 crores in 1962-63
went up by a further Rs. 19 crores in
1963-64. The whole of the increase was,
however, on account of Government im-
ports—a rise of Rs. 86 crores on account
of capital equipment imported for public
sector projects, and an additional Rs. 31
crores spent on food imports. Private im-
ports actually fell by Rs. 6 crores.

(*The Statesman*, Calcutta)

[Prev. ref. 5452:INI:I]

G. **Export-Import Advisory Co-
uncil Meeting:** Opening a two-day
meeting of the Export-Import Advi-
sory Council in New Delhi on Sept-
ember 12, the Central Minister of
Commerce, Mr. Manubhai Shah, said
that the estimated foreign exchange
requirements of the Fourth Five-Year
Plan were between Rs. 6,900 and
Rs. 7,800 crores.

He said that a minimum annual rate of
growth of seven per cent during the
Fourth Plan was necessary to combat
under-development and backwardness. To
achieve this minimum rate of growth, he
said, India would undoubtedly require as-
sistance from friendly countries at a
much higher level than during the Third
Plan.

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To achieve the export target of Rs. 5,100 crores during the Fourth Plan period, he called upon the people to make some sacrifices. He appealed to every industry to earmark a portion of its production for export.

About the import policy in the next six months—October-March licensing period—he said that while every effort would be made to meet the increasing needs of defence, agriculture, export-oriented and basic industries, it would not be possible to liberalize the general level of other imports however, the Government would try to provide somewhat larger amounts for the small-scale industries.

Reviewing the economic situation, he said that while the upward trend in industrial production had continued in the first half of the current year, the increase in output was not commensurate with the growing needs of the economy. Nor was it enough to cater to the needs the growing population even in terms of its basic necessities such as food, clothing and shelter.

The recent pressure on prices, which had been causing some concern, basically reflected a short-fall in supplies. It was in this context, he added, that the Prime Minister, Mr Lal Bahadur Shastri had recently emphasized the need for ensuring that plans and programmes should result in increased production in the short run without any slackening on the long-term implementation and not any diversion of funds from one field to another as had been misunderstood in some quarters.

He said that a study team, consisting of officials and non-officials under the chairmanship of Mr. H. C. Mathur, MP, had been appointed to locate the causes of delays in the disposal of applications for import licences and to streamline the procedures.

He said that a committee on tea finances had recently been set up to study the problem of financial requirements of the industry and to suggest ways and means to enable it to undertake developmental measures. In the coming years, it was estimated that the tea industry would have to undertake new plantings of 24,000 acres per year to ensure a steady rise in production.

While congratulating the jute industry and jute goods exporters on the record export performance of 1,334,000 tons in 1963-64, he said that there were reports that the 1964-65 jute crop was not as good as last year due to damage to crops. The Government was watching the situation and necessary arrangements would be made to ensure the adequate availability of jute fibre so as to maintain production at higher levels in this important industry.

Plan to Boost Exports:

While again ruling out any possibility of import liberalization, the Commerce Minister, Mr. Manubhai Shah, announced on September 13 a new export incentive scheme for those industries which were already being given foreign exchange and import licences.

Addressing the concluding session of the Export-Import Advisory Council, he said that "import priorities" would be worked out on the basis of export performance of units in such industries. Those units which showed better export figures would be given higher foreign exchange allocations for their imports than others.

He also thought that substantial foreign exchange earnings could be made by increasing the unit value of the goods already being exported. What he suggested was the increasing diversification of exports so that more finished and processed goods found their way to foreign markets than before.

In effect what he suggested was that labour should be made a foreign exchange earner; by replacing raw finished goods, the cost of labour would form part of the price paid by the foreign buyer.

Among such potentially exportable item, he also included steel. He did not think that steel exports would be at the cost of internal consumption; he envisaged only the export of a certain percentage of the progressively higher steel production. In Asia alone, there was a potential market for steel worth Rs. 153 crores.

To conserve foreign exchange, he suggested establishment of a novel "hospital for broken vehicles" which would completely overhaul vehicles lying idle for want of spare parts, the annual demand for which he estimated at Rs. 100 crores.

He also thought that the time had come for entrepreneurs to start thinking in terms of starting ancillary industries in the country, such as those making spare parts. This would help not only save foreign exchange but also earn it, as the export market for spares was a big one.

Earlier, he had intervened in the discussion—during which representatives of various industries and export promotion councils had suggested ways to increase their exports—to make a strong defence of small industries.

He disagreed with the view that small industries were wasters of foreign exchange, he felt that their rapid development was the only way of ending the present imbalance between the rural and urban sectors and of encouraging new entrepreneurs.

(*The Times of India* and *The Statesman*, New Delhi)

[Prev. ref. 5715:INI:J]

H. Foreign Missionaries: The number of foreign missionaries in India has nearly doubled since Independence—from 2,270 to 4,280.

These figures do not include missionaries from Commonwealth countries. It was decided some time ago that they also should, like other foreign missionaries, obtain "special endorsement for India" on their passports before embarking on the journey.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 2960:INI:E]

I. Annuity Deposit Scheme Comes Into Force: A scheme by which annuity deposits, which are to be made by those with incomes above Rs. 15,000 per annum, as required under the Finance Act of 1964, are to be in the form of 10-year certificates came into force on October 1.

The certificates will be in denominations of Rs. 10, Rs. 100 and Rs. 1,000. After the first year, the depositor will get Rs. 1.25 for every Rs. 10, the rate of interest working out to a little over 4¼ per cent.

A **Gazette of India Extraordinary** containing the text of the annuity deposit scheme was published on September 10. It said:

"From October 1, deposits under the scheme will be accepted at all offices of the Reserve Bank and branches of the State Bank of India and its subsidiaries. Deposits may be made in cash or by cheque drawn in favour of the bank at which the deposit is made. Accompanying the deposit money will be an application for the issue of 10-year annuity deposit certificates for the amount. Where the deposit is made by an unregistered firm, an association of persons or a body of individuals, a declaration regarding its constitution should be attached to the application. Deposits can be made in instalments during a year. When the deposit money is tendered at a bank, an interim receipt will be given. This would, after a given period, be exchanged for annuity deposit certificates issued by the Public Debt office.

"These certificates will be issued in denominations of Rs. 10, Rs. 100, and Rs. 1,000. Beginning from one year after the date on which the deposit has been made, the depositor will receive an annuity of Rs. 1.25 for every Rs. 10. The rate of interest works out to a little over 4¼ per cent. Payment of the annuities will be spread over 10 years. Depositors may draw their annuities either through their bankers or ask for remittance by postal money order. Individual depositors may nominate a person or persons who will receive the annuities in the event of their death.

"In computing the taxable income of the depositor, the amount of the deposit at the rates prescribed in the Finance Act will be allowed as a deduction. The annuities are, however, liable to tax as income. When a depositor receives his annuity deposit certificates he should inform the income-tax officer within 14 days that he has made the deposit and send him the counterfoils of the annuity deposit certificates.

"Application forms for 10-year annuity deposit certifications and other relevant forms will be available at the deposit offices.

"The annuity deposits to be made during the financial year 1964-65 fall into two categories, namely:

"(1) Deposits to be made for the assessment year 1964-65.

"(2) Deposits to be made in advance for the assessment year 1965-66.

"For the current assessment year, deposits may be made on the basis of an assessment of income-tax made by the assessee himself or by the income-tax officer. Where a self-assessment has been made the annuity deposit is required to be made within 30 days of an assessee's filing his income-tax return. However, assessees who have already filed their returns of income or file them by the end of September, 1964, can make their annuity deposits by October 31, 1964.

"In cases where the assessment is made by the income-tax officer, he will also determine the amount of annuity deposit due and call upon the assessee to make the deposit.

"In regard to deposits to be made in advance for the assessment year 1965-66, the income-tax officer will issue a notice of demand. He will also lay down the number of instalments in which the deposit could be made and the dates on which they should be made. However, individuals who have not been assessed to income-tax so far and who expect their assessable income to exceed Rs. 15,000 should themselves make an estimate of their annuity deposit liability. They should inform the income-tax officer accordingly before March 1, 1964, and also make the deposit by that date. Assessees may make their annuity deposits even before they are formally called upon to do so by the income-tax officer."

(*The Times of India*, New Delhi)

[Prev. ref. 5711:INI:A]

J. Gold Control Bill—Select Committee's Recommendations: Among the changes proposed in the controversial Gold Control Bill by the Joint Select Committee are those providing for certain exemptions from making declarations to the Government.

The Committee, whose report was presented to Parliament on September 11, suggested that people owning gold ornaments worth not more than Rs. 25,000 and families owning ornaments worth not more than Rs. 50,000 should be exempt.

Another amendment sought to exempt a family consisting of a husband, wife and one or more minor children from making a declaration if the total weight of the gold owned by them (other than in the form of ornaments) does not exceed 100 grammes.

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The Committee also recommended that only those "officers" should conduct searches and make seizures under the Act who had been authorized to do so by the Administrator (to be appointed under the measure) thereby deleting the reference to "any person".

It also suggested an amendment to confer powers on courts to award less than the minimum period of six months' imprisonment for offences under the Act should this be thought necessary for adequate reasons.

The Committee also felt that the existing provision for stamping of primary gold was too rigorous as it imposed an obligation for stamping each piece of gold on private individuals who intend to sell one or two pieces.

It also felt that the stamping of special forms of primary gold, such as wires and leaves, was not practicable. It thus suggested that the Administrator be empowered to exempt such cases from the stamping requirement.

Another amendment sought to enable the Government to impose restrictions relating to the purity and weight of gold in ornaments remanufactured out of gold ornaments containing gold of a purity exceeding 14 carats.

But another change sought to make it clear that no restriction should be made on the purity or form of gold which may be received as an offering by any religious institution.

Nine minutes of dissent, some of them suggesting that the entire Bill be scrapped, were appended to the report.

(*The Statesman*, New Delhi)

[Prev. ref. 5886:INI:L]

K. **Ilyushin Crash In Jammu And Kashmir—Inquiry Commission's Report:** A commission of inquiry which was appointed to inquire into the crash of an IAF Ilyushin aircraft in the Banihal Pass area on February 17 (see page 5777) has ruled out sabotage or misdirection from Pakistan as causes of the accident.

A statement containing the gist of the court's findings was placed on the table of the Lok Sabha on September 14 by the Minister for Defence Production, Mr. A. M. Thomas, in reply to a question by Mr. H. V. Kamath and several others.

Mr. Thomas said it was not in the public interest to lay the entire report on the table. He turned down the demand for the same.

The court was satisfied that no sabotage could have taken place, having regard to the general security conditions which existed and other relevant factors. On the basis of available evidence, no person, or persons could be blamed directly or indirectly for the accident.

The court expressed the opinion that soon after crossing the Banihal Pass the aircraft inadvertently flew into a very turbulent cloud. The flight into the cloud resulted in the loss of control over the aircraft which ultimately crashed at 3-40 p.m. on the mountain side.

The ill-fated aircraft was flying from Srinagar to Udhampur. On board the aircraft were Maj.-Gen. R. S. Grewal, Brig. J. M. Das and other Army officials. The party was going to Udhampur to attend a conference.

According to the report, the aircraft took off from Srinagar at 3-14 p.m. It ceased to have radio contact with Srinagar airport at 3-31 hours, when it was presumably over the Banihal Pass on top of clouds at a height of 14,500 feet.

At 3-32 p.m., the signaller informed the Air Movement Control Centre that he was expecting to cross over Banihal in three minutes and was flying in clouds. At 3-37 p.m., the Jammu airfield picked up the call-sign of the aircraft. It immediately called up the aircraft twice, but there was no response.

The wreckage of the Ilyushin-14 was found on a mountain slope in the Banihal area towards the end of May. Bodies of Maj-Gen. Grewal, Sqn.-Ldr. K. G. Kanitkar (pilot) and Maj. Niranjan Singh were recovered. Some other remnants of human bodies were also found.

The court was satisfied that all the crew and passengers on board were killed as a result of the accident.

It found that the aircraft was fully serviceable for the flight; it was correctly loaded. The crew was competent and physically fit to undertake the flight; the crew was properly briefed and correctly authorized; the pilot was competent to undertake the flight in the weather conditions existing at the time.

Mr. Thomas declined to give any further information in reply to supplementaries by Mr. Kamath and Mr. Tridip Kumar Choudhury.

(*The Times of India*, New Delhi)

[Prev. ref. 5701:INI:G, 5777:INI:N]

L. **Ban On Forward Trading In Groundnut Lifted:** The ban on forward trading in groundnut and groundnut oil was lifted on September 15 by the Central Government.

Recognized associations in the country will be permitted to resume forward trading in the two commodities for the new season's contracts, subject to such safeguards as may be imposed by the Forward Markets Commission.

The crop for the next season is expected to be very large and it was, therefore, felt that resumption of hedge trading may fetch the farmers a good price.

(*The Times of India*, New Delhi)

[Prev. ref. 5960:INI:G]

M. **Vote Of No-Confidence Against Kerala Government Passed:** The Congress Government headed by Mr. R. Sankar was voted out of office in the Kerala Assembly in Trivandrum on September 8.

Mr. Sankar and his Cabinet colleagues called at Raj Bhavan and submitted their resignation to the Governor, Mr. V. V. Giri. The Governor asked the Chief Minister to continue in office until alternative arrangements were made.

The Samyukta Socialist Party-sponsored no-confidence motion against the 23-month-old Ministry was passed by 72 votes to 50. All the 15 dissident Congress MLAs present in the House voted with the Opposition.

The Speaker adjourned the House sine die after the motion was passed.

Result of the voting was greeted with loud thumping of desks by the Opposition and dissident Congress members. Two independent members—Mr. Balakrishna Menon (until recently an SSP member) and Mr. Mahabala Bandari—were not present at the time of voting.

Poll on the the motion, moved by Mr. P. K. Kunju, leader of the SSP, was demanded by both Mr. C. Achutha Menon, leader of the Rightist Communist opposition and Mr. T. O. Bawa (Congress).

The demand for poll came when the Speaker, after asking those members who were in favour of the motion to raise their hands, had declared the motion carried.

All the 15 dissident Congress MLAs, the Rightist and Leftist Communist groups, the SSP, the Muslim League and three other independent members—Mr. K. V. John, Mrs. Aisha Bai, and Mr. V. R. Krishna Iyer, Communist-supported independent—voted in favour of the motion.

The dissident Congress MLAs included two women members.

All the Congress Party members, totalling 50, voted against the motion. (The House had a strength of 125, excluding the Speaker. One other seat was vacant after the death of Mr. P. T. Chacko.)

Minutes before the voting, Mr. Sankar, concluding his reply to the debate, told the House that "there is no doubt about the result of the voting on the motion." "Don't think that the Ministry alone will go down. With it you (members of the Opposition) will also go down."

He vehemently denied a dissident Congress member, Mr. R. Balakrishna Pillai's allegation that he had spent Rs. 6,00,000 on filling up 20 acres of kayal (backwater) land belonging to him near Trivandrum.

"If you had the slightest responsibility you should have spent four annas for bus travel and gone there to see if I have done anything like that," he told the member.

He said his wife had nine acres of land by way of share of property her father had acquired 60 years ago. "Not an inch of land has been added to it and the boundaries remain the same."

Dismissing as "wild and baseless" another allegation of the dissident Congress member that he had given 125 sovereigns to a goldsmith for making ornaments, he said "not a grain of gold" had been given by him.

"Members should be ashamed of making such baseless and frivolous charges taking advantage of the protection afforded by the forum of the House," he added amidst cheers from Congress benches. "You should play fair in politics. This kind of making baseless allegations would not sell. This kind of allegations against everybody will be the undoing of public life in the State. Only truth and dharma should prevail."

Cabinet Resigns:

The Kerala Governor, Mr. V. V. Giri, accepted with effect from September 10 the resignation of Mr. Sankar and his Cabinet colleagues.

Mr. Giri, in an appeal to the people, sought their whole-hearted support and co-operation in the efficient and smooth running of government.

He said: "As far as government is concerned, I can assure one and all that we will give prompt attention to agricultural and industrial advancement under planned economy.

"Adequate steps will be taken to see that our share in the Plan are fully assured.

"The President hopes that all concerned shades of opinion will so compose themselves in the common field of economic reconstruction as to help Government in fulfilling its tasks and duties."

He said he had taken over the administration of the State from September 10 on behalf of the President.

President's Rule Promulgated:

A proclamation issued from Rashtrapati Bhavan in New Delhi on September 10 said that the President had suspended the Constitution in the State and taken over all powers resting with the Government there. The State Legislature stood dissolved, its authority being transferred to Parliament.

The Central Home Minister, Mr. G. L. Nanda, made a statement to the same effect in the Lok Sabha just before the House rose for the day.

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The Governor, on whose report this action had been taken, was appointed the President's agent in exercising all functions so far discharged by the State Government subject to the supervision and control of the President.

The proclamation followed consideration of the matter by the Central Government at the highest level earlier in the day. The basis of this discussion was a report by the Governor, Mr. V. V. Giri, who explained that his consultations with leaders of different political groups in the State had convinced him that there was no prospect of a stable Ministry being formed there following the defeat of the Sankar Ministry.

The President's proclamation explained that following the receipt of a report from the Governor that formation of a Government in the State was impracticable and being satisfied otherwise that this was so, the President had decided under Article 356 to suspend the Constitution in the State.

He had taken over all functions and powers of the State Government and the Governor. He had also assured the authority to transfer these powers to the Governor and an order issued on September 10 said that such transfer had already been made.

This was the second time that President's rule was introduced in Kerala State. It was introduced previously in 1959 following the dismissal of the Namboodiripad Ministry.

The following is the text of the proclamation by the President:

"Whereas I, Sarvapalli Radhakrishnan, President of India, have received a report from the Governor of the State of Kerala and after considering the report and other information received by me, I am satisfied that a situation has arisen in which the Government of that State cannot be carried on in accordance with the provisions of the Constitution of India (hereinafter referred to as the Constitution);

"Now, therefore, in exercise of the powers conferred by Article 356 of the Constitution and of all other powers enabling me in that behalf, I hereby proclaim that I—

"(a) Assume to myself as President of India all functions of the Government of the said State and all powers vested in or exercisable by the Governor of that State;

"(b) Declare that the powers of the legislature of the said State shall be exercisable by or under the authority of Parliament; and

"(c) Make the following incidental and consequential provisions which appear to me to be necessary or desirable for giving effect to the objects of this proclamation, namely:

(i) In the exercise of the functions and powers assumed to myself by virtue of Clause (a) of this proclamation as aforesaid, it shall be lawful for me as President of India to act to such extent as I think fit through the Governor of the said State;

(ii) The operation of the following provisions of the Constitution in relation to that State is hereby suspended, namely:

So much of the proviso to Article 3 as relates to the reference by the President to the legislature of the State;

So much of Clause (2) of Article 151 as relates to the laying of the reports before the legislature of the State;

Article 163 and 164, Clause (3) of Article 166, Articles 167 and 169, Clause (1) and Sub-Clause (A) of Clause (2) of Article 174, Articles 175 to 186 (both inclusive). Clause (3) of Article 187 so far as it requires consultation with the Speaker of the Legislative Assembly, Article 188 and 189, Articles 193 to 196 (both inclusive), Articles 200 and 201, so much of Clause (3) of Article 202 as relates to salaries and allowances of the Speaker and the Deputy Speaker of the Legislative Assembly, Articles 208 to 211 (both inclusive), the proviso to Clause (1) and the proviso to Clause (3) of Article 213; and

So much of Clause (2) of Article 323 as relates to the laying of the report with a memorandum before the legislature of the State;

(iii) The Legislative Assembly of the said State is hereby dissolved;

"(d) Any reference in the Constitution to the Governor shall in relation to the said State be construed as a reference to the President, and any reference therein to the legislature or Legislative Assembly of the State shall, insofar as it relates to the functions and powers thereof, be construed as a reference to Parliament, and in particular the references in Article 213 to the Governor and to the legislature or Legislative Assembly of the State shall be construed as references to the President and to Parliament respectively:

"Provided that nothing herein shall affect the provisions of Article 153, Articles 155 to 159 (both inclusive), Article 299 and Article 361 and Paragraphs 1 to 4 (both inclusive) of the Second Schedule or prevent the President from acting under Sub-clause (1) of this Clause to such extent as he thinks fit through the Governor of the said State;

"(e) Any reference in the Constitution to Acts or laws of or made by the legislature of the State shall be construed as including a reference to Acts or laws made, in exercise of the powers of the legislature of the State, by Parliament by virtue of this proclamation, or by the President or other authority referred to in Sub-clause (A) of Clause (1) of Article 357 of the Constitution and the Interpretation and General Clauses Act (Act VII of 1125), as in force in the State of Kerala and so much of the General Clauses Act, 1897 (10 of 1897) as applies to State laws, shall have effect in relation to any such Act or law as if it were an Act of the legislature of the State."

(*The Hindu*, Madras and *The Times of India*, New Delhi)

[Prev. ref. 4838:INI:C]

N. Mr. R. V. Reddiar Elected Leader Of Pondicherry Legislature Congress: Mr. R. Venkatasubba Reddiar was unanimously elected on August 31 Leader of the Pondicherry State Legislature Congress Party.

All the members of the party were present. Mr. Edouard Goubert, Chief Minister in the outgoing six-man Ministry, was also present.

Mr. R. Venkataraman, Industries Minister of Madras, conducted the election.

The 30-member Assembly consists of Congress 22, Communist-sponsored People's Front 4, and Independents 4.

Cabinet Sworn-in:

A four-member Cabinet for Pondicherry was sworn-in on September 11 by the Lt.-Governor, Mr. S. L. Silam.

The Cabinet, headed by Mr. V. Venkatasubba Reddiar, includes Mr. A. S. Kankeyan, former Speaker of the Assembly, Mr. P. Shanmugham, and Mr. V. M. C. Varada Pillai, a former Minister.

(*The Hindu*, Madras)

[Prev. ref. 6042:INI:H]

O. Mr. D. Z. Palaspagar Resigns From Maharashtra Cabinet: The Maharashtra Prohibition Minister, Mr. D. Z. Palaspagar, was dismissed on October 1 by the Governor, Mrs. Vijayalakshmi Pandit, acting on the advice of the Chief Minister, Mr. V. P. Naik.

The Governor used her powers under Article 164 of the Constitution to dismiss Mr. Palaspagar.

So far the demand for Mr. Palaspagar's resignation had been attributed to his domestic troubles—the divorcing of his wife who, in turn, filed a case against him alleging that her signature had been obtained under threat and coercion. Mrs. Palaspagar's complaint and a defamation suit filed subsequently by Mr. Palaspagar against his wife and the editor of a Marathi paper are pending in courts.

But now Mr. Naik took this extreme step, following complaints that Mr. Palaspagar had misused official machinery for his personal ends.

Mr. Naik explained that he had received complaints during the past six months that Mr. Palaspagar had ordered two officials of his home district to go to another district to bring undue pressure on some party. He (Mr. Naik) had, however, refrained from taking any "harsh" step for so long because he felt that Mr. Palaspagar was in a "disturbed mood" owing to domestic trouble. By the middle of August, however, certain stories appeared in newspapers which tended to bring the Ministry into disrepute. Mr. Naik had accordingly sought the advice of the Prime Minister and the Congress President who had agreed that Mr. Palaspagar should be relieved of his post.

He said that Mr. Palaspagar had defied the Congress President's directive calling upon him to resign within a week. Mr. Naik decided to take action against him 12 days after the directive.

He added that every Congress Minister had to observe certain discipline. He could not behave as he liked. Defiance of the Congress President's directive was not a small thing.

(*The Times of India*, Bombay)

[Prev. ref. 5596:INI:Q]

P. Co-operative Project To Be Launched In Maharashtra: A Rs. 20-crore co-operative project which when complete will include Asia's biggest poultry farm producing 1.5 million eggs a day, a newsprint factory and a bacon and ham factory, is to be launched shortly in Maharashtra.

The project aims at raising in about 10 years the per capita income of people living in a pocket of 150 villages from Rs. 500 per annum to Rs. 2,000. This will also bring prosperity to the neighbouring districts.

According to Mr. Y. J. Mohite, Deputy Agriculture Minister of Maharashtra and one of the prime movers of the project, co-operative schemes including a sugar mill, a power alcohol plant and some ancillary units have raised the income of people in 150 villages of Satara district from Rs. 200 to Rs. 500 per head in four years.

The bulk of the finance for the project will come initially from the Government and the Industrial Finance Corporation. But once established its expansion is expected to be mainly self-financing.

The project will mark a new stage in the progress of the co-operative movement in India. While in most of the States it has remained at the elementary level of agricultural credit societies—many of them defunct—in Maharashtra it has reached the secondary stage of co-operative processing.

The poultry farm to be started shortly will cost Rs. 84,00,000 initially. Covering an area of 150 acres and with 10,000 birds it will also have a feed factory, a cold storage, incubators and a central hatchery.

Within five years the investment on the poultry will be increased to Rs. 4.5 crores. Every family in about 100 villages will keep a small poultry farm with 25 to 500

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birds. The eggs will be collected and marketed by central co-operatives. The number of birds with members of co-operatives is expected to be 2.1 million.

Four co-operative sugar mills in the region—Krishna, Shetkari, Varna and Panchganga—will start the newsprint plant, which will have a capacity of 100 tons a day and will use the cane crushed by them as raw material. It will cost Rs. 12 crores and is expected to go into production within five years.

The bacon and ham factory will be in the area served by the Krishna Sahkari sugar factory. About 5,000 families will have their own piggeries and sell 200 pigs a day to the factory. Pigs have been imported from America and Denmark for this scheme.

The Krishna Sahkari sugar mill which has initiated the poultry, newsprint and piggery schemes is planning a number of other projects.

Eight co-operative societies are being formed to provide lift irrigation for sugarcane fields. Water is to be lifted from the Krishna with modern pumps.

The co-operative also intends to start a fertilizer factory, a modern workshop and some ancillary industries.

(*The Statesman*, New Delhi)

JAPAN

A. Japan-US Security Consultative Committee Meeting: The fifth meeting of the Japan-US Security Consultative Committee was held in Tokyo on August 31.

An official Press release issued by the Foreign Office after the meeting stated that the Committee members exchanged views on "the current international situation as it affects the security of Japan and the Far East and discussed matters relating to the defence of Japan." All the participants answered questions at a Press briefing held immediately after the meeting.

The Japanese Foreign Minister, Mr. Etsusaburo Shiina, insisted that even if and when China carried out its nuclear explosion this would cause no change in Japan's long-stated position that it would not possess atomic weapons under any circumstances.

Reports said that Japan and the United States were in agreement in dismissing the military importance of a nuclear explosion by China which has been working feverishly towards that end for the past several years.

They also shared the view, however, that when China exploded a nuclear device it would have a great psychological impact on the Asian countries in this area including Japan.

(*The New York Times*)

[Prev. ref. 4804:JAP:A]

B. Military Action Against North Viet-Nam From US Bases—Soviet Warning: The Soviet Government warned Japan on September 10 that she could be drawn into an armed conflict if US bases on Japanese soil were used for military action against North Viet-Nam.

The Soviet statement said the Japanese Government must bear a major responsibility for the "aggravation of the situation" in South-East Asia and for what were termed provocations in and near the Gulf of Tonkin (see pages 6019 and 6032).

Tass said the statement had been handed to the Japanese Foreign Ministry.

The statement added: "This re-affirms the validity of the warnings voiced by the Soviet Government more than once against the danger the Japanese-American Military Treaty and the deployment of foreign military bases on Japanese territory is fraught with, above all for Japan herself".

The statement charged that Japan supported USA by providing territory for the preparation and carrying out of the attack.

(*The Times*, London and *The Japan Times*, Tokyo)

[Prev. ref. 6032:VND:A]

C. Credit To India: The Foreign Office said on September 2 that Japan would extend India a credit of 21.6 billion yen ($60 million) for its Third Five-Year Plan.

The Foreign Ministry announcement said the credit would be advanced by Japan's Export-Import Bank together with private Japanese banks to assist in the financing of purchases from Japan of machinery and commodities required for the economic development of India.

The yen credit—the fourth to India—will also be used for financing fertilizer factories and steel plant and other projects.

Out of the total credit, 144 billion yen ($40 million) will be repayable in 15 years and the remaining 8.2 billion yen ($20 million) in 18 years.

The announcement said after concluding the Japan-India talks representatives from both sides expressed 'mutual hope and confidence that relations would be further enhanced and promoted by the ever-increasing economic co-operation between Japan and India."

It was learnt that the bulk of the credit intended for projects would be taken up by the Durgapur alloy steel plant and the Gorakhpur and Gujerat fertilizer projects. The non-project credit will be utilized for the purchase of plant and equipment, steel rolls, insulators, power tillers and other goods like last year.

A small portion may be allocated to the proposed electric foundry to make castings for the Bhopal Electricals if satisfactory agreement is reached in the current negotiations between the Indian Government and Hitachi.

Meanwhile, India's purchase of ships, machinery and equipment from Japan on a deferred payment basis this year (quite apart from purchases under the yen credits) may total between $55 million and $60 million. This would be an increase of about 30 per cent over the figure for 1963 which amounted to $40 million.

Of the planned purchases for 1964, ships are expected to take up about $19 million to $20 million and textile machinery between $10 and $15 million. Other miscellaneous items like oil pipes and sheet piles will take up a few million dollars.

Negotiations are under way for the inclusion of a $20-million thermal power project for Ramagundam in Andhra Pradesh for purchase on the same basis and if the Japanese Government gives its approval for this, as it is expected to, the total figure comes to about $60 million. (The thermal power plant project for Ramagundam being promoted by Dr. J. D. Teja of Jayanti Shipping Company, is somewhat unique in conception in that, under it, he will be entirely responsible for putting up the power plant and this includes raising the funds required. The plant will then be handed over to the State Government as a going concern. The project is acceptable to the proposed collaborators in Japan who appear to be confident of obtaining the Japanese Government's approval for export on a deferred payment basis).

India also wants to purchase products like steel and fertilizer and include, if Japan agrees, certain projects which cannot be included in the yen credits.

The ships planned to be ordered this year include two bulk carriers for the Great Eastern Shipping Company, an oil tanker for the Ratnakar Shipping Company, and a bulk ore carrier for Chowgule of Goa. Agreements for the first three ships have already been reached between the respective parties concerned and their approval by the Japanese Government is regarded as certain. However, there is some doubt as to approval for the bulk carrier for Chowgule. The cost of ships ordered last year on the same basis amounted to $19 million.

As regards textile machinery, last year's purchases amounted to $7 million as against plans for this year's $10 million to $15 million. Among the other items, $7 million worth of oil pipes were ordered last year.

(*The Hindu*, Madras)

[Prev. ref. 5295:INI:K]

KOREA (North)

A. Boycott Of Moscow Conference Of Communist Parties: *Radio Pyongyang* said on August 31 that North Korea had rejected the Soviet invitation to take part in a world conference of communist parties in mid-December.

The broadcast, quoting Nodong Shinmun, the newspaper of the North Korean Labour Party, said "the conference was useless and would only add to the split in world communism."

It accused the Soviet Union of "interfering in our internal affairs" and of wanting to split the world communist movement.

(*The Japan Times*, Tokyo)

[Prev. ref. 5988:CHI:A]

B. Protest To IOC: It was reported on August 19 that North Korea had protested to the International Olympic Committee (IOC) against its refusal to allow the Communist designation to be used during the Tokyo Olympics.

North Korea and South Korea are entering separate teams in Tokyo because they failed to reach agreement on a joint team such as that being formed by East and West Germany.

IOC ruled that the two Korean teams should be identified geographically rather than by the political designations "Republic of Korea" for the South and "Democratic People's Republic of Korea" for the North.

The South Korean Olympic Committee accepted this ruling.

(*The Japan Times*, Tokyo)

KOREA (South)

A. Indian Consulate To Be Opened: The Foreign Ministry announced on September 11 that India would open a Consulate-General in Seoul in October or November.

Mr. H. K. Banerji, the first Indian Consul-General, is scheduled to arrive in Seoul in October or November.

(*The Times of India*, New Delhi)

[Prev. ref. 4552:KRS:B]

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MALAYSIA

A. Further Security Measures: The whole of Malaysia on September 6 became a security area, and the police and security forces were given wide powers to deal with external aggression and internal subversion.

A week before, the nation was placed under a State of Emergency because of growing Indonesian hostility.

The states of Malacca, Johore, and Negri Sembilan were declared to be a security area on August 17 after armed Indonesians landed on the west coast of Johore.

A royal proclamation, effective from September 6, extended the restriction to all the other states in Malaya and to Singapore, Sarawak, and Sabah.

The decision was taken "because public security is seriously threatened by reason of action taken by a substantial body of persons to cause a substantial number of citizens to fear organized violence against persons and property".

Penalties for offences committed in the security area are:

(1) Death for possession of fire-arms, explosives or ammunition.

(2) Death or life imprisonment for consorting with armed terrorists or subversives.

(3) Life imprisonment for demanding, collecting or receiving supplies for terrorists or subversives.

(4) Imprisonment not exceeding 10 years for failing to give information to the police.

All people over the age of 12 must carry an identity card, which bears a photograph and thumbprint.

Police officers have been given authority to impose curfews. The internal Security Act, under which the proclamation was made, gives the Government power to gazette danger zones where unauthorized persons may be shot at sight. The regulations empower the police to arrest any suspect without a warrant; and they, or any member of the security forces, may without warrant stop and search any vehicle, vessel, train, aircraft or individual whether in a public place or not.

A magistrate or coroner may dispense with holding inquiries or inquests on any police officer or member of the security forces, and an inquest will not be necessary if a coroner is satisfied that a civilian is killed in the security area in an operation.

The Prime Minister, Tengku Abdul Rehman, told a conference on September 5 that he was willing to send pro-Indonesians back to Djakarta so that they could see for themselves the conditions under which the people were living. Malaysia was facing one of her most critical moments, but he emphasized that there were plenty of opportunities for people of all races to live in peace.

Dato Ismail, the Minister of Home Affairs, and a team of four flew from Kuala Lumpur the same day (September 5) to New York to present photographic and documentary evidence of Indonesian aggression to the United Nations Security Council.

Parliament Approves State Of Emergency:

On September 10, Parliament unanimously approved the Government's imposition of a State of Emergency throughout the Federation.

It did so after hearing Tengku Abdul Rehman accuse certain unnamed political parties in the country of actively collaborating with Indonesia in its campaign to smash the Federation.

He emphasized that the landings by sea and air of Indonesian regular and irregular armed forces in Johore recently (see page 6045) could not have been achieved without the co-operation of Indonesian agents and communists in Malaya.

He also accused Indonesian fifth columnists and communist agents of instigating the racial riots in Singapore. Volunteers from Malaya who planned to liberate West Irian had undergone intensive, anti-Malaysian political indoctrination in Indonesia and had been sent back to Malaya in December, 1962 to carry out subversion. In Malaya and Singapore members of some political parties, legal and illegal, began to support Indonesia and joined disloyal elements working to try to crush Malaysia.

Some political organizations, he continued, had told youths not to defend the country and not to register for national service. The disturbances in Singapore had been caused by Indonesian agents in the hope that communal clashes would tie the Government's hands in dealing with external aggression. It was hard to control the troubles because the influence of Indonesian agents in the areas where the trouble broke out—the predominantly Malay district of Gelang—was strong.

He disclosed that in Sabah and Sarawak the enemy casualties up to July 31 were 208 killed, 150 captured, 55 surrendered, and 83 wounded and escaped, against 45 members of the security forces killed and 60 wounded. He said there was evidence that Indonesia intended to harass Malaysia further and it was obvious that, unless the Government acted now, the situation would worsen. The glaring fact remained that the Indonesians would never have been able to land on the mainland without the support of disloyal elements and communists.

(*The Malayan Times*, Kuala Lumpur and *The Times*, London)

[Prev. ref. 6045:MAL:A]

MONGOLIA (Outer)

A. Reported Massing Of Chinese Troops On Border: Yugoslav sources have reported that China is concentrating strong military forces along the 2,500-mile Sino-Mongolian border.

A despatch by the Moscow correspondent of **Belgrade Radio**, claiming that this latest military demonstration was causing serious apprehension in Ulan Bator, the Mongolian Capital, was given front-page prominence in the newspapers on September 10.

According to the Yugoslav correspondent, the Mongolian Government had expressed grave concern over the concentration of Chinese troops, and although it was thought unlikely that Peking would take military action, Mongolian frontier patrols have been re-inforced.

In view of the length of the border it was difficult to have an effective control, the correspondent wrote, and it was therefore still not possible to see what precisely was the purpose of China's latest move.

The fact that the Chinese troops had also been concentrated on the border with India was said to give more ground for suspicion that China may be having "intentions other than merely to prevent people from fleeing into Outer Mongolia."

The correspondent recalled that in an article published in **Pravda**, Mr. Pospelov, a member of the Soviet Communist Party Central Committee, had accused Peking of having territorial pretensions against its neighbours.

The correspondent said that as Mr. Mao Tse-tung had raised the issue of China's territorial claims in his conversations with Japanese socialists, Moscow expected Peking to raise this issue in a concrete form.

Criticism Of Mr. Mao Tse-tung:

Earlier, on September 9, Mongolia criticised the recent statements by Mr. Mao Tse-tung, Chairman of the Chinese Communist Party, and denounced his "expansionist moves and unfounded territorial pretensions regarding neighbouring Socialist countries."

The attack came in an "authorized statement" published by the Mongolian **Monzame** Press Agency and reported by **Tass**.

The statements it criticised were made by Mr. Mao Tse-tung to a group of Japanese Socialists on July 10.

The Mongolian statement condemned the attitude of "Chinese nationalists, who have always been upset by the existence of an independent Mongolian State."

(*The Times*, London and *The Times of India*, Bombay)

[Prev. ref. 6001:MON:A]

PAKISTAN

A. Khan Abdul Ghaffar Khan Leaves For England: The Red Shirt leader, Khan Abdul Ghaffar Khan, popularly known as the Frontier Gandhi, left Karachi on September 9 for London for medical treatment.

This was his first trip abroad since the birth of Pakistan. After his recent release from jail, he had been confined to his home village.

(*The Hindu*, Madras)

[Prev. ref. 5694:PAK:F]

SYRIA

A. Amnesty For Political Prisoners: The Presidency Council announced on August 28 a general amnesty covering all political prisoners as well as runaway or exiled politicians abroad.

A statement announcing the amnesty made no exceptions.

(*The Egyptian Gazette*, Cairo)

[Prev. ref. 5732:SYR:C, 5876:SYR:C]

TURKEY

A. Oil Strike: A London report on August 23 said that Mobil Exploration Mediterranean had made the richest oil discovery in the history of the country in the Selmo area of south-eastern Turkey.

Further development drilling is now in progress and two more wells are being tested. The new field is on a 54,221-acre tract in which Mobil took over an 80 per cent interest from Panoil of Dallas, leaving Panoil with the remaining 20 per cent. The oil in the field is relatively light compared with the heavy crude in the Siirt region which is processed at the

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State refinery at Batman for local consumption. The Turkish Government has approved a project for a 350 to 400-mile crude pipe-line to some point on the Mediterranean coast, either the Caltex-TPAO refinery at Izmir or the Shell-Mobil-BP plant at Mersin, but the heavy crude create some pipeline problems. A sizeable reserve of lighter crude would make the pipeline project about 20-30 per cent cheaper to build and much cheaper to operate.

N. V. Turkse Shell, the only other private company with any significant production in Turkey, has also discovered a new field of light crude in the same general region as the Mobil discovery, which has produced 600 b/d of 31° gravity in a zone the company found at 7,912 feet.

In an interview with **Petroleum Intelligence Weekly** Mr. Kemal Aksal, head of Turkey's State-owned oil company, said that within a few years the country may be able to meet all its own crude requirements. At present, the production of 72,000 b/d covers only one-fifth of local demand, but by 1968 production is expected to reach 90,000 b/d.

(*Middle East Economic Digest*, London)

[Prev. ref. 6010:TUR:B]

B. Changes In Armed Forces: Important changes in the higher ranks of the Turkish armed forces were announced in Ankara on August 21.

General Ali Keskiner, the Commander-in-Chief of the Land Forces, was replaced by General Cemal Tural, Commander of the Second Army and former Martial Law Commander in Ankara. General Keskiner became a member of the Supreme Military Council.

Lieutenant-General Refik Tulga, Commander of the Third Army based on Erzurum, became Deputy Chief of the General Staff in place of Lieutenant-General Memduh Tagmac, who took over the Third Army.

Vice-Admiral Hayadar Olcaynoyan, the Commander-in-Chief of the Fleet, became head of the Turkish standing group in Washington. His place was taken by Rear-Admiral Bahattin Ozulker. General Cevdet Sunay, the Chief of Staff, had his term of duty extended by a year.

Some of the changes—which altogether affected two full generals, three lieutenant-generals, 12 major-generals, a vice-admiral and two rear-admirals—may be connected with the internal stresses in the armed forces resulting from the abortive coup in May, 1963.

(*The Times*, London)

[Prev. ref. 5287:TUR:A]

C. Proposal For Joint Chamber Of Commerce For Turkey, Pakistan And Iran: A report prepared by the Union of Chambers of Commerce suggesting ways and means for the establishment of a joint Chamber of Commerce for Turkey, Pakistan and Iran was submitted on September 3 to the Ministry of Foreign Affairs and the Ministry of Trade.

The joint Chamber of Commerce, according to the report, will include a Conference, a Council and a Secretary. Administration will be the responsibility of the Secretariat, and the General Secretary will be a regular member of the Conference and the Council.

Members of the Council will be elected out of the members of the executive bodies of the Tehran Chamber of Commerce and the Unions of Chambers of Commerce of Pakistan, and Turkey. The number of members elected from each country may be between three and five. The head of the Council will be elected from among the heads of Unions of Chambers of Commerce in Pakistan, and Turkey and the head of the Tehran Chamber of Commerce, by rotation.

The Conference will include 10 members from each of the three countries out of the members of the executive bodies of the Union of Chambers of Commerce of Pakistan and Turkey and the Tehran Chamber of Commerce, as well as out of well-known personalities of each country in the field of commerce, industry, finance, transport, insurance and economics.

The headquarters of the joint Chamber of Commerce will operate in Tehran, Karachi and Ankara alternatively. The first centre of the operations of the joint chamber of commerce will be Tehran. Personnel will be provided by Pakistan, Turkey and Iran. An equal contribution will be made by the three countries towards the expenditure involved.

(*Dawn*, Karachi)

[Prev. ref. 5985:TUR:A]

VIET-NAM (RVN)

A. Anti-Khanh Riots—Changes In Government: The Prime Minister, General Nguyen Khanh, proclaimed an Emergency Constitution on August 16 with himself as President.

This action provoked violent demonstrations which gained considerable momentum in a week.

Student demonstrators on August 23 sacked the Government radio station in Saigon and threatened to burn down the Information Ministry unless the Government bowed to demands for more freedom.

The students complained that the radio had distorted the outcome of political talks the previous week between student leaders and President Nguyen Khanh, falsely reporting that they were satisfied.

About 500 students held two rallies during the day where leaders called for the removal of President Nguyen Khanh, scrapping of the new Constitution and shifting the Government from military to popularly elected civil rule.

The students demanded that the Constitution be annulled, that curfew and censorship be lifted immediately, that all the generals return to military units, that all members of the late President Diem's party be removed from the Government and that the Military Revolutionary Council be replaced by a civilian Revolutionary Council.

While the students were meeting, a crowd of about 3,000 Buddhists gathered at the new national pagoda on the outskirts of the Capital for a series of speeches insisting on religious freedom and demanding "elimination" of alleged anti-Buddhist elements remaining in high places from the former regime of President Diem.

Major-General Nguyen Khanh (37) became President of South Viet-Nam only ten days earlier, 6½ months after he seized power as Prime Minister in a bloodless coup.

He ousted Major-General Duong Van Minh ("Big Minh"), leader of last year's coup against President Diem, and installed him as token Head of State.

On August 16, the 58-man military junta elected General Khanh as President, completing the ousting of General Minh—and causing a wave of unease at what seemed to be the imposition of a "military dictatorship."

[A keen poker-player, General Khanh was born in South Viet-Nam in 1927, graduated from Dalat Military Academy in 1947, and joined the Viet-Minh underground resistance against the French. But after a time he joined the French, receiving higher military training both in France and the United States, and became aide-de-camp successively to General De la Tour, Commander-in-Chief, Cochin-China and General Nguyen Van Xuan, Prime Minister, under Emperor Bao Dai in 1949.]

Student and religious agitation flared into violence for the second successive day on August 24.

Youths, urged on by student leaders, stormed the Ministry of Information in Saigon a few hours after a band of teenagers had set fire to the Students' Association headquarters, wrecking the building.

A crowd of several hundred persons went past scarcely resisting police cordons at the Ministry of Information, broke down a heavy gate, and entered ground-floor offices. They made no attempt to move upstairs, where the Minister's office was, but they tipped over desks and tore up files in the lower offices.

Colonel Tran Ngoc Huyen, Deputy Minister of Information, came down to meet the students, stood patiently as they poured out their complaints, and then promised to relax Press censorship. On other demands he referred the students to the presidency.

Incidents were also reported in the northern cities of Hue, Da Nang and Qui Nhon. Reports from Da Nang said two persons were killed and number of others injured when a crowd estimated at 1,500 entered a primarily Catholic enclave and set houses on fire. Part of the crowd stoned an American enlisted men's billet nearby after American soldiers had taken photographs of them, but no casualties were reported.

In Qui Nhon, Martial Law was declared after clashes between Buddhists and Catholics, and a night curfew was imposed. Houses and shops were burned and US military personnel were confined to their quarters.

By August 25, Buddhist and student pressures became too powerful for Gen. Khanh and his supporters to resist. They decided to step down. As student demonstrators shouted outside the gates of the Presidential office, the Military Revolutionary Council voted to retract the Constitution of August 16, under which General Khanh was serving as President.

A proclamation read to thousands of demonstrators declared that the Council would meet once more to elect a Head of State and then disband. It had governed the country since the overthrow of President Ngo Dinh Diem on November 1, 1963.

The proclamation said the man named Head of State would have the responsibility of convening a "national congress in order to achieve a national structure consistent with the aspirations of the people". The new structure would have the purpose "of struggling against the communists, neutralists, colonialists and all other forms of dictatorship and of rebuilding the country in freedom and democracy".

Thousands of youths paraded the streets earlier in the day to continue political and religious demonstrations. As the students were demonstrating, a large plastic explosive went off in the Hotel Caravelle, gutting rooms on the entire fifth floor.

The day's meetings followed outbreaks of anti-Government violence in four major cities. Fire, destruction and deaths

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brought the Buddhist-Roman Catholic conflicts and the opposition to General Khanh's emergency rule to a head.

At a secret meeting between General Khanh and three of the country's most influential Buddhists—Thich Tam Chau, Thich Tri Quang and Thich Thien Minh—on August 24 the Buddhist Secular Institute presented a firm ultimatum to General Khanh, asking that he withdraw his 'strong man' rule.

The combination of Buddhist, student and Viet-Cong agitation in Saigon turned the Capital into a city verging for a few hours on the brink of anarchy. Students again broke into the national radio station. They caused damage but failed to get on the air.

A communique on the replacement of President Khanh, broadcast by Saigon Radio said: "At a meeting this morning at Armed Forces High Command, the Military Revolutionary Council decided:

"(1) To repeal the August 16 charter;

"(2) To call an urgent general assembly of the Military Revolutionary Council to elect a new leader for the nation;

"(3) After the election of a national leader the Military Revolutionary Council will dissolve itself and each member will return to his military functions to lead the struggle against Communism, neutralism, colonialism and all forms of dictatorship;

"(4) To entrust the national leader with the summoning of a national convention to set up national institutions in keeping with the aspirations of the whole people in the struggle against Communism, neutralism, colonialism and all forms of dictatorship in order to rebuild the nation in freedom and democracy;

"(5) Pending these changes the present Government will direct the affairs of the nation."

Provisional Accord:

On August 26, the Generals reached a provisional accord to "lead the nation" soon after Government troops opened fire to quell thousands of demonstrators threatening to storm the military headquarters.

After arriving at this uneasy compromise, the Military Revolutionary Council, the country's supreme governing body since the overthrow of Mr. Diem, dissolved itself.

During the final hours of the Council's deliberations, a predominantly Roman Catholic crowd was pressing at the gates of the military headquarters where the meeting was taking place, demanding an end to the three-day-old crisis. At the same time street fighting between Buddhists and Roman Catholics broke out in several parts of central Saigon, taking at least six lives and causing many more injured.

For the first time since the start of the street violence, Government troops on August 27 opened fire on a mob. Six persons were seen being carried away in ambulances, at least four of them dead.

A joint communique from the Saigon Archbishopric and the Buddhist Secular Institute urged calm. A similar appeal from the three Generals was broadcast and distributed in leaflets dropped from helicopters over streets where angry crowds were forming.

The Military Revolutionary Council's final communique said:

"The Republic of Viet-Nam armed forces will return to their purely military mission of protecting the nation and fighting communism, neutralism, colonialism, and all forms of dictatorship and betrayal.

"The present Government will temporarily carry on the affairs of the nation and will convene a national convention within two months. The national convention is entrusted with the task of electing a provisional leader for the nation and establishing....national institutions which will oppose communism, neutralism and colonialism...."

Neither the communique nor the Generals' appeal stirred much hope for early stability in the Government.

Under the provisional accord the country was to have collective leadership under the triumvirate called the Committee for National Guidance.

The Committee was to comprise the former President, Gen. Minh, Gen. Khanh, and Gen. Tran Thien Khiem who was recently promoted to become the highest ranking General.

Acting Premier Appointed:

It was announced on August 29 that Major-General Khanh was ill and that the Vice-Premier, Dr. Nguyen Xuan Oanh, had been appointed by the triumvirate as acting Prime Minister.

Dr. Oanh, former economics lecturer at Harvard University, told a news conference that Gen. Khanh was at a resort under medical treatment following the extreme strain of the recent crisis.

He said there would be no re-shuffle and the Government was still that of Gen. Khanh.

The announcement was widely interpreted as confirming reports that Gen. Khanh had been virtually squeezed out of power by Gen. Duong Van Minh and Gen. Tran Thien Khiem, the two other members of the triumvirate.

Some reports indicated that Gen. Khanh had been included in the triumvirate and kept as Premier largely because USA had made commitments to him and might find it difficult to support a new leadership which excluded him.

Dr. Oanh described Gen. Khanh as "quite ill, perhaps mentally more than physically," but added that he did not mean he was mentally ill. It was expected that he would need "a long period of medical treatment."

Asked how the triumvirate would operate without Gen. Khanh's presence, he said he was sure the General was being consulted on all main decisions.

The Government established by Gen. Khanh last February was asked to carry on for two months and call a national convention to prepare for democratic institutions.

Maj.-Gen. N. Khanh Resumes As Premier:

Major-General Nguyen Khanh returned to Saigon on September 3 as Prime Minister and began attempting to form a new Government.

His first actions were to dissolve the military triumvirate created in the last week of August and to restore Gen. Duong Van Minh as Head of State.

These moves suggested General Khanh's desire to return to the type of Government he had headed before August 16, when he ousted General Minh and greatly expanded his own powers under a new Constitution. This change was followed by public protests.

It was believed that the resignation of Dr. Nguyen Ton Hown, First Deputy Prime Minister and one of General Khanh's chief political rivals, hastened his return. Dr. Nguyen Ton Hown is a leader of the nationalistic Dai Viet movement.

In Hue, meanwhile, General Duong Van Minh delivered a stern warning to Buddhist and student groups that they must support the central Government. "We must have unity to avert catastrophe", he said, "and we must unite before the country falls to the communists."

He also urged the Buddhists to end their distrust and harassment of the Can Lao, a predominantly Roman Catholic political party formed by supporters of the late President Ngo Dinh Diem. "Not all members of the Can Lao are criminals", he said. "Those who are should be tried for their acts. The others should be let alone."

Dr. Nguyen Xuan Oanh, who was acting Prime Minister during General Khanh's absence, promised audiences in Hue that a 15-member citizens' committee, representative of the diverse population, would soon be named.

Officers of the United States military assistance command displayed no optimism as they discussed military operations during August against the Viet-Cong insurgents. Although patrols by the Government forces were substantially intensified, actual contact with the Viet-Cong declined. In almost 63,000 separate actions in August, the Government Army encountered the communist guerrillas on only 360 occasions.

American officers were inclined to blame the Army's intelligence-gathering net-work.

(*The New York Times*)

[Prev. ref. 6024:RVN:D]

B. British Support To US Policy: The British Foreign Office issued a statement on September 1 re-affirming sympathy and support for the struggle of the people of South Viet-Nam to maintain their independence.

It also said that Britain intended to expand her programme of technical assistance to that country.

The statement came at the end of the discussions between the British Foreign Secretary, Mr. R. A. Butler, and Mr. Henry Cabot Lodge, special emissary of the US President who had been on a tour of NATO capitals. (An account of his earlier talks with NATO leaders appeared on page 6048).

The statement said that the Ministers had reviewed the threat to the Republic of Viet-Nam from Communist rebellion and subversion directed and inspired from the North, and the efforts of the Viet-Namese Government to defeat this menace, which had wide implications for the survival of freedom elsewhere in South-East Asia.

They discussed ways in which friendly Governments could assist the Republic of Viet-Nam. Mr. Butler described the assistance Britain was already giving, which included the services over the last three years of the British advisory mission in Saigon, the provision of training last year for over 300 South Viet-Namese police and civil guards, and other technical assistance projects.

Mr. Lodge's trip arose primarily out of the incidents in the Gulf of Tonkin in July. President Johnson was anxious that his allies should understand the policies that lay behind the retaliation against North Viet-Nam.

Most of the NATO countries, except France, gave reasonably full support in public, but there were private fears that the United States would extend the war.

The British Government has been more forthcoming than most. There was immediate support for the retaliation. There is a British advisory mission in South Viet-Nam and a certain amount of aid is provided under the Colombo Plan.

(*BIS* and *The New York Times*)

[Prev. ref. 6019:VND:A]

YEMEN

A. UN Mission To Be Withdrawn: The UN Secretary-Gene-

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ral, U Thant, announced on September 2 his decision to terminate the UN Observer Mission in Yemen, but expressed the hope that the Governments of Saudi Arabia and UAR would make sincere efforts to settle their "needless and meaningless dispute" over Yemen.

U Thant in his report to the Security Council regretted that the Yemen Mission which was set up to observe the disengagement agreement in Yemen between UAR and Saudi Arabia, had been able to see only limited progress. But, he said the regret was tempered by the fact that the potential threat to international peace and security had been greatly diminished by the presence of the mission.

He said it was not possible to assess the likely effect of the withdrawal of the Mission at this time.

Earlier in his report, he said UAR military operations in Yemen had met with some success and additional tribes there had rallied to the Government of the Yemen Republic. There was indication that Yemeni Royalists had continued to receive military supplies from external sources. The report said the movement of increased traffic from Saudi Arabia to Royalist areas in Yemen had been observed, but no military supplies had been discovered.

The UAR authorities had shown UN Observers weapons and ammunition recovered from Yemeni Royalists from whose markings it would appear they were supplied by USA to Saudi Arabia in 1964. Saudi Arabian authorities, however, had emphatically denied that any such material had been given by them to the Royalists.

(*The Hindu*, Madras)

[Prev. ref. 6025:YEM:C]

ASIA OUTSIDE ASIA

SUMMARY: Financial Statement Of World Bank; British Exports To Middle East; USA Launches "Explorer XX".

A. Financial Statement Of World Bank For 1963-64: The International Bank for Reconstruction and Development (World Bank) reported a net income of £97,500,000 for the fiscal year ended June 30, 1964.

A United Nations hand-out on August 21 said that loan commissions earned during the year amounted to $33,200,000 and were credited to the Special Reserve, increasing it to $288,100,000. These figures compared to net earnings of $82,700,000 and loan commissions of $31,300,000 in the fiscal year 1963.

Effective July 1, 1964, the treatment of a portion of loan charges, amounting to one per cent a year of the disbursed and outstanding portion of loans held by the Bank, as commission, and its automatic allocation to the Special Reserve, was discontinued. With minor exceptions, all income from loans thereafter will be considered as regular income, and future allocations to the Special Reserve will be a matter for the Bank's Executive Directors to decide.

Net income for the fiscal year 1964 was credited to Net Income Account, in conformity with a resolution adopted by the Executive Directors in September, 1963, and noted with approval by the Board of Governors.

On July 30, 1964 the Executive Directors allocated $47.5 million from the year's net income to the Supplemental Reserve, increasing it to $605.6 million. This increased the total reserves, including the Special Reserve, to $893.7 million. As to the remaining $50 million of the year's net earnings, the Executive Directors recommended to the Board of Governors, for action at its annual meeting in Tokyo, that this sum be transferred to the Bank's affiliate, the International Development Association.

Effective July 1, 1964, the annual commitment charge on undisbursed portions of the Bank's loans, including existing loans, was reduced from ¾ of 1 per cent to ¾ of 1 per cent.

Gross income for the fiscal year 1964, exclusive of loan commissions, was $219.1 million, compared with $203.9 million in the preceding year. Expenses, which included $163.6 million for interest on Bank borrowing and other financial expenses, totalled $121.7 million, compared with $121.2 million last year.

During the year, the Bank made 37 loans totalling $809.9 million, compared with a total of $448.7 million last year. The loans were made to Algeria, Chile (two loans), Formosa, Colombia (two loans), Costa Rica, Denmark, Ecuador, El Salvador, Ethiopia, Finland, Iran, Japan (two loans), Liberia, Malaysia (two loans), Malta, Mauritius, Mexico, New Zealand (two loans), Nigeria, Norway, Pakistan (three loans), Peru (two loans), Portual (two loans), Spain, Thailand, Tunisia, Venezuela and Yugoslavia.

This brought the total number of loans, granted since the beginning of operations, to 386 in 73 countries and territories and raised the gross total of commitments to $7,931.3 million. By June 30, as a result of cancellations, exchange adjustments, repayments and sales of loans, the portion of loans signed still retained by the Bank had been reduced to $5,191.9 million.

During the year, the Bank sold or agreed to sell $173.3 million principal amounts of loans, compared with sales of $273.3 million last year. On June 30, the total of such sales was $1,778.6 million, of which all except $69 million had been made without the Bank's guarantee.

Total principal repayments amounted to $1,586.2 million on June 30, consisting of $772.7 million repaid to the Bank, and $613.5 million repaid to purchasers of borrowers' obligations sold by the Bank.

On June 30, the outstanding funded debt of the Bank was $2,491.8 million, reflecting a net decrease of $27.4 million in the past year. During the year, the funded debt was increased by $104.5 million through the private placement of a $100 million United States dollars bond issue and the delivery of $4.5 million of bonds which had been subject to delayed delivery arangements. The debt was decreased by $131.9 million as a result of the maturing of the equivalent of $107.8 million of bonds and of sinking fund and purchase fund transactions amounting to $24.1 million.

During the fiscal year, the following 17 countries became members of the Bank: Algeria, Burundi, Cameroun, Central African Republic, Chad, Congo (Brazzaville), Congo (Leopoldville), Dahomey, Gabon, Guinea, Kenya, Malagasy Republic, Mali, Mauretania, Ruanda, Trinidad and Tobago, and Uganda. Subscribed capital amounted to $21,186 million on June 30, 1964.

(*United Nations*)

[Prev. ref. 5093:AOA:C]

B. British Exports To Middle East And African Countries: Statistical information available in London on August 14 shows that British exports to the Middle East and some African countries for the first six months of this year (£140,-750,866) had kept pace with the same period last year.

	January-June 1962	January-June 1963	January-June 1964
UAR	11,658,369	16,037,326	16,011,913
Israel	11,762,086	11,297,816	15,251,188
Iran	11,755,833	14,645,305	13,258,920
Sudan	12,755,624	13,418,309	11,994,383
Iraq	10,788,431	8,843,268	10,497,707
Kuwait	8,831,694	11,738,541	10,483,860
Turkey	10,529,218	14,274,365	9,879,765
Libya	6,154,761	7,503,045	8,861,641
Lebanon	6,040,013	6,554,235	7,476,997
Saudi Arabia	5,246,890	4,048,907	6,945,689
Aden and Protectorate of South Arabia	5,521,678	6,183,330	6,598,054
Jordan	3,612,275	4,284,121	4,131,005
Bahrain	4,378,657	4,076,340	3,743,814
Syria	3,681,036	4,888,167	3,284,062
Morocco	2,320,872	2,656,795	2,832,581
Trucial States	2,074,099	2,083,420	1,683,954
Ethiopia	1,282,720	1,481,356	1,587,948
Tunisia	1,131,884	1,410,079	1,540,863
Qatar	2,700,527	1,921,057	1,372,583
Abu Dhabi	—	1,788,930	1,265,444
Algeria	1,52,007	676,861	1,245,902
Muscat and Oman	539,370	115,560	11,167
Yemen	15,513	673,886	792,026
	£	£	£
Total	125,934,457	140,501,019	140,750,866

(*Middle East Economic Digest*, London)

[Prev. ref. 5602:AOA:D]

C. UN Homage To Late John F. Kennedy: The United Nations issued a book on August 26 in memory of the late US President, Mr. John F. Kennedy.

The book, a 93-page volume, is entitled "Homage to a friend—a memorial tribute by the United Nations for President John F. Kennedy".

It contains speeches in praise of Mr. Kennedy made at the UN General Assembly's commemorative meeting on November 26, 1963, four days after he was shot to death in Dallas, Texas.

Interleaved among the speeches are quotations from Mr. Kennedy about United Nations and photographs taken at UN Headquarters in the days after his death and on the occasion of his visit to UN two months earlier.

The United States Committee for United Nations published the book, but the UN Office of Public Information provided the text, photographs and design. The US Committee contracted for the printing and binding with the help of a grant from an educational foundation called Intercharge.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5600:AOA:A]

D. USA Launches Weather-Watching Satellite: USA's new weather-watching satellite, *Nimbus I*, rocketed into orbit on August 28, sent back excellent pictures of cloud-cover over the Gulf of Mexico a few hours after it was launched.

Other pictures were expected later in the day from Nimbus' cameras, which are designed to operate in day-time or night-time. The first picture showed the Gulf of Mexico and parts of the states of Texas, Louisiana and Florida.

The 830-lb Nimbus, largest meteorological satellite ever sent aloft, did not go into the circular 575-mile-high orbit planned for it, but instead entered an egg-shaped path over the Earth's Poles ranging from 262 to 578 miles in height.

Nimbus was sent aloft to provide the first television coverage of the entire Earth in a 24-hour period by a weather satellite, as well as the first pictures of the night-darkened half of Earth.

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Its highly successful Tiros predecessors covered about one-fifth of the Earth in the same period, because their cameras were not always facing Earth.

Nimbus also carried an "automatic picture transmission system" to televise local weather patterns to foreign tracking stations as it passes over them. The stations are in Bombay, India; Lannion, France, Berkshire, England; Offensbach am Main, West Germany; Melbourne, and Salisbury, Australia; Bandung, Indonesia; San Jose Dos Campos, Brazil; Berne, Switzerland; and Tuchumna, Argentina.

Nimbus' day-time cameras, an advanced system being flown for the first time, are capable of relaying to special stations 1,200 photos in a 24-hour period.

Nimbus I transmitted to Earth on August 29 a steady stream of pictures rated as the best ever from a US weather satellite.

In one four-picture sequence, the satellite mapped weather from Hudson Bay (Canada), the Great Lakes, along the US Atlantic coast, down to Florida, including the tropical storm "Cleo" even showing the coast of Venezuela.

(*USIS*, New Delhi)

[Prev. ref. 5624:AOA:G]

E. USA To Hold Sea-Air Exercises In Pacific: The United States plans to hold sea-air exercises in the Pacific in October to assess her ability to resume atmospheric nuclear testing, should the need arise.

It was officially stated in Washington on September 8 that the exercises will take place near Johnson Island and will not involve any explosions. The exercises are expected to be over early in November.

(*The Times of India*, Bombay)

[Prev. ref. 5487:AOA:A]

F. "Aluminaut" Submarine Launched In USA: The world's deepest diving submarine, *Aluminaut*, designed to reach depths of three miles, was launched on September 2 at Groton, Connecticut (USA).

Built for a private firm, Reynolds International Incorporated, the 50-foot-long aluminium vessel is to be used for research and exploration.

Mr. Nitze, Secretary of the Navy, at the launching ceremony said the Aluminaut would "open to man the underseas areas which had lain hidden in total darkness since the genesis of the planet".

He added: "The potential which this craft has for exploration, for ocean bottom construction, and for other tasks of which we cannot yet ever conceive is of tremendous importance for the nation and the entire 'free' world."

Noting that the United States Navy's investment in oceanography had increased from $23 million (about £8 million) in 1960 to $66 million (about £23 million) in 1965, he said the Navy was now adding eight new vessels designed for exploration and research of ocean depths, and six ships had been built for oceanographic institutions for use in research to support Navy programmes.

(*The Times*, London)

[Prev. ref. 5695:AOA:C]

G. US Satellite Fails: A US Space Agency spokesman said at Cape Kennedy on September 5 that *Ogo*, America's new space satellite, had been unsuccessful.

One of the main antennae which it was planned to unfold from the satellite as it flew through space failed to operate.

The satellite also failed to "acquire the Earth" in a space manoeuvre designed to line it up in a proper position to send information back to Earth.

Ogo, which was launched on September 4, was commanded into a "hold" position to conserve its power while the trouble was being analyzed and its cause determined. It was capable of performing 20 high altitude scientific experiments simultaneously.

An Atlas Agena-B rocket lifted the satellite. It was shaped like a giant insect whose wings were covered with thousands of solar cells.

(*The Times of India*, Bombay)

H. "Titan 3-A" Fails: A powerful new *Titan 3-A* rocket was fired on its first test flight at Cape Kennedy on September 1, but failed to put its third stage into orbit as a flying launch platform.

The third stage, or "transtage", after completing one orbit had been intended to launch a 3,750-lb satellite into a separate orbit.

However, Brigadier-General Joseph Bleymaier, in charge of the Titan project, said the rocket had met 95 per cent of its goals on its initial test flight.

The first and second stages ignited and burned for the prescribed time, he said, and the third stage had burned for nearly its full time of 419 seconds before radio contact was lost 13 minutes after the lift-off.

Almost two hours later the Air Force said the third stage had failed to achieve orbit.

The "transtage" was intended to go into an orbit 115 miles high and then make one 100-minute circle of the Earth before launching the payload satellite into a separate orbit.

(*The Statesman*, Calcutta)

[Prev. ref. 5937:AOA:I]

I. "Explorer XX" Launched: A new US satellite, *Explorer XX* shot into orbit on August 25 to map the top side of the radio-reflecting ionosphere which surrounds the Earth.

England and Canada, with seven special information-gathering stations around the world, took part in the project. The stations will receive information in the form of "ionograms"—charts of the make-up and density of the ionosphere.

A four-stage rocket aimed the 97-lb craft into a path 620 miles high over the Earth's Poles.

The National Aeronautics and Space Administration (NASA) announced that the satellite's scientific instruments were working well. The precise orbital path was not immediately known.

By mapping the entire upper side of the ionosphere world-wide, Explorer XX is expected to pin-point irregularities and "weak spots" that are believed to cause disruptions in long-distance communications.

The ionosphere, ionized or electrified layers of atomic particles surrounding the Earth, normally serves as a mirror to bounce radio signals between distant points on Earth. Irregularities, such as shifts and shredding, permit radio signals to zip through into outer space, causing communication blackouts, instead of bouncing back to Earth.

(*USIS*, New Delhi)

[Prev. ref. 5937:AOA:I]

J. Middle East Oil Production For January-June, 1964: The following table prepared in August gives the figures of oil production in Middle East countries for the six-month period ended June, 1964: (The figures are in thousands of metric tons).

Country	January-July 1963	July-December 1963	January-June 1964
Kuwait	47,700	48,497	53,700
Iran	36,828	36,361	41,000
Saudi Arabia	40,015	41,030	40,750
Iraq	27,040	29,630	30,073
Libya	8,180	13,920	18,000
Algeria	11,770	12,110	13,000
Kuwait Neutral Zone	8,183	8,673	10,000
Qatar	4,473	4,622	4,438
Abu Dhabi	885	1,598	3,753
UAR	2,878	3,100	3,330
Bahrain	1,117	1,141	1,150
Turkey	338	390	380
Israel	73	77	85
Morocco	73	77	80
Total —Middle East	189,553	201,226	219,794
—world	637,757	665,707	689,209

Increases are shown for every country (except for a very slight decrease in Qatar). The proportion of oil from this group of countries has remained fairly static during the last six months, at 31.9 per cent and 32 per cent of the world total.

(*Middle East Economic Digest*, London)

[Prev. ref. 2356:AOA:G]

K. Venus Spinning Backwards: It was reported in Hamburg on August 27 that radar observations from two observatories using three different techniques had all shown that Venus was slowly spinning backwards.

Consequently, after several years of debate, astronomers were beginning to accept the proposition that Venus is really spinning against the traffic pattern of the entire solar system. Why it should do so is a mystery. It has not been possible to observe its spin visually, as its surface is obscured by clouds.

The new results were described by Dr. Gordon H. Pettengill, of Cornell University, based chiefly on observations by the world's largest dish-shaped antenna, 1,000 feet wide, in Puerto Rico.

The observations began in mid-February and will continue until October, Venus having made its closest approach to the Earth on June 19. Using the stars as a reference frame, the planet spins once every 247 days, with a possible error of five days.

Since the planet circles the Sun every 225 days, the combination of these motions makes the Venus day equal to roughly 118 days on Earth. The Venus spin axis appears to be tilted six degrees or less from being perpendicular to the plane of its orbit around the Sun. Hence seasonal changes are slight.

(*The Times*, London)

[Prev. ref. 5625:AOA:N]

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ASIAN RECORDER

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AFGHANISTAN

A. Foreign Trade During 1963: Since the reforms in the exchange system introducing a uniform rate of 45 afghanis to the dollar were carried out in March, 1963, it has become possible to draw up figures for Afghanistan's foreign trade with her principal trading partners.

The trade deficit is growing steadily; in 1962-63 the value of imports amounted to twice that of exports. Imports totalled $115.9 million compared with $99 million in 1961-62 and $86.7 million in 1960-61. Exports amounted to $58.8 million compared with $53.3 million in 1961-62 and $49.8 million in 1960-61.

Afghanistan's most important customer is the Soviet Union which receives almost half of all Afghan exports, $23 million in 1963. Most of the remaining exports went to the United States and India, USA purchasing $9 million and India $8 million. Exports to Britain amounted to $7.6 million and to West Germany about $4.3 million. The main commodity exported to USA and Britain is karakul, but West Germany imported more varied articles, notably carpets, catgut and wool. The four main commodities upon which Afghanistan's export trade depends are karakul, dried fruit, wool and cotton.

The Soviet Union is also Afghanistan's principal supplier, accounting for almost two-thirds of Afghanistan's total imports, over $72 million in 1963. The United States comes next, with $10.9 million largely accounted for by supplies of wheat and motor cars and lorries. India and Japan hold third and fourth place with $8 million and $7 million respectively in 1963, supplying textiles and textile machinery, and bicycles. The Eastern bloc countries are also active in this field, especially Czechoslovakia, and West Germany is taking advantage of the demand for cars and machinery, chemicals and pharmaceuticals.

(*Middle East Economic Digest*, London)

[Prev. ref. 5655:INI:D]

CEYLON

A. Mrs. S. Bandaranaike On Proposed Press Legislation: The Prime Minister, Mrs. Sirimavo Bandaranaike, in a broadcast over *Radio Ceylon* on August 30 defended the Government move to control the Press.

She said that Press Councils had been set up in various countries, including enlightened democracies such as the United Kingdom. "Even in England where the freedom of the Press has become firmly established only during the past 100 years the public tolerates publications only so long as 'they do not tend to endanger the State, outrage morality, or unjustifiably cause injury to individuals'.

"In Ceylon, however, owing to the unbridled freedom that has been allowed to the Press by the absence of any form of control, certain sections of the Press have not only tended to endanger the security of the State and outrage morality, but have even unjustifiably caused untold injury to many individuals.

"My Government does not object to fair and legitimate criticism by the Press, but we do not wish to be subjected to unfair attacks based on false or incorrect premises, I regret to say that this is what is happening almost every day."

She said that "all this unnecessary agitation" was over "a tentative draft of a Bill" which would be subject to amendment and which she was confident would ultimately be "acceptable to all."

She said the draft Bill provided for the establishment of a Press Council and a tribunal to be appointed by the Judicial Service Commission, an independent body. This, she said, would ensure that both would be free of any political influence.

She also announced that further legislation would be introduced to spread the ownership of existing monopolies. A national news agency would be set up for the reception of foreign news.

Press Commission's Report Criticized:

Earlier on August 17, leaders and members of all Opposition parties criticized the *interim* report of the Press Commission when the House of Representatives met to discuss the budget in committee.

Mr. J. R. Jayewardene, deputy leader of the United National Party, said a select committee of the House should be appointed to go into the report, because control of the Press was not a decision which should be taken arbitrarily.

He said the Government had from time to time taken steps to deny freedoms enjoyed by the people. During her recent visit to London the Prime Minister, Mrs. S. Bandaranaike had said that the next elections would not be postponed, but no such statement had yet been made to the House of Representatives or to the country at large.

He said his party would be happy if the monopoly of the Press was destroyed, if there was such a monopoly, but the Government intended to set up a State monopoly. The remedy was worse than the disease; the Government should try to correct the ills of the Press instead of taking it over.

Mr. S. J. V. Chelvanayagam said he endorsed what Mr. Jayewardene had said about the Government's intentions.

Mr. W. Dahanayake, who was "caretaker" Prime Minister after the assassination of Mr. S. W. R. D. Bandaranaike, said the Press Commissioners should be ashamed of their report; effigies of the three Commissioners should be burnt on Galle Face Green, a popular promenade in Colombo. The Government, he declared, would next try to control the minds and actions of the people.

Mr. K. M. P. Rajaratne, leader of the National Revival Front, asked how the Press Commission could submit its conclusions in an interim report when it had not yet finished its work. The Government should await the Commission's final report and allow it to be discussed in the House of Representatives before any action was taken because all Opposition parties, including the Trotskyites when they were in the Opposition, had opposed the Commission.

On August 24, Mr. W. Dahanayake, described the Press Commission's interim report as a "piece of trickery on the people."

Speaking during discussion of the budget in committee in the House of Representatives, he asked the Government why it wanted to consider the Press Bill even before the Commission's report was discussed in Parliament. Reasonable and recognized democratic procedure, he said, would be for the report to be presented in the House and to allow a full dress debate.

Mr. Philip Gunawardena, leader of the Mahajana Eksath Peramuna (People's United Front), declared on August 23 that he would not allow the Government to take over the Press and do whatever it wanted. Addressing a youth league conference of his party, Mr. Gunawardena, who was a Minister under the late Prime Minister, Mr. Solomon Bandaranaike, said that freedom of the Press was vital in a democratic country and attempts to destroy it were meant to destroy democracy itself.

(*The Times of Ceylon*, Colombo and *The Hindu*, Madras)

[Prev. ref. 6015:CEY:A]

CHINA

A. Mr. Mao Spells Out Lines Of Succession: Mr. Mao Tse-tung has decreed that the future rulers of China be drawn from the worker, poor peasant and lower middle-peasant classes.

The call for training successors to the leadership was published as an editorial in the Peking People's Daily. It was not, as are many of them, circulated internationally.

The editorial said the leadership requirements were handed down by Mr. Mao, but did not disclose when or on what occasion.

He made these stipulations for the China rulers of the future: "They must be genuine Marxist-Leninists." That is, they should push Mr. Mao's revolutionary line rather than Mr. Khruschev's "revisionist" line.

"They must be revolutionaries, who wholeheartedly serve the overwhelming majority of the people of China and the whole world."

Under this heading, Mr. Mao struck at "individualism, and national egoism".

"They must be proletarian political leaders, capable of rallying and working with the overwhelming majority."

In spelling this out, he said: "There may be some intractable elements, but they can only be a very small minority. When the majority is united, the few incorrigible diehards will be isolated.

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"They must set an example in applying the party's democratic centralism, must master the methods of leadership and must cultivate a democratic style of work and be good at listening to the masses."

He lashed out at those who "welcome flattery and turn like a wounded tiger on those who raise criticism." He called them the greatest enemy in relations between party and population.

"They must be modest and prudent and guard against arrogance and impetuosity. They must be imbued with the spirit of self-criticism and have the courage to correct mistakes and shortcomings in their work."

He did not rule out the possibility that leaders might come from other classes, but he said the peasants and workers must "account for the great majority of the leadership of the revolutionary rank of the proletariat."

If the formula were to be applied to the present ruling group, many of them would be eliminated. Most are of bourgeois and rich-peasant origin and many are university graduates.

(*The Statesman*, Calcutta)

[Prev. ref. 6004:CHI:A]

B. Mr. N. Khruschev On Soviet Claims To Sinkiang: The Soviet Prime Minister, Mr. N. Khruschev, told a group of Japanese parliamentarians on September 13 that Chinese Sinkiang "is not China."

He said that USSR did not lack arguments for staking claims to frontier portions of Chinese territory, if necessary.

He said: "USSR could not fail to defend its frontiers. Any one who crossed them will get the counter-blow that is necessary.

"Mr. Mao Tse-tung says that USSR is too big a country and that Czarist Russia conquered too much Chinese territory.

"I do not want to defend Czarism. The Czars and the Chinese emperors were the same sort. But the Chinese emperors conquered Inner Mongolia, Manchuria, Tibet and Sinkiang. And Sinkiang is not China. Kazakhs and Uighurs live there.

"The majority of Kazakhs and Kirghizes live in Soviet Kazakhstan and Kirghizia, but populations of the Kazakh, Kirghiz and even Uzbek races live in Sinkiang.

"Likewise Mongolia, which exists as an independent State, has only half its population. The other half, of the Mongol race, lives in China.

"Mr. Mao Tse-tung wants to settle political questions not on a political basis but on an ethnographical basis. If they want to talk on that basis, we do not lack arguments. Kazakhstan itself must decide its own destiny. We support the desires of the peoples. China must do the same."

(*The Times of India*, Bombay)

[Prev. ref. 5905:CHI:B]

C. Chinese Trade With The West: Authoritative diplomatic sources in London reported on August 31 that China, veering steadily away from the Soviet Union, was now carrying out the bulk of her trade with the West amid signs of an even further shift towards Western Europe.

More than half of China's foreign trade was now conducted with the West and Peking currently was seeking delivery of entire industrial plants by the major West European Powers.

Peking's trade with Moscow, at one time the chief channel of supply, had been cut down drastically and the volume continued to recede.

During the last 12 months, China had stepped up her imports from Western nations by about one-third, while dealings with the Soviet Union had fallen at about the same rate.

Peking was understood to be making inquiries currently about the delivery of variety of industrial plants in Britain, France, Italy, West Germany and Japan.

An improvement in the internal economic position and of her exports were said to make possible for China to step up her purchases in the West.

Having developed differences with Russia, who was the main supplier of industrial equipment, Peking now was reorientating her economy toward Western machinery.

Peking's currency resources are limited and it still has only limited supplies of goods to offer.

At the present time, nevertheless, China is seeking chemical and fertilizer plants in Britain. It has bought transport planes from Britain and apparently wants more.

British shipbuilders indicate that Peking is interested in British ships and a British mission recently visited the country to orientate itelf about the prospects for orders.

France, since recognizing the Peking regime, also has been showing more interest in orders from Communist China.

The Chinese also are interested in oil refineries from France and Italy. Orders for industrial plant to the value of about £40 million were reported to have been placed by Peking in Western Europe so far.

A major British exhibition is scheduled to be opened in China in November, planned as the biggest foreign exhibition there in many years.

At the same time, China is keeping up wheat purchases from Canada and Australia, which began when Peking faced starvation because of consecutive bad harvests.

Peking was said to have ordered for the current year between five and six million tons of wheat, the bulk from Canada and Australia. But some orders also had been placed in Argentina and France. Wheat purchases were expected to continue.

The estimates were that China's overall trade with the West, including Japan, now runs to the tune of about £600 million both ways. A further increase is forecast for the immediate future.

The chief source of China's foreign currency is Hong Kong, through which the bulk of Peking's transaction is directed.

(*The Egyptian Gazette*, Cairo)

[Prev. ref. 5641:CHI:E]

INDIA

SUMMARY: No-Confidence Motion Against Government; Food Crisis; CPI Charge Against Mr. Mao Tse-tung; West German Credit; New Solicitor-General.

A. No-Confidence Motion Against Government In Lok Sabha: A no-confidence motion against the Central Government was moved in the Lok Sabha on September 11.

The gravamen of the charges against the 17-year-old Congress *regime* was that there was "now a crisis in every field—social, political, economic and moral—for which the Government alone was responsible."

The debate lasted one week.

Initiating the debate on the motion, the mover, Mr. N. C. Chatterjee (Independent) said he was constrained to express his lack of confidence in the Central Council of Ministers because of its shortcomings. He presented a seven-point charge-sheet, which included "failure to protect our economic independence on account of the policy of increasing reliance on foreign private capital, supine dependence on imports of goods, increasing submission to private monopolists black-marketeers and profiteers, failure to hold the price-line, failure to provide security of life and property to a citizen even within 100 yards of the Prime Minister's residence and failure to maintain purity in elections."

On external policies, he charged the Government with failure to protect the interests of Indian nationals abroad and to maintain the territorial integrity of the country by opening up negotiations on closed issues and inadequate defence preparedness resulting in "disgraceful yet pliant surrender before bullying neighbours".

He also accused the Government of using the State of emergency for its own purposes and not to expel the Chinese aggressor.

He considered it strange that the Sadachar Samiti, which had been set up to deal with corruption, had been disowned by the Congress Party as well as the Prime Minister. They had also refused to hold an inquiry into the charges made by some "honest Congressmen" of Kerala against their Chief Minister, with the result that the Ministry had been ousted and President's rule promulgated in the State.

The Debate:

The leader of the "Rightist" Communist group, Mr. H. N. Mukherji, saw signs of a danger of the Five-Year Plan goals (which had been approved by the late Prime Minister, Mr. Nehru) being lowered as the present Cabinet included "go-slow and cautious people."

While refusing to support the no-confidence motion, Acharya J. B. Kripalani (Independent) recalled his first warning in 1950 regarding the threat to Tibet and said that the same fate would overtake the South-East Asian region. It was, therefore, necessary for countries like India, Japan and Australia to come to an understanding, not necessarily a military alliance.

He gave two reasons for not supporting the motion. First, the Government, technically speaking, had "inherited the bunglings of the previous 17-year-old regime"; secondly, the Communists were among the sponsors of the motion unlike the previous occasion when the CPI had remained aloof; that made a difference for him.

All the same, he said, the Government had lost all moral right to govern. He was critical of the Food Minister's "supercilious attitude" and his imputation of motives to the Opposition instead of owning up the failure on the food front.

He then caricatured the situation within the Congress Party. "In Orissa, when Dr. Mahtab accused his successors of corruption, they recalled that he had initiated it. In Bihar, 50 legislators made a representation to the Congress President." It was the same story in Gujerat and Rajasthan. The Chief Minister of Madhya Pradesh had volunteered to have an inquiry. The same was the case in Mysore. In Andhra, "one Reddy was fighting another Reddy." The situation in Kerala was "wonderful". Many of the high officials and ambassadors abroad belonged to Kerala, but within the State itself, the people could not manage their own affairs. Uttar Pradesh was in a class by itself.

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It had gone beyond every other State. Even in the Cabinet there, they had "dissidents, not ministerialists."

Mr. Frank Anthony (Independent), who also opposed the no-confidence motion, said the greatest danger now was lawlessness and indiscipline among politicians. He would welcome President's Rule in many States. He saw "neither sense nor logic" in the no-confidence motion. Was the Opposition prepared to take over if the present Government went out of office? In spite of all shortcomings, he asserted, the Congress had stood between the country and chaos.

The new Swatantra Party representative, Mr. N. Dandekar, while not supporting the motion, attacked the Government's economic and political policies. He attributed the present economic situation to "the failure of the Second Plan and the impending failure of the Third." This was because only financial and not physical targets were fixed and because of over-emphasis on industry at the cost of agriculture as well as the "extraordinary importance" attached to the public sector; it was an astonishing statement to make that India would import food-grains but not steel.

Giving his reasons for not supporting the motion, he said: "Nobody should be hanged for the sins of his father." The new regime had inherited a legacy from an overpowering personality and must, therefore, be given time to find its feet. He was glad to note that the new Government was approaching problems on a realistic basis.

Mr. G. L. Nanda's Speech:

Intervening in the debate on September 16, the Central Home Minister, Mr. G. L. Nanda, said that the main Opposition groups would have to learn to live with the situation that "the Congress will remain the sheet-anchor of democracy and the hall-mark of stability" in the country for a long time.

He accused the Opposition of having taken advantage of some temporary difficulties which were already being resolved. "We are prepared to be judged by exacting standards", he said, "but there has been exaggeration of minor defects beyond all proportion."

He refuted suggestions that the present Government was trying to dilute Mr. Nehru's policies. The Swatantra Party appeared to feel gratified that the Government was "shifting in its direction". One was an alarmist view and the other wishful thinking.

Dealing with corruption, he said they should neither minimize nor exaggerate the existence of that evil. The Sadachar Samiti had figured rather too prominently in the House. He disclosed that the credit should go to the Prime Minister, Mr. Shastri, who had initiated action when he was Home Minister by setting up the Vigilance Commission.

Mr. T. T. Krishnamachari's Speech:

Intervening in the debate on September 17, the Central Finance Minister, Mr. T. T. Krishnamachari, refuted suggestions that the Government intended either to slow down industrial progress or to stop advance action on future projects. "I do not see why the growth of our industries must be abruptly checked by a slowing down of investment outlays. The correct policy, on the contrary, is to remove the obstacles in the way of an even faster rate of growth in industry."

His policy statement broadly fell into two parts—one analysing the economic situation, including the most dominant issue of prices, and the other laying down the "postulates", or what he himself described as "the lineaments of the Fourth Plan."

He said that a careful analysis of the causes behind the present price increase was necessary before talking about runaway inflation or putting a stop to development expenditures and generally taking measures which would slow down the rate of growth of the economy. Shortage of supplies arising mainly from adverse weather conditions during the past few years had been a major factor aggravating the price situation. While he did not wish to minimize the gravity of the price problem, the rise in prices in India had not been anywhere near the sort of increase that had occurred in other countries. Last year's price increase was a pointer both to the necessity of raising production and the need for regulating the distributive system. The Government had to take on increasing responsibility not merely in the marketing of agricultural produce but also in regard to certain manufactured consumer articles. A short-term view, such as reversing the earlier decision to go ahead with defence and development expenditures, just because of current failure of supplies would be disastrous for the country's long-term progress. That was not to deny that certain pruning of expenditure was necessary with a vew to avoiding waste. Such pruning had already been undertaken. The lesson of the last three years was not that they should reverse the strategy of the Plan and slow down development; it was that they should continually strive to improve the returns from investment in every field so that the rate of growth of the economy was speeded up.

He said the Government could not rest content with anything less than a five per cent rate of increase in agriculture, and the development of agriculture could not proceed without adequate support from industry. The Plan must be treated as an organic whole, and there was no question of competition between progress in agriculture and development of industry, be it consumer, small or heavy industry.

They must endeavour, he added, to concentrate on: (1) Production of goods such as fertilizers, insecticides, agricultural implements including tractors, pumps, diesel engines, etc, required so urgently for giving a boost to India's agricultural programmes; (2) Early completion of heavy engineering and other engineering industries already taken in hand and such additional projects as are deemed necessary for balancing the programmes and providing a sound basis for future industrial development; (3) Stepping up production of both pig-iron and steel from the expansion schemes in hand as well as those already contemplated at the present units, besides Bokaro, and the establishment of additional capacity for non-ferrous metals, aluminium, copper and zinc; (4) Increased production of consumer goods such as textiles, sugar, drugs, kerosene, paper etc.; (5) Expansion of production of cement and other construction materials to meet the increasing demands; (6) Production of petro-chemical products like synthetic fibres to substitute imported cotton and wool, based on products obtained concurrently with kerosene in the refineries.

Taking into view the shortage of foreign exchange, he said, efforts had to be made in the following directions: (1) Complete the programmes in hand and secure as much output from each of them as possible; (2) Utilize idle capacity by augmenting supplies of required components and materials to existing units and giving preference to priority and essential industries, wherever the availabilities fall short of overall needs; (3) To give preference to expansion of existing units over the establishment of new units wherever conditions justify, as this would help to secure additional capacity with minimum investment; (4) In working out inter-se priority between schemes of the Industrial equal importance, to give preference to fast maturing schemes over those which are likely to have longer gestation periods.

Similarly, in the case of industries which offer export-possibilities or import substitution, they would get preference over others not similarly placed.

Mr. Lal Bahadur Shastri's Speech:

On September 18, the Prime Minister, Mr. Lal Bahadur Shastri replied to the debate on behalf of the Government.

Three dominant aspects of his speech were his championship of the common man, refusal to hug the beaten track while adhering to Mr. Nehru's broad and basic foreign and domestic policies, and his declaration that when needed he could be quite tough with the Communists.

He was repeatedly cheered when he struck a succession of blows on bureaucratic compartmentalization and too much officiousness by field officials and climaxed it by announcing that "all jeeps from Community Development blocks should be withdrawn." Unless the workers and officials of Community Development blocks went about on foot they would never be able to be of any real assistance to the kisans (peasants).

Parenthetically, he suggested that Ministers should also go and stay in villages instead of in dak bungalows and mix freely with the farmers.

He stressed the need for increasing food production. He was confident of tiding over the present food difficulties, although, he conceded, difficult days were ahead till the end of October, 1964. Producer prices for the rabi crops were expected to be announced soon, while fixation of wholesale and retail prices by the expert committee headed by Mr. L. K. Jha was likely to be completed by the end of September, 1964. The permanent Prices Commission would come into being by January, 1965. Since it was the main responsibility of the Government to feed the people at reasonable cost, no question of ideology was involved in the State undertaking distribution of foodgrains.

He indicated that while the Centre might undertake to supply the needs of cities, the States would have to look after the requirements of their regions. This new psychology had to be created as the States had been too much dependent on the Centre and were consequently not making their best efforts to help themselves.

Apart from foodgrains, the high prices of other articles of common use, such as sugar, cloth, vegetable oils, matches, salt, vegetables and even bicycles, had to be brought down, and they should be sold at fixed prices. A scheme had already been drawn up by the Commerce Ministry to fix by law prices of popular varieties of cloth like saris, longcloth, dhoties, shirting and drill. There would no longer be voluntary control on their prices. If the moneyed classes wanted finer varieties of cloth or other goods, they could be left to look after themselves. "Our concern is for the poorer and weaker sections of the people."

Dealing with the Swatantra spokesmen's contention that practically nothing had been achieved by the Government in the past 17 years, he quoted statistics to prove that per capita consumption of food, cloth, sugar, tea, vegetable oils, paper, cycles, sewing machines and electric fans, among other things, had gone up by an impressive extent.

Referring to corruption charges, he said he did not want the impression to go round the world that India was seething with corruption. This country gave the highest place to integrity. That was why men like Acharya Vinoba Bhave occupied a "respected position in the estimation of

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Acharya Kripalani asked why, in that case, Acharya Vinoba Bhave should not be taken into the Cabinet.

Mr. Shastri retorted: "Neither Acharya Kripalani nor Acharya Vinoba Bhave will ever come to this side."

He dwelt on the scheme for a code of conduct for Ministers and said that it was important to have certain conventions to which all Ministers must conform. "Once the Prime Minister or a Chief Minister thinks there is a prima facie case against any of his colleagues, or there is something which is not correct, the Minister should immediately tender his resignation."

An Opposition member had questioned the ethics of including Mr. Sanjiva Reddy in the Central Cabinet after he had resigned as Chief Minister of Andhra following certain observations of the Supreme Court. Mr. Shastri pointed out that what the Supreme Court had said was that the allegations against the Chief Minister stood unrebutted. Mr. Reddy did not file an affidavit under advice from the Legal Department. There had been some differences of opinion in this regard between the High Court and the Supreme Court.

The Prime Minister then took Mr. Hiren Mukherji to task for his accusation that the present Government was deviating from Mr. Nehru's policies. He assured the House that the Government would continue to follow Mr. Nehru's policies in international and domestic affairs. He, however, pointed out that there was full freedom for free and independent thinking in democracy. If situations called for certain changes within the broad policy, they had to be made.

He referred to the fact that the CPI had been in doubt even when there was aggression by China. They had put India and China on the same level. Wisdom had now dawned on some Communists and they had agreed that China had committed aggression on India.

Mr. N. C. Chatterji's Reply:

In his reply to the debate, the mover of the motion, Mr. N. C. Chatterji, said that Government spokesmen had completely failed to answer the charges levelled by the Opposition. Government replies had not allayed the Opposition fear that too much store was being set by the Colombo proposals on the Sino-Indian border dispute and that no serious effort was afoot to push the aggressor out and vindicate the territorial sovereignty of India.

He described the present "food crisis" as man-made and attributed it not to scarcity but to "Government's bungling." He charged the Government with not being sufficiently alive to the distress of the lower income group on account of high prices and said that nothing was more fantastic than blaming the Opposition parties for the situation.

On September 18, the House rejected the motion by 307 votes to 50. Thirteen members, believed to be of the Swatantra Party, abstained.

[This was the second no-confidence motion against the Government since Independence. The first was brought against the Government led by Mr. Nehru on August 20, 1963 by the Communists and the remaining Opposition (see page 5401). Seventy-two members had voted for the admission of the motion, which was moved by Acharya J. B. Kripalani (Independent). It was rejected by the Lok Sabha by 346 votes to 61—Editor.]

(*The Times of India* and *The Hindustan Times*, New Delhi)

[Prev. ref. 5401:INI:A, 5893:INI:A]

B. Food Crisis—Agitation Against Rise In Prices: Food shortages and the rise in prices of foodgrains all over the country led to a series of strikes in Uttar Pradesh, Delhi, Maharashtra and West Bengal in the second week of August, 1964.

The scarcity of food was said to have been created by "anti-social" elements who kept concealed hoards to continue artificial scarcity in order to make huge profits.

Prices of foodgrains, pulses, edible oils, gur and sugar have recorded an unprecedented rise during the past one year. A survey in New Delhi showed that some coarse grains now cost about 100 per cent more than during the corresponding period last year, and were costlier than wheat. Gram and some pulses were about 75 per cent dearer. Mustard and groundnut oil prices soared by 50 to 60 per cent.

On August 12, a State-wide hartal was organized by several Opposition parties in Maharashtra. Industrial and commercial activity in Bombay city was paralysed by the hartal, in which many workers participated to protest against the Government's food and price policies. In the docks also the strike was successful, with loading and unloading operations restricted to food ships. The city went without foodgrains, vegetables, fish, fruit, poultry and meat. Banks, insurance offices and commercial establishments were virtually closed. Central Government employees did not come within the purview of the "Maharashtra Bandh" directive issued by the Socialist-controlled Hind Mazdoor Sabha and the Hind Mazdoor Panchayat and supported by the All-India Trade Union Congress and the United Trade Union Congress.

Hartals were also organized in all the important towns of UP.

Over 680 Communists were arrested at various places in the country in connexion with a five-day agitation launched by the Communist Party of India to protest against rising prices. More than 100 of them were taken into custody on August 23 as a preventive measure in Coimbatore, Tiruchirapally and Gwalior. Most of the others were arrested after they had picketed wholesale grain stores, collectorates and district courts.

Warning To Government Employees:

The Central Government warned its employees against holding rallies and demonstrations to protest against the rise in prices and in support of their demand for more dearness allowance.

A Press Note said that such action would be considered as gross indiscipline and the Government would take action against those who participated in any strike.

It said that the Government had already appointed an independent body to go into the question of dearness allowance and that the employees should await its recommendations.

The Government reminded the employees that "joining hands with any particular political party or group" in the organization of demonstrations constituted a breach of the Government Servants' Conduct Rules and hoped that their recognized associations would exercise their influence and advise the employees against participating in demonstrations.

Official Assessment Of Failures In Agriculture:

An official assessment of failures in agriculture during the Third Plan showed that the industrial sector will be responsible for a short-fall of 7 million tons in the Plan target of 100 million tons. The rest of the short-fall may be attributed to other factors, including the weather.

The Planning Commission wrote to the Ministries concerned with industrial production that their co-operation would be essential to attain the Fourth Plan target in agriculture.

While planning an increase of 24 million tons in farm output during the Third Plan, it was estimated that the additional supply of fertilizers would account for 43 per cent of the increased production and irrigation for another 17 per cent.

The output of fertilizers in the last year of the Third Plan was, however, expected to be 400,000 tons short of the target of one million tons. This would mean a short-fall of four million tons in food output at the end of the Plan.

Against the stipulated potential of 29 million acres of irrigated land at the end of the Plan there would be only 19 million acres. This would account for a further short-fall of two million tons. The failure in irrigation, it was stated, was largely due to the non-availability of industrial materials such as cement and steel.

A further fall of one million tons in the food potential was attributed to the failure of industry to keep to the production schedule for insecticides and pesticides.

Other factors where industry is directly responsible for agricultural failure included non-availability of iron and steel and cement for farm implements and godowns.

Government experts pointed out that no amount of streamlining of the agricultural administrative machinery could make up for the non-availability of essential in-puts which industry alone could provide. In their view it would be pointless, for instance, to plan for a food target of 120 million tons in the Fourth Plan unless a minimum availability of two million tons of nitrogen was assured by the end of the Plan.

At the same time, they pointed out that a sudden jump in fertilizer output in the last year of the Plan would be of no avail. The increase should be phased over the whole Plan.

Likewise they demanded a minimum of 5.6 million tons of cement during the last year of the Plan for agricultural activities. Similar increases have been sought in the availability of iron and steel, insecticides and other industrial in-puts.

The experts pointed out that while during the First and Second Plans 60 per cent of the growth in agriculture was due to an increase in the cultivated area, all future increases would depend almost entirely on the in-puts provided by industry.

They were, therefore, highly critical of the claim that while industrial production increased by eight per cent a year during the first three years of the Plan, agriculture remained stagnant. Industry should also accept its share of the blame for the failures in agriculture.

Congress Working Committee's Resolution:

On August 19, the Congress Working Committee adopted a resolution expressing its "general satisfaction" with the way in which the Government was tackling the problem created by the food crisis.

The Committee urged the people to dissociate themselves from the agitational activities of the Opposition parties, which, it said, were not likely to benefit the community in any way, but might aggravate the very scarcities against which these agitations were organized.

Increased imports of grain and better prospects of the coming crop persuaded

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the Committee to feel that the country had "enough stocks to meet the current situation" and to call upon the people to face the problem with confidence.

The Committee spoke of the "imperative need" for announcing producers', wholesalers', and retailers' prices and for taking deterrent action against those who violated these prices. Action against those who kept stocks beyond notified limits was also advocated.

It noted that six States—Madras, Kerala, Mysore, Andhra, West Bengal and Rajasthan—had fixed "realistic" maximum prices at wholesaler's and said that other States should take similar steps.

The Committee emphasized that the long-term policy should aim at increasing production within the country, and said that offering a remunerative price to the producer was the first prerequisite for increased production.

The Government was advised to arm the proposed Foodgrains Trading Corporation with sufficient powers to enable it to obtain "a commanding position" in the grain trade; it should also be ensured that the Corporation was run on strictly commercial lines.

Foodgrains Trading Corporation:

The functions of the Foodgrains Trading Corporation, which will come into being on January 1, 1965, were spelt out by the Central Food and Agriculture Minister, Mr. C. Subramaniam, while addressing a meeting of the Congress Parliamentary Party in New Delhi on September 8.

The Corporation, he said, would be a modern business organization. It would give price support to the farmers. The prices it fixed would be remunerative and would act as an incentive to the farmers.

It would requisition, whenever necessary, the stocks of the wholesalers at the declared price.

Its other function would be to build up adequate stocks.

The Corporation would also have the monopoly in regard to the movement of foodgrains by Railways.

Mr. Subramaniam emphasized the need for taking urgent steps to increase production. This would be comparatively a long-range programme. The essentials of such a programme were being worked out and would be announced soon.

He explained at length the reasons for the present difficult situation and listed the steps that had been taken to control the prices and bring the available stocks into the market. He also indicated the long-range problem of distribution.

He pointed out that Bihar and UP had been very much affected by the present food shortage. Hitherto, they were getting wheat from the Punjab. A difficult situation was created in the two States after this supply was discontinued. Maharashtra and Gujarat were, however, getting wheat from the Punjab.

Even the surplus States had started complaining that they were deficit because of the present crisis. There was a tendency among some States to give an exaggerated picture of scarcity. Once scarcity was created, each State took unilateral action. Producers also held up stocks for their own benefit. Market arrivals had been much less this time as compared to the last two years. There was also greater demand for imported wheat even from surplus States because it was cheaper than the indigenous wheat. The situation could be remedied only by fixing maximum prices for producers and consumers.

Mr. G. A. Pais, a Mysore banker, will head the Corporation.

US Wheat Shipments:

The US Ambassador, Mr. Chester Bowles, said in Hyderabad on August 10 that US wheat shipments to India over the next few months would amount to about 15 to 20 per cent of the total wheat crop of USA.

This "emergency measure" was intended to help India tide over the difficult food situation and because USA felt that it had enormous stake in the development of Indian agriculture.

An official Press release issued in New Delhi said that three ships carrying 37,000 tons of Australian wheat to Britain and an American ship carrying 18,000 tons of PL 480 wheat to UAR were being diverted to Indian ports.

Meanwhile, a fleet of 120 ships—one of the largest ever engaged in a single food supply operation—which had been commissioned for the task, were given clearance for sailing in July and August. They were carrying an estimated 1,743,400 tons of wheat.

Debate In Lok Sabha:

A debate on the food situation began in the Lok Sabha on September 7.

It was generally felt by speakers that the present ills, whether regarding availability of food or high prices, could be cured by some streamlining here or a little adjustment there. A common talking point was that no part of the country should fatten itself on the misery of another. The zonal system should be abolished and food should be available everywhere at more or less the same price. The present imbalance in agriculture was due to an over-emphasis on heavy industry.

Replying to the debate on September 10, the Central Food and Agriculture Minister, Mr. C. Subramaniam, accused the Opposition parties in the Lok Sabha of creating the present difficult food and price situation in the country by generating an atmosphere of scarcity.

He alleged that the crisis of confidence sought to be created by the Opposition had provided a fertile ground for the trade to profit at the cost of the community and, in that sense, there was unwitting collusion between the Opposition and the traders.

He explained how the Government intended to fix prices at all levels and also norms of stock holding and then to enforce declaration of stocks.

Dealing with long-term measures, he said, the abolition of the rice zones could be considered in October-November, 1964 and of wheat zones in February-March, 1965. Self-sufficiency in food could be reached by the end of the Fourth Plan.

He added that an agricultural breakthrough was essential for the general economic progress of the country. A "cheap grain" policy would not lead to this break-through.

After he had explained the immediate and long-term measures to deal with the problem, the four-day debate ended with the adoption of a motion approving the steps taken by the Government to meet the situation. Both the Communist—Rightist and Leftist—groups acted in unison on this occasion and withdrew from the House when the voting stage was reached. The motion was carried by 201 votes to 34.

In Rajya Sabha:

Initiating a three-day food debate in the Rajya Sabha on September 16, Mr. C. Subramaniam announced that a comprehensive White Paper on the Government's plans for agricultural development would be placed before Parliament for discussion.

Indicating guide-lines of the Government's approach, he said food and agriculture were intrinsically connected and, therefore, without an integrated policy of production-distribution-price, "we may not be able to find proper solutions."

Mr. Bhupesh Gupta (Communist) then moved 29 amendments criticising the Government's handling of the food situation. Mr. M. S. Gurupadaswamy (Congress) moved an amendment approving the Goverment's policy.

Mr. Dahyabhai Patel (Swatantra) said that while his party did not believe in the agitational approach, its grievance against the Government was that it did not pay any heed to the warnings about neglect of agriculture.

Mr. Bhupesh Gupta said that State trading in grain, a proper distribution machinery and fixing of prices in advance for tillers alone could help tide over the crisis. He wanted the Government to implement its policy of attaining self-sufficiency in food with greater vigour.

Mr. A. B. Vajpayee (Jan Sangh) charged the Government with lack of foresight and said the Government knew very well about the short-fall in food production. Yet no efforts were made to create a buffer stock. If the wrong policies of the Government had created the present crisis, it was not for the Opposition to share its failure. The Government must be held responsible for the people's agitations.

Replying to the debate, Mr. Subramaniam said that the prospects of the coming kharif crop were good. The price crop in particular was expected to be a bumper one. But in anticipation of the difficult weeks ahead, arrangements had been made for a record import of 70,000 tons during October. The problem of congestion at the ports did not exist any longer and steps were being taken to ensure that it did not recur.

But he warned that the food difficulties would continue for "some years." Until India could overcome the difficulties, the country would have to rely on imports. Even with imported food, deficiencies would continue.

The House then adopted the motion approving the Government's policy.

(*The Times of India, The Statesman* and *The Hindustan Times*, New Delhi)

[Prev. ref. 6004:INI:A, 6052:INI:A]

C. Mr. Mao Tse-tung's Attempt To Justify Chinese Expansionism—CPI Charge: A resolution passed by the Central Executive Committee of the Communist Party of India (CPI) in New Delhi on September 16 described Mr. Mao Tse-tung's recent statement claiming large parts of Asia as Chinese territory as an attempt to justify "great" Chinese expansionism.

The Committee noted with "alarm and indignation" the report of the recent talks of Mr. Mao Tse-tung with a group of Japanese Socialist leaders and thought that Mr. Mao Tse-tung's lauding of Japanese militarism in Asia could have the most sinister meaning. "Abhorrent to any true Communist is also Mr. Mao Tse-tung's scandalous attempt to create discord among socialist countries and to rouse anti-Soviet sentiments in all the countries which are neighbours of the Soviet Union."

The CPI Central Executive drew the attention of all Indians to the dangerous views of Mr. Mao Tse-tung. It thought Mr. Mao Tse-tung's open call for the dismemberment of the Soviet Union was not only pernicious in its treacherous novelty, it amounted to direct and open

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assistance to imperialism. "Just as Hitler sought to justify his criminal aggression by pleading for "living space" for the "growing" German population, "so Mr. Mao Tse-tung preaches unashamedly on behalf of Japanese reactionaries. The demand is made for the surrender of Soviet territory because its 22 million square kilometres are inhabited by only 200 million people, while Japan's 370,000 square kilometres have a population of 100 million."

The Committee pointed out that as far as Chinese leaders were concerned, their differences on ideological issues with the rest of the Communist parties had now become more and more divorced from all Marxist-Leninist principles and were now part of a screen for their expansionist policies and aggressive plans.

While releasing the resolution, the Chairman of the CPI, Mr. S. A. Dange, called Mr. Mao Tse-tung "a well-developed warmonger".

The resolution, he said, stated that the account of the interview showed that as far as the Chinese leaders were concerned, their ideological differences with other parties "have become divorced from Marxist-Leninist principles and are now for a great part a screen for their expansionist policies and aggressive plans".

The Chinese leaders were using their "perilous historical arguments" to justify their expansionism. These arguments had now reached "atrocious limits" in pressing their claims on Russia and in bolstering anti-Soviet chauvinism in Japan and other countries.

Leftist Criticism Of CPI Draft Programme:

In a *critique* of the official CPI's draft programme, the Leftist CPI leaders, Mr. M. Basavapunniah, Mr. P. Ramamurti and Mr. Harkishen Singh Surjeet accused the official Communist leadership of advocating "class collaboration", one of the most despicable crimes in Communist terminology.

The critique pointed out that while chastising the Congress, the draft programme "sings songs of praise" for the bourgeoisie and refuses to admit the domination of the "big bourgeoisie" and the landlords in the ruling party.

This was necessary for the "Dange group" to advocate a united front with the Congress, and this had led the group to conclude erroneously that the bulk of the reactionaries are outside the Congress, though as the ruling party, the Congress is responsible for all the "anti-people" policies of the Government.

The critique added: "If certain reactionaries are removed from the Congress there would be no difficulty for the Dange group to consider it as a progressive party".

The draft, according to the critique, advocated class collaboration throughout, while the "so-called" opposition to the bourgeoisie was only a "cloak" to cover the real motive. "Never in the past was class collaboration advocated in such a naked form in the name of the Communist Party".

The critique said that the draft ignored the "compromising role" of the bourgeoisie with imperialism before and during the transfer of power. Even thereafter the bourgeoisie continued to play that role.

It argued that the "path of capitalist development", adopted by the bourgeoisie, was not basically challenged by the Dange group. It only tried to underline certain mistakes. It under-estimated the seriousness of the penetration of foreign monopoly capital. "Thus the Dange group creates a basis for its ulterior objective of class collaboration with the bourgeoisie".

The "Leftist" leaders also challenged the draft's characterization of State power, which, in their opinion, was dominated by the big bourgeoisie. The draft significantly ignored the fact that the landlord class was sharing State power with the bourgeoisie.

In regard to foreign policy, they argued that the Dange group wanted the Communist Party to be "a tail of the Indian bourgeoisie by its support for the policy of the bourgeoisie in the main and failure to grasp the 'negative aspects'". Instead of trying to understand the "dual role" of the bourgeoisie, the draft characterized the Government's "pro-imperialist" stand in relation to certain issues as mere "weaknesses".

The draft's advocacy for the "path of non-capitalist development", the critique said, was a distortion of the Moscow statement on the issue. "Leftist" leaders were shocked that "despite the rise of monopoly capital in the country" the draft put forward the concept of National Democracy and agreed to share power with the bourgeoisie under joint leadership.

In a note introducing the critique, the "Leftist" leaders said that the purpose of their exercise was to show the "treacherously reformist and revisionist" character of the official CPI's draft programme, a character which could not be hidden behind "dubious arguments, deceptive formulation and evasive answers".

In a word, it was an "unashamed apologia for the bourgeoisie—landlord rule and the capitalist path of development foisted on the people by it".

It was a pity, they added, that the Dange group "did not dare criticize or comment on our programme" before denouncing it as "dogmatic, sectarian and adventurist".

(*The Statesman* and *The Times of India*, New Delhi)

[Prev. ref. 5952:INI:B]

D. Credit Agreement With West Germany: An Agreement for West German credit of DM380 million (Rs. 45.24 crores) for a variety of uses during the current financial year was signed in New Delhi on September 15.

The assistance consists of a direct Governmental credit of DM270 million (Rs. 32.14 crores), and guarantees for suppliers' credits to the extent of DM110 million (Rs. 13.10 crores).

Of the Governmental assistance, DM90 million (Rs. 10.71 crores) will be used for meeting refinancing liabilities of the Rourkela Steel Plant, DM55 million (Rs. 6.55 crores) for the purchase of goods and services in West Germany, DM40 million (Rs. 4.76 crores) for further financing of certain German-aided projects, DM60 million (Rs. 7.14 crores) for new development projects and DM25 million (Rs. 2.98 crores) for disbursement as foreign exchange loans by the Industrial Credit and Investment Corporation of India, Industrial Finance Corporation and the National Small Industries Corporation.

The amount of DM110 million will be given as suppliers' credit for the purchase of new ships for DM82 million (Rs. 9.76 crores) and DM23 million (Rs. 2.34 crores) for the purchase of goods and services.

Of the Governmental credit, DM90 million is repayable in 16 years at 5.5 per cent and the balance of DM180 million in 25 years, including a grace period of seven years, at 3 per cent interest. The terms of the suppliers' credit will be settled between buyers and sellers in the private and public sectors.

The West German Ambassador, Mr. G. F. Duckwitz, and Mr. P. Govindan Nair, Additional Secretary in the Central Ministry of Finance, signed the Agreement. Dr. Hans Henckel, Ministerial-Director of the West German Ministry of Economics, was present.

West Germany has so far offered credits totalling DM3,409.56 million (Rs. 405.90 crores) as assistance for India's development programme.

Of this, a sum of DM1,176.6 million (Rs. 140.06 crores) was made available during the Second Plan period and the balance of DM2,233 million (Rs. 265.83 crores) for the first four years of the Third Plan.

India has been importing from West Germany equipment for various industries such as automobile, chemicals, engineering, power and steel.

Among the important projects undertaken with West German assistance are the Rourkela Steel Plant, Rourkela Fertilizer Plant, Neyveli Briquetting and Carbonisation Plant, Neyveli Fertilizer Project, Durgapur Power Station (5th unit), expansion of the Mysore Iron and Steel Works and its conversion into Alloy and Special Steel Plant and the new Government Electric Factory, Mysore.

(*The Times of India*, New Delhi)

[Prev. ref. 5928:INI:C]

E. New Algerian Envoy: Mr. Lakhdari Ali has been appointed the first Ambassador of Algeria to India.

He was earlier Algeria's Ambassador in Tunis.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 4945:INI:D]

F. New Uganda Envoy: Mr. George M. Kamba has been appointed as the first High Commissioner for Uganda to India.

Mr. Kamba (37) was earlier the elected constitutional head of the Bukedi district administration.

(*The Times of India*, New Delhi)

[Prev. ref. 4213:INI:A]

G. Technical And Industrial Collaboration With UAR—Letters Exchanged: In an exchange of Letters on September 21, India and UAR agreed in principle to collaborate to assist other developing countries in the fields of industries, transport and communications.

They also exchanged Letters providing for the pooling of resources to produce fertilizers and superfine cotton yarn in UAR and the supply of rock phosphates from that country, and the export of mining equipment, spinning machinery and steel structurals from India to UAR.

The Letters covered Trade Agreements envisaging a turn-over of Rs. 2.25 crores each way during the current year—an increase of Rs. 1 crore each way over the volume of trade between the two countries in 1963-64.

The Letters were exchanged by Dr. Moneim Abdul El-Kaissouny, Deputy Prime Minister of UAR, and Mr. Manubhai Shah, India's Minister of Commerce. Dr. Kaissouny explained the significance of the agreement at a news conference on September 21. Mr. Shah was also present.

Dr. Kaissouny said that the proposed co-operation between India and UAR to help developing countries was not in any way intended to minimize the importance of co-operation between the developing and the advanced countries. It was hoped that such co-operation would quicken their pace of development.

Mr. Manubhai Shah explained that no one should have any idea that India and the UAR were forming some kind of a bloc against advanced countries.

Dr. Kaissouny was confident that joint ventures by UAR and India to assist less

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developed countries were bound to succeed.

The UAR, he said, had a relatively large public sector. There was a public sector in India also. But there was no reason why such co-operation should be confined to the public sector only.

"Our two countries", he added, "are developing countries. We want to show that we can help other developing countries. This is important from the moral, economic and political points of view".

Regarding trade between the two countries, he said that there had lately been a remarkable rise in imports and exports of non-traditional items, such as chemical products, drugs, yarn, sewing machines and electric fans from India, and fertilizers, superfine cotton yarn, writing paper, furnace oil and bitumen from UAR. He hoped the volume of trade would continue to rise and be more diversified.

(*The Statesman*, New Delhi)

[Prev. ref. 5041:INI:H]

H. No Demonetization Of Currency Notes—Mr. T. T. Krishnamachari's Statement: The Central Finance Minister, Mr. T. T. Krishnamachari told the Parliamentary Informal Consultative Committee in New Delhi on September 18 that the Government did not intend to demonetize currency notes at present.

A member of the Committee had suggested that higher denomination currency notes be demonetized in order to unearth unaccounted money and to check the rising prices.

Mr. Krishnamachari told the Committee that demonetization of higher denomination notes alone would not help because such currencies could have been converted into lower denominations.

He explained that a measure like demonetization involving lower denomination notes also was a formidable task and should be done as the last resort. He assured the Committee that the Government would use all means to bring out unaccounted money.

He said that out of the Rs. 2,500 crores of currency in circulation, notes of Rs. 100 and above constituted only 40 per cent. Ten-rupee notes formed 46 per cent. One-thousand-rupee notes in circulation were of the order of Rs. 50 crores, 5,000-rupee notes Rs. 15 crores, and 10,000-rupee notes Rs. 10 crores.

The total issue of high denomination notes increased from Rs. 71 crores at the end of March, 1956 to Rs. 95 crores at the end of March, 1963. This sharp fall was accompanied by a sharp increase of Rs. 96 crores in ten-rupee notes and Rs. 67 crores in 100-rupee notes.

In 1962-63, the Emergency generated fears of possible monetary reforms and a further shift in favour of 10-rupee notes, Mr. Krishnamachari added, did not seem unlikely.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5594:INI:I]

I. Government Decision To Safeguard Existing Rates Of Bonus—Assurance To Labour Organizations: The Government decision to safeguard the existing rates of bonus which might be higher than those payable under the new formula of the Bonus Commission (see page 6055) was officially announced in New Delhi on September 18.

In a statement to Parliament, the Central Labour Minister, Mr. D. Sanjivayya, said that various labour organizations had represented that the Government decisions on the Bonus Commission's recommendations would in some cases curtail the existing bonus benefits. This, however, was not the intention of the Government.

To give effect to the recommendations of the Commission as modified by the Government, a suitable provision would be included in the Bill to ensure that labour would get bonus benefits "on the existing basis or on the basis of the new formula, whichever is higher."

In the light of Government decisions on the Commission's recommendations it was proposed to undertake legislation to embody the principles by which tribunals or other judicial bodies should be guided if and when disputes relating to bonus came up before them. "The Government, however, expects that the parties would voluntarily give effect to the decisions, in settling the question of bonus till the proposed legislation is enacted."

Mr. Sanjivayya denied the charge levelled by Mr. S. M. Bannerji (Ind) that the Government had modified the recommendations of the Bonus Commission because of the dissenting note of Mr. N. Dandekar, a member of the Commission. "In modifying the Commission's report, the Government had taken into consideration the general economy of the country and the interests of the workers."

Normally the Government used to accept the recommendations of wage boards and commissions in toto but his predecessor (as Labour Minister), Mr. G. L. Nanda, had made it clear that the Government would modify such reports in future in case of dissenting notes by members of such boards or commissions.

Mr. Sanjivayya repudiated the suggestion of Mrs. Renu Chakravarti (Com) that the modifications in the recommendations of the commissions had been made "in favour of employers."

He said that retrospective effect was being given to the recommendations from 1962 in accordance with the wishes of the Commission. The recommendations would also apply to the public sector industries except those run departmentally.

(*The Times of India*, New Delhi)

[Prev. ref. 6055:INI:K]

J. Agricultural Re-finance Corporation To Grant Facilities To Plantation Industry: The Chairman of the Agricultural Re-finance Corporation, Mr. M. R. Bhide, said in Bombay on September 21 that the Corporation had decided to make available re-finance facilities to the plantation industry for development purposes through scheduled banks without insisting on Government guarantee.

He told the first annual general meeting of the Corporation that this financial assistance would be made available on the security of land, plant and machinery.

It had also decided to entertain schemes of a composite nature covering almost all the long-term requirements of the plantation industry including the financial requirements of the planters for constructing houses for labourers.

(*The Times of India*, Bombay)

[Prev. ref. 5336:INI:G]

K. New Solicitor-General Of India: It was announced in New Delhi on September 16 that Mr. S. V. Gupta, Additional Solicitor-General had been appointed Solicitor-General in place of the late Mr. H. N. Sanyal.

[Mr. H. N. Sanyal (62) was strangled to death in the bedroom of his residence on the night of September 8. Police inquiries revealed that the motive of the crime was burglary. Among the five persons arrested the next day, two were former employees of Mr. Sanyal's household.]

Mr. Niren De, a lawyer from Calcutta and part-time member of the Law Commission, has been appointed Additional Solicitor-General in Mr. Gupta's place.

(*The Times of India*, New Delhi)

[Prev. ref. 5131:INI:V]

INDONESIA

A. Trade Regulations Revised: The Government has revised its trade and foreign exchange regulations and re-imposed price controls.

A new basic transaction rate for both imports and exports has been set at 250 rupiahs per US dollar. The official rate remains at 45 rupiahs to the dollar.

Exporters and exporter|producers will receive as an incentive 20 per cent of the f.o.b. value of their exports in the form of a foreign-exchange allocation. This allocation may be used for imports by the earner, or traded on the local market for rupiah.

Exporter|producers will receive an additional five per cent, which may be used only for imports of equipment, spare parts, and raw materials for their own use.

Although the retensi—the five per cent of foreign exchange proceeds permitted exporters and exporter|producers since May, 1963—have now been abolished, the net effect of the new regulations on export incentives is to increase, by five per cent, the amount of foreign exchange allocated to exporters and exporter-producers.

Under the old system, in addition to the five per cent retensi, exporters were granted an automatic foreign exchange allocation amounting to 10 per cent of their export proceeds, and exporter producers were granted an allocation of 15 per cent.

The new system tends to raise the total rupiah an exporter receives above the former level. A selling rate of 1,350 rupiahs to the US dollar was initially established. An exporter selling his foreign exchange allocation would receive rupiah for the f.o.b. value of his exports at the rate of 520 rupiahs per US dollar (100 per cent of his export proceeds at the rate of 250 rupiahs plus 20 per cent at the rate of 1,350 rupiahs).

Imports have now been re-grouped into five, instead of three, categories:

(1) Goods essential to the country's economy;

(2) Raw materials, semi-manufactured products, and equipment needed for manufacture of goods yielding foreign exchange, or for domestic manufacture of goods to save foreign exchange;

(3) Raw materials, semi-manufactured goods, and equipment needed for the manufacture of goods for domestic consumption;

(4) Manufactured goods for domestic consumption, but not of a luxurious character;

(5) Manufactured luxury goods for domestic consumption.

Import duty rates have also been revised.

The new trade and exchange regulations do not apply to the oil companies.

A new hard-currency buying rate of 520 rupiahs per US dollar has been established for short-stay visa holders, tourists and diplomats. This compares with

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the former rate of 315 rupiahs to the dollar.

Further, it has been announced that price controls will be re-imposed. Controlled commodities will include the most essential consumer goods and imported materials for productive industries, and basic items produced by the Government.

(*Information Service Indonesia*)

[Prev. ref. 5849:IND:A]

B. Sabang To Be Free Port: A Presidential Decree has confirmed Sabang's status as a free port.

Situated on the northern part of Sumatra, Sabang will be the first port to be exempted from the usual port duties and customs.

The Decree declared Sabang outside the customs service jurisdiction as from June, 1964.

The exemption from duties and customs, however, applies only to import articles.

Articles exported from or through the port remain subject to the usual regulations.

(*Far East Trade*, London and *Information Service Indonesia*)

[Prev. ref. 5548:IND:B]

IRAN

A. Regional Co-operation For Development—Working Group's Conference: A Conference of the *working groups of the Regional Co-operation for Development (RCD)* was opened in Tehran on August 29 by the Prime Minister of Iran, Mr. Hassan Ali Mansour.

In his address, he appealed to such other countries in the region "as share our ideals and are prepared to take steps similar to those that we envisage for the benefit of all concerned" to join the Regional Co-operation for Development.

He added: "Gone are the days....of shutting ourselves off from one another by economic walls. Now is the time to abandon such narrow, obsolete ideas and to work in a new spirit of regionalism."

The working groups would prepare plans for the implementation of decisions taken at the Heads of State Conference of Iran, Turkey and Pakistan in Istanbul in July (see page 5985).

The Iranian Press reported on September 1 that Iran had offered to set up an oil refinery having a capacity of two million tons per year in Pakistan as a joint venture.

This offer was made at the Regional Co-operation for Development working group meeting. Iran would supply crude oil for this refinery.

Iran had also expressed its willingness to supply 9,000 tons of oil per day to Turkey from its Kerman Shah refinery which would partly meet Turkish oil requirements.

Pakistan had shown keen interest in the research and exploitation of oil in the Persian Gulf area in collaboration with Iran.

Recommendations Approved:

• The planning chiefs of Iran, Turkey and Pakistan ended their talks on September 9 and approved with minor modifications all the recommendations of the nine working groups.

A joint communique said the planning committee had recommended the establishment of "joint purpose ventures" for the manufacture and the regional exchange of products, including farm and heavy machinery, fertilizers, chemicals, paper and lubricating oils.

The planning chiefs, whose recommendations and reports will go to the three-nation Ministerial Council in October for final decision, approved and recommended measures for the expansion and promotion of banking, trades, shipping, aviation, insurance, road and railways, petroleum, cultural co-operation, tele-communications and technical operation.

They recommended establishing two new committees, one on "joint ventures" and one on technical co-operation, and also that the nine working groups be reconstituted into permanent committees under a "regional planning council."

They agreed that Tehran should be the secretarial headquarters of the development organization for three years.

(*Dawn*, Karachi)

[Prev. ref. 5985:TUR:A]

IRAQ

A. Increase In Oil Royalties: The Oil Minister, Dr. Abdul Aziz el Wattari, said in an interview in Baghdad on September 1 that oil companies had agreed to an increase in oil royalties on the basis of a final settlement of the principle of expanding royalties.

He added that if this principle were fully applied by gradual stages over a number of years "we will attain rates averaging between 56 to 57 per cent as against the existing rate of 50 per cent. In other words, all royalties amounting to 100 million dinars (same as sterling) would under the new arrangement be increased to 107 million."

Oil Ministers of Middle East member-States of OPEC were to meet in Beirut towards the end of September to review the outcome of contacts made with oil companies over outstanding issues, the Minister added.

At its last session in Geneva on July 6, OPEC called upon the Oil Ministers of the Middle East to get into direct contacts with the companies working in the area.

Dr. El Wattari said there was a plan for increased production in the southern and northern fields and Iraq's total oil output this year would amount to 60 million tons, against 55 million tons last year.

Yemen had approached Iraq for the supply of oil and oil products, a demand which Iraq is willing to meet. "We are awaiting further details from Yemen." He added that some months ago Iraq sent a shipment of oil and oil products as a gift to Yemen.

(*The Egyptian Gazette*, Cairo)

[Prev. ref. 5483:IRQ:A, 5602:IRQ:B]

B. Control Of Car Imports: The Government announced on August 31 that imports of all kinds of cars would be wholly monopolized by the General Establishment of Trade, a subsidiary of the Economic Establishment.

The Minister of Economy, Mr. Aziz el Hafez, in announcing the decision of the Government Control High Committee for Supply, said the reason for taking this decision was "the fraudulent prices charged by the present importing companies which distribute the cars."

He said the annual car imports to Iraq amounted to ID11,000,000 (par with sterling), ID2,000,0000 of which were for private saloon cars. "The Government considered it necessary to direct this sum for the service of the national economy."

(*The Egyptian Gazette*, Cairo)

[Prev. ref. 5277:IRQ:C]

C. Kurdish Amnesty Law Amended: The Government amended on September 1 the law providing for an amnesty for those who staged or participated in the insurrection in Northern Iraq, promulgated early in 1964.

The amended law, published in the official Gazette, covers all those accused of having committed crimes as a result of the movement during the period September, 1961 to February, 1964.

The amnesty also covers all those sentenced by civil, military, or special courts because of the Kurdish incidents in the North and acquits them of the sentences as well as legal consequences arising from them.

An explanatory Note said: "Some practical problems had stood in the way of implementing the amnesty law promulgated in February. Since the Government wishes to forget and forgive all crimes in the North, this law has been amended".

(*The Egyptian Gazette*, Cairo)

[Prev. ref. 5764:IRQ:A]

D. Euphrates Dam Project: It was stated on September 4 that two years after the signing of the relevant contract, the Soviet company Techno-Export had submitted its report to the Iraqi Government on the feasibility of constructing a dam on the upper reaches of the Euphrates.

Eighteen months of exhaustive studies had resulted in the forecast that the Euphrates Valley could be restored to fertility for which it was famous in the ancient world, and that the creation of the dam would avert the danger of flooding and generate enough electricity for the area. About 1,200,000 dunums (750,000 acres) of land would be irrigated under the project, trebling the present area of cultivable area.

The salination of the soil, which had been going on for centuries, presented a special problem for the engineers. Two methods of exploiting the waters of the Euphrates were suggested in the report. One was the building of a 180-foot-high rocky dam near the village of Haditha to store enough water for the irrigation of 4,800,000 dunums and the construction of a 250-megawatt power station, the total cost being estimated at ID54 million. The other was the building of two dams near the villages of Rawa and Haditha each with a capacity of four milliard cubic metres of water.

(*Middle East Economic Digest*, London)

[Prev. ref. 4817:IRQ:A]

JAPAN

A. Joint IMF, World Bank, IDA And IFC Annual Meeting: About 1,800 delegates attended the annual general meeting of the International Monetary Fund (IMF), the World Bank, the International Development Association (IDA) and the

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International Finance Corporation (IFC) held in Tokyo from September 7 to 12.

It was the second of the general meetings to be held in an Asian city after the New Delhi meeting.

The meetings opened with a marked emphasis on the need to further orient the activities of these international organizations to meet the requirements of developing nations.

The International Monetary Fund and the World Bank are the financial twins that emerged from the Bretton Woods discussions in 1944 for planning a better economic and financial world. Membership of both bodies is open to all sovereign States and comprises 102 countries—the communist-bloc States being the only significant non-members.

The International Monetary Fund was set up to counter the financial difficulties in which many countries, especially in Europe, found themselves after the War, by supporting their currencies and financing "temporary" balance-of-payments deficits while their economies were being reshaped.

The International Bank for Reconstruction and Development, as the World Bank is officially called was created to supply credit and channel international private investment which might otherwise not be forthcoming, and later to supply administrative aid.

As with most banks, the functions and character of the World Bank have evolved with the growing number and changing circumstances of world needs. The Bank's main emphasis was intended to be on channelling private investments (under guarantee) direct to borrowers and only secondarily on offering loans direct from its own resources.

As the Bank's main interest switched from reconstructing war-shattered European economies to financing the underdeveloped countries, from about 1948 onwards, the supply of private capital ceased to be adequate. The Bank has increasingly made direct loans to member-Governments or commercial borrowers who have their own Government's backing.

Its paid-up capital amounts to about £740 million of which the United States has supplied about 30 per cent and the United Kingdom 12 per cent. This represents only 10 per cent of the theoretical capital, the rest of which is not called but can be used to back loans, which have been raised in all the main capital markets of the world. Nearly £1,500 million has in fact been raised, of which a little less than £900 million is outstanding. Loan repayments have brought in about £275 million. The Bank has raised about £635 million by re-selling loans to private investors.

The Bank's own earnings on commission have topped £300 million. It has lent about £2,800 million on nearly 350 different projects, mainly for developing electric power stations and building up transport systems throughout the world. India, Japan, and Australia are the largest single recipients.

The Bank's loan rates are commercial—up to 6 per cent—and the developing countries have found increasing difficulty in repaying loans and taking on new responsibilities. As a result over 25 per cent of the Bank's gross lendings are channelled through its two subsidiaries.

The International Development Association offers low-interest, long-term loans to developing countries, partly financed by the World Bank and partly by new funds subscribed by the 18 richest countries.

The International Finance Corporation operates on a smaller scale and deals mainly with loans to industry.

The International Monetary Fund's main aim is to help to provide international reserves to support the currencies of members in difficulties, either as a result of declining export prices and rising import bills for development in the case of the developing countries or as a result of the trade cycle in the developed countries.

The bulk of the Fund's fixed quotas, which stand at about £5,600 million have been subscribed by the wealthy countries, especially the United States, and are in the form of currencies or gold. Members can draw on these reserves either by purchasing currencies or by making "stand-by arrangements" in case of need.

More than 50 member-countries, including the United States and the United Kingdom, have drawn on the Fund at one time or another. In the past financial year about £220 million in currencies was purchased and stand-by arrangements worth about £700 million were made by 27 different countries.

Inaugural Addresses:

Inaugurating the meetings the Japanese Premier, Mr. Hayato Ikeda. said where poverty existed there was no general well-being and no one nation could prosper unless others also prospered.

The vital challenge, he said, was to "promote stable economic growth and reduce the disparity between the rich and the poor."

He called for the promotion of "exchange of capital and technology in a spirit of international co-operation between the already developed and the newly-developing countries."

Mr. George Woods, President of the World Bank and its affiliates underlined the need for these organizations to stimulate industrial development and strongly supported the recommendation for the Bank to lend $400 million to the International Finance Corporation for the latter to re-lend to private companies.

He referred to the credit extended by IDA to India for the import of capital equipment, raw materials and components essential to the full utilization of existing industrial plants. "For us this is a new and special type of industrial financing, but I believe there will be some other cases where it will be appropriate."

He dwelt on a number of problems which he said posed "major limitations" in spurring economic development in the developing countries.

The Managing Director of the IMF, Mr. Pierre-Paul Schweitzer, in his annual report strongly recommended an early increase in the quotas of Fund members while he also touched on the need to increase international liquidity, a move which was also urged by the Chairman of the IMF World Bank, Mr. Francisco Quino of El Salvador.

Mr. Schweitzer said that restrictive monetary policies in Europe, combined with more liberal monetary policies in the United States, as evidenced by the growing disparity in interest rates between the two areas, carry with them "dangers of their own".

This was so, he said, despite measures that have been taken in Europe—with some degree of success—to prevent undesirable movements of funds.

As well as recommending fiscal policies, he urged countries to make every effort to lower impediments to imports and capital exports.

He said an early increase in the quotas of all countries which belong to the Fund would increase "conditional liquidity"—liquidity which is available to countries on the understanding that they will follow constructive policies to eliminate their payments deficits.

Reviewing world economic conditions, he said that general prosperity in the industrial countries in the past year provided the major part of the explanation of the recent strong export position of the primary producing countries.

"It is of major concern to the whole world that favourable conditions should continue in the industrial countries", he said. "Fortunately, the immediate outlook in these countries is favourable".

In the United States, he said, the rise in output increased further in response to the tax cut introduced earlier this year and the official forecast was that the present expansion would continue well into 1965; with a further reduction in unemployment, now at its lowest level in five years.

"This continued expansion in USA, which proceeds under conditions of virtual price stability, cannot fail to have a stimulating impact on business conditions in the world at large."

At the same time, measures in which balance of payments considerations have played a prominent part have recently moderated economic expansion in both Britain and Japan, he said, and indications are that their rates of growth will be slower in 1964 than in 1963.

He said the Fund had substantially increased its work on the problems of developing countries. The marked revival of export prices in 1963 greatly improved the over-all balance of payments position of less-developed countries, which showed a surplus of $850 million in 1963, as against a deficit of $650 million in 1962.

"It is to be expected that imports in the developing countries will sooner or later catch up with the improvement in their export earnings, bringing their reserve accumulation to a halt. A rise in their imports is in itself desirable, as without it the development of real resources will be much slower".

He said major countries should give more weight to taxation policies in regulating domestic demand and rely less on monetary policies. A greater stress on fiscal policies would leave greater freedom for monetary policies to be adapted to changing international situations in the interests of the co-ordination of monetary policies.

Mr. T. T. Krishnamachari's Address:

Mr. T. T. Krishnamachari of India set the tone for the developing nations when he addressed the meeting of the Fund Governors.

In his brief speech, he said the IMF had another active year and its "clients" during the year included both the developed and the developing countries. He said this emphasized the point, "If such an emphasis is needed at all, that the Fund can be and is meant to be of assistance to all members, industrialized and the not so industrialized, in overcoming their balance of payments difficulties.

"The Fund's activities and policies have been adapted progressively to the emerging needs of the members and I have no doubt that the Fund has to be a focal agency and point of action in respect of whatever decisions we reach for securing adequate international liquidity and strengthening the world's payments system."

On the vital issue of increasing the Fund quotas, he said: "I am more than happy to support the idea that the executive directors should now proceed to formulate more precise recommendations on the subject of the Fund quotas.

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"It is in the fitness of things that this question, which is of vital concern to all members of the Fund, big or small, should return once again to this wider forum of international monetary co-operation."

Referring to the question of international liquidity, he added: "Unquestionably the international financial system has in recent times shown great resilience. Facilities provided by the Fund and a growing readiness of the central banks of industrialized countries to assist one another, when difficult situations develop, constitute an altogether essential bulwark.

"Yet there remain deficiencies as well as some uncertainties. We have to act on the basic assumption that the demand for liquidity is likely to outstrip its supply.

"Industrialized countries need adequate liquidity to pursue policies designed to liberalize trade and augment capital flows and development aid. The developing nations will also need more liquidity in order to be able to pursue their development programmes, without being hampered in their onward movement by temporary balance of payments troubles."

He said: "All member-countries in the Fund are thus vitally interested in achieving an appropriate solution to the problem of liquidity. The developing countries have problems which go beyond the conventional liquidity concept and intricate questions of policy adjustments and appraisal are relevant in the context.

"Yet I think it would be a mistake to assume that the kind of problems that do not fall within the present frames of thought or institutional arrangements either do not exist or ought not to exist."

Other Speeches:

Mr. Douglas Dillon, the US Secretary of the Treasury, supported the plan to increase quotas.

He said such a step "seems to be the right move, as member-countries enter the next phase in the revolutionary development of the international monetary system".

He said this was a phase "in which the greater needs are likely to centre at least for a time on the enlargement and elaboration of credit facility for transferring reserves among countries rather than upon increases in the overall supply of reserves".

South Africa criticized IMF for failing to pay attention to the role of gold in the international reserve situation.

South Africa, the world's major producer of gold, has been pleading at every IMF meeting for the past years for a raise in the price of gold which stands now officially at $35 per ounce.

The United States and most other Fund members are opposed to a change in the par value of gold.

Issue Of Gold Subscription:

During the sessions, France—the biggest hoarder of gold—backed by other countries of Western Europe—was seen at loggerheads with the United States and Britain in the vital question of gold subscription.

On this issue, the developing nations backed USA and Britain.

France and her allies contended that in the event of future increase in the contributions to the Fund by member-countries to expand international liquidity, 25 per cent of the additional contribution should be in gold as is the present rule.

The purpose of the insistence by the countries of Western Europe on the gold preference, according to observers, was to cause a further dent in the gold reserves of USA and Britain which would in turn affect the status of the dollar and sterling and make borrowing difficult for USA and the UK.

Developing countries, while not objecting to the enlargement of international liquidity and increasing the quotas to the Fund as that would enhance borrowing, are strongly opposed to further contributions in gold.

Resolutions:

On September 10, the meeting adopted a series of resolutions affecting basic principles.

The first resolution was to augment international monetary funds, currently standing at $4,000 and $5,000 million. The increase was to become effective by next Autumn.

A further series of resolutions were designed to increase the powers of the World Bank and its affiliates in aiding the economic progress of developing countries.

Finally, the increasing influence of these countries in the financial and monetary institutions created 20 years ago at Bretton Woods was formally recognized by the admission of African representatives to the administrative councils of the International Monetary Fund and the World Bank which in future will have 20 instead of 11 members.

The resources of IMF increased by 50 per cent in 1959 as the result of a resolution passed the previous year at the annual assembly in New Delhi. The latest increase would be achieved through a total increase in the contributions paid by the 102 member-countries—which would provide about $4,000 million—and by a bigger increase in the contributions paid by West Germany, Japan and Canada whose economies had showed a marked development over the past few years.

The rates of the increases would be fixed between now and next January by the IMF Administrative Council which would in turn submit them to the 102 Governors.

Among the measures recommended to aid developing countries was the transfer of $50 million from World Bank profits to IDA.

The conference also recommended that the World Bank should henceforth concentrate its activities on farm development, technical aid and educational projects.

In a move unprecedented in the history of the IMF meeting, 19 Latin American countries and the Philippines and Iraq voted against a resolution recommending the creation of an international body of arbitration to settle on a voluntary basis any disputes between foreign investors and the recipient Governments.

So far, resolutions have always been passed by unanimous decisions.

The 21 countries opposed the proposal on the grounds that it would overrule the competence of national courts and would be against the spirit of common law.

Refusal Of Loans To Indonesia, Ceylon And UAR:

The annual meetings ended on September 12 with some remarkably outspoken remarks by Mr. George Woods about the refusal of the Bank to lend to Indonesia, Ceylon, or UAR.

Pressed to say what action the Bank intended to take about the expropriation of foreign assets without compensation in these countries, he pointedly mentioned that the Bank was not committed to any of the three at present. Moreover, the Bank would not even consider applications from them. He promised to look into the question of El Salvador.

On the Bank's future lending policies he said that in the financial year to next June the Bank would disburse between $500 million and $600 million. This would require the Bank to borrow between $300 million and $400 million on the capital markets of the world. Arrangements were being made in Western Europe and it was hoped to raise the money in New York in 1965.

With the meeting's full approval of quota increases behind him, Mr. Schweitzer promised that the executive directors would submit proposals about the size of the increase and the best way of putting it into operation with the minimum delay. It is hoped that this means before the end of the year.

As he said, such an increase is generally regarded as only the first step in the attempt to solve the world's liquidity problem. Beyond that, he said, the meeting had produced "a stimulating divergence of views" about future policy. He had two particular aspects of policy in mind. One was the need to renew the $6,000 million borrowing arrangement of the "Group of Ten" industrial nations; the other was the way in which the world's monetary system might best be improved.

The Ethiopian representative was elected Chairman for the next annual meetings, with the representatives of Brazil and Norway as Vice-Chairmen.

(*The Japan Times*, Tokyo, *The Times*, London, *The New York Times* and *The Hindu*, Madras)

[Prev. ref. 5576:AOA:D]

B. **Trade Agreement With Iraq:** The Japanese Foreign Ministry announced on September 7 a new Japan-Iraq Trade Agreement, under which Iraq had agreed to lift import restrictions on Japanese goods.

The Ministry said that under the new Agreement Japanese exports to Iraq were expected to increase to $20 million a year. Last year Japan exported $7,470,000 worth of goods to Iraq.

Before the new Agreement took effect Japan had been allowed to export to Iraq only 14 items including textiles, construction materials, radio receiving sets, pottery, machinery, medical supplies and tyres. But now Japan can export any items.

The Ministry said the Agreement would be valid for one year and would continue to be effective unless the party notified termination of the Agreement to the other party three months before it was to expire.

Last year Japan imported from Iraq $40,970,000 worth of goods including $40,350,000 worth of oil.

(*The Egyptian Gazette*, Cairo)

[Prev. ref. 4541:IRQ:A]

LEBANON

A. **Air Agreement With India:** An Agreement between the Governments of India and Lebanon relating to air services was signed at Beirut on September 19.

Mr. I. S. Chopra, Indian Ambassador, signed on behalf of the Government of India, and Mr. Fouad Ammoun, Minister of Foreign Affairs, signed on behalf of the Government of Lebanon.

[Air-India at present operates three services per week through Beirut to London and New York in each direction, and Middle East Airlines, the Lebanese airline, operates two services per week to Bombay.]

(*The Times of India*, Bombay)

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B. Restrictions On Foreign Businessmen: New regulations were issued early in September, 1964 governing the settlement of foreign workers and businessmen in the Lebanon.

Lebanese parentage, or marriage to a Lebanese subject, automatically carries permission to work or set up business in the country as does the fact of residence in Lebanon before 1954 coupled with a period of not less than nine consecutive months of work in a Lebanese organization.

Executives and representatives of foreign companies are allowed to carry on their work, but businessmen, artisans and industrialists who started their operations since January, 1960 or who now wish to establish themselves in the country must, after obtaining the prior approval of the Ministry of Labour and Social Affairs, invest a capital of not less than £L50,000 (£Leb.8.6=£) and undertake to employ a minimum of three Lebanese subjects.

If foreigners form a joint stock company, the capital invested by each must be not less than £L50,000 and three Lebanese must be employed for each of the founders.

Businessmen who started their activities before January, 1960 are exempt from these conditions.

(*Middle East Economic Digest*, London)

[Prev. ref. 5658:LEB:A]

MONGOLIA (Outer)

A. Hungarian Assistance: Chemokomplex, the exporter of Hungarian chemical factories and factory equipment, is building a biochemical combine in Mongolia.

A team of experts studied the local conditions in 1961 and again in 1965. Then the various bodies responsible for the project—the Phylazia State Institute for Serum Production, the Agroplan Design Bureau, and Chemokomplex—agreed on the blue-prints for the integrated biochemical works.

The original idea had been to extend the existing biochemical factory, but the plan was changed later to the effect that the old factory should be dismantled and a completely new combine erected.

The plant will be constructed some 20 miles from Ulan Bator. Hungarian architects have already worked out a part of the plans and a clay model of the combine is ready.

The project comprises 28 buildings, including process buildings and auxiliary shops. The plant will produce veterinary vaccines, diagnostic preparations, and antibiotics for use in Mongolian animal husbandry. In addition, facilities will be available in the laboratory for scientific research work and experimentation with pharmaceuticals.

Serums will be produced from animal blood; therefore stables are an important part of the plant. Since the blood of various animals is used for the production of different kinds of vaccines, several stables will be necessary.

On the site of the combine there will be separate stables for cattle, other large animals, and for small animals such as sheep. These stables are well-equipped and designed in such a manner that the drawing of the blood from the animals and its transportation to the slaughter-house will not interfere with the production process.

(*Far East Trade*, London)

NEPAL

A. Crown Prince Birendra Invested As Heir-Apparent: Crown Prince Birendra assumed his duties of State as the heir-apparent to the Nepalese throne at a special investiture at the ancient Hanuman Dhoka Palace in Khatmandu on September 16.

In the presence of King Mahendra, diplomats and members of the Council of Ministers, Queen Ratna conferred on the Crown Prince the Order of Grand Master—the highest order issued by the Nepalese Court. The medal was taken out by the Queen from the treasury where it had been kept since 1956 when the then Crown Prince ascended the throne.

In accordance with royal tradition, the Crown Prince was decorated with all the other orders of honour issued by the Nepalese Court.

Shortly after 1 p.m. Queen Ratna escorted the Crown Prince to the Throne Room of the Palace. The King had reached the Palace a few minutes earlier. They were received by the Chairman of the Council of Ministers, Dr. Tulsi Giri.

The royal priest, Mr. Khagendraraj Panay, who presided over the religious ceremonies, recited **Swasid**, the traditional verses in praise of the glory of the Nepalese crown.

After the Palace ceremony, the Crown Prince visited some temples around Hanuman Dhoka. He took the salute at a ceremonial march-past at the Tundikhel Army parade ground and sought the blessings of the Queen Mother.

Dr. Giri held a reception in the night in honour of the Crown Prince at Singh Durbar.

The Indian President, Dr. Radhakrishnan and the Prime Minister, Mr. Lal Bahadur Shastri had sent messages to King Mahendra wishing the Crown Prince a long life in the service of the nation.

The 19-year-old Prince, who returned to the capital in July on completion of his education at Eton, will share the duties of State with his father. He will be entitled to a personal annuity.

He is the first member of Nepal's ruling Shah dynasty, founded 240 years ago by Prithvinarain Shah of Gorkha, to be educated abroad.

Eldest of King Mahendra's three sons and three daughters born to his first Queen, the late Indra Rajya Lakshmi Devi, Prince Birendra lost his mother when he was five. He, however, grew up under the care of his mother's sister, Queen Ratna, whom the King married in 1952.

A favourite of the late King Tribhuvan, the Prince joined St Joseph's College, Darjeeling, and later went to Eton where he received his General Certificate of Education this Summer.

Before the durbar, the Prince performed the customary religious ceremonies conducted by ochre-robed priests headed by the chief royal priest. He made offerings to the family deities and sought the blessings of the dowager Queen Mother.

Under Nepal's Constitution, the Crown Prince will henceforth act for the King as Regent during the latter's absence from the Kingdom; will preside over the sittings of the Raj Sabha; and issue proclamations on the sovereign's behalf during the King's illness or absence.

(*The Statesman*, Calcutta)

PAKISTAN

A. Outline Of Third Five-Year Plan: The Rs. 5,200-crore Third Five-Year Plan, the first to be formulated within the frame-work of the 20-year Perspective Plan (1965-85), aims at a minimum increase of 30 per cent in national income over the five-year period from 1964-65 to 1960-70, according to an outline of the Plan released in Karachi on September 3. The outline had been released to obtain public comment.

The following is a summary of the Plan:

"The Second Five-Year Plan draws to its close with many of its targets within sight of overfulfilment. The 4.8 per cent average growth rate in GNP has enabled a 2 per cent growth rate in per capita incomes. This is a significant departure from the past when a 2.5 per cent growth rate in GNP barely compensated for population growth. The industrial sector is growing at a very fast rate, and its rising share in the GNP would contribute to high and stable growth rates. More heartening is the promise of buoyancy in exports and agricultural production. Exports have averaged a rate of growth of 6 per cent which is twice the Plan target. Agricultural production, in spite of a lean year in 1962-63, has averaged a growth rate of 3 per cent compared with 1 per cent in preceding years. And finally, inter-Provincial growth rates have been equated, apparently even reversed.

"The Third Five-Year Plan is formulated against this background and within the frame-work of a long-term strategy covering the period from 1965 to 1985. The Perspective Plan (1965-85) sets out the long-term objectives of the country. The most important of these are:

(a) Doubling of per capita income so that an average household of five may have a monthly income of Rs. 320 by 1985;

(b) Attaining full employment by creating 27 million additional jobs during the next 20 years;

(c) Completely eliminating the disparities in per capita incomes between East and West Pakistan;

(d) Achieving universal education up to the lower secondary level;

(e) Eliminating the dependence on foreign assistance and making the process of economic growth self-sustaining.

"The Third Plan marks the transition between the achievements of the Second Plan and the goals of the Perspective Plan. The 5.4 per cent average rate of growth of GNP during the Third Plan lies between the 4.8 per cent of the Second Plan and the 6.2 per cent of the Perspective Plan. Export earnings averaged a rate of growth of 6 per cent during the Second Plan. This has been raised to 7.5 per cent for the Third Plan which is significantly above the rate of growth of GNP. This along with import substitution will reduce external resources from 42 per cent of development expenditure in the Second Plan to 36 per cent in th Third. To step up the pace of development in East Pakistan, it is being allocated 53 per cent of the Government financed programme and 52 per cent of the total. The Government will also pursue appropriate policies to encourage the growth of the private sector in East Pakistan. These measures are directed towards reducing disparities in per capita income by about one-fifth. The allocation to the education sector is being almost trebled to achieve universal education by 1985 and to fulfil the current needs of skilled man-power. Unemployment has been increasing even during the Second Plan.

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It is proposed to increase employment opportunities by 4.5 million which will be more than the 4.2 million increase in the labour force. The stepped-up rural works programme is focussed to this end.

"To meet these and other objectives the Third Plan proposes a gross development expenditure of Rs. 52,000 million—Rs. 34,000 million in the public sector and Rs. 18,000 million in the private sector. The proportion of the public sector stays around the Second Plan implementation. The public sector, however, will have a much larger share in East Pakistan owing to the nature of investment required and the lack of private investment there.

TABLE 1

Public Sector Allocations in the Third Plan (Million Rs.)

	East Pakistan	West Pakistan	Total
Agriculture	2,230	2,110	4,340
Water and power	3,870	4,760	8,630
Industry	3,120	1,630	4,750
Fuels and minerals	480	420	900
Transport and Communications	3,050	2,820	5,870
Physical planning and housing	1,440	1,300	2,740
Education	1,475	1,265	2,740
Health	640	540	1,180
Social welfare	110	90	200
Man-power	85	65	150
Works programme	1,500	1,000	2,500
Total	18,000	16,000	34,000

TABLE 2

Private Sector Allocations in the Third Plan (Million Rs.)

	East Pakistan	West Pakistan	Total
Agriculture	1,050	450	2,000
Water and power	50	250	300
Industry	3,800	4,500	8,300
Fuels and minerals	300	450	750
Transport and Communication	1,700	1,400	3,100
Physical planning and housing	1,850	1,300	3,150
Education	200	100	300
Health	20	20	40
Man-power	10	10	20
Social welfare	20	20	40
Total	9,000	9,000	18,000

"Of the total Plan size of Rs. 52,000 million, East Pakistan will receive Rs. 27,000 million. Thus the share of East Pakistan in the total allocation will increase from an estimated 40 per cent in the Second Plan to about 52 per cent in the Third Plan. This will be a great step forward in reducing regional disparities. It will permit an acceleration of about 150 per cent in the development expenditure of East Pakistan during the course of the Third Plan.

"The Third Plan proposes to increase foodgrain production by about 25 per cent compared to an estimated increase of 14 per cent in population. , Thus the country will move nearer to self-sufficiency by the end of the Third Plan. The other targets in the agriculture sector are: increase in cotton production by 35 per cent, jute production by 21 per cent, tea by 27 per cent, sugarcane by 24 per cent, and tobacco by 33 per cent. The main physical targets in the industrial sector are: cotton textiles, 620 million lbs of yarn which will allow cloth consumption to increase by 16 per cent per head; white sugar 640,000 tons; cigarettes 30,000 million; cement 5 million tons; steel 1.2 million tons. In addition, substantial capacity will be installed for the production of petro-chemicals, machine tools and heavy engineering and electrical equipment. About 150,000 telephones will be provided and one post office would be available for a population of 10,000. Television facilities will be expanded with greater emphasis on education programmes. About 6 million additional children will be placed in the primary schools so that by the end of the Third Plan about 70 per cent of the children in the age-group 6—11 will be attending school. Considerable emphasis will be placed on technical education and teacher training. In the health sector, main emphasis will continue to be on preventive measures and about 60 per cent of the allocation will be devoted to such programmes as eradication of malaria, tuberculosis control and health education. The curative services will include provision for 17,000 additional hospital beds and 400 rural health centres. Family planning has been accorded high priority and an allocation of Rs. 150 million made for this programme.

"The Third Plan will rely on domestic effort to an even greater extent than the Second Plan. Nearly one-fourth of the additional income will be saved and re-invested.

"The main target of the Third Plan is to increase national income by 30 per cent. This target is currently being re-examined in the light of recent experience and there is a possibility of its being increased before the Plan is finalized.

"The most rapid development in our expanding economy has been in the industrial sector. In the very early period the rate of growth of industry appeared high because the country started from a position of possessing virtually no industry at all. But even in the Second Plan period it was in this sector that the highest growth rate has been maintained —high enough to bring about a structural change in the country's economy moving from a predominantly agricultural towards a semi-industrial type. The Third Plan will follow the policy of maintaining an optimum growth rate of industry in pursuit of the target of achieving a balanced and self-generating system of economic development.

"In the Third Plan Rs. 13,000 million or 28 per cent of the total investment has been earmarked for industrial development. This will be a little less than 2½ times larger than the estimated actual investment of about 5,800 million during the Second Plan. The target of Government financed investment is Rs. 4,750 million. This will be largely invested through the Industrial Development Corporations of the two Provinces. An investment of Rs. 8,300 million is expected in the private sector. Particular attention has been paid to the needs of East Pakistan. Of the Government financed investment of Rs. 4,750 million the allocation for East Pakistan is Rs. 3,000 million. This is more than three times the estimated investment during the Second Plan and is larger than the allocation for West Pakistan in the Third Plan.

"The major emphasis on policy in the industrial programme during the Third Plan will be a decisive shift from consumer goods industry to the establishment of basic capital and producer goods industry to reduce the country's dependence on foreign assistance for the import of capital goods. These industries include steel, heavy machinery, including agricultural and electrical machinery, transport equipment and heavy chemicals. Besides the traditional manufactures, such as jute and cotton textile, exports potential industries like fertilizers, pumps, petro-chemicals, paper and newsprint, cement, sugar, leather goods and fruit processing industries will be given priority. Relative priorities will, however, be so determined as to secure the maximum feasible increase in national income and additional employment opportunities outside agriculture.

"The proposed development programme of Rs. 1,650 million during the Third Plan period will include Rs. 900 million in the Government financed sector and the balance in the private sector. Of this about Rs. 200 million will be required for the ongoing projects of the Second Plan.

"The Third Plan period will be characterised by intensification of geological investigations for which a provision of Rs. 100 million is made as against the provision of Rs. 30 million in the Second Plan. Although geological investigations are a continuing process, every effort will be made to finally determine the extent of known mineral deposits at the earliest possible date.

"The programme for the development of transport and communications had been drawn up so as to provide adequate support to the growing industrial, commercial and administrative complex. It is anticipated that the traffic in the transport sector will increase by about 60 per cent and the bulk of this will have to be handled by Railways and Inland Water Transport even though the share of road transport is likely to increase.

"In the field of education the main objective is to provide a system which would facilitate transition into an era of science and technology, promote political, social and economic development and bring the country's cultural heritage into harmony with the contemporary world.

"Consolidation is the keynote of policy at the higher education level. College and University education is to be improved in quality rather than expanded, so that the end-product becomes referable to that of similar institutions in the developed countries.

"The basic objectives of the Third Plan for Social Welfare are:

(a) To consolidate and expand existing preventive, curative and rehabilitative social services;

(b) To initiate new programmes to meet untackled needs and problems of individuals, families and communities;

(c) To perform promotional functions in the national development process.

"In financial terms social welfare activity will be increased four-fold as compared with the Second Plan, to make up for deficiencies of the first two Plans. Nearly Rs. 290 million will be spent in the Third Plan period: East Pakistan Rs. 160 million; West Pakistan Rs. 130 million. Rs. 280 million will be expended in the public sector, Rs. 50 million in the works programme and Rs. 40 million in the private sector.

"The Third Plan has provided Rs. 2,500 million for the Works Programme out of which East Pakistan has been allocated Rs. 1,500 million and West Pakistan Rs. 1,000 million. Out of the total allocation of Rs. 2,500 million, roads are provided Rs. 860 million; agricultural and housing schemes Rs. 500 million each; minor irrigation and drainage Rs. 360 million; education and training Rs. 180 million and health and social welfare Rs. 50 million each."

(*Dawn*, Karachi)

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INDIA

SUMMARY: Mr. Y. B. Chavan's Visit To USSR; British Credit For Defence; Mr. J. P. Narayan's Goodwill Mission To Pakistan; Diplomatic Appointments.

A. Soviet And Western Military Aid Assured—Mr. Y. B. Chavan's Visit To USSR: The Defence Minister, Mr. Y. B. Chavan, arrived in Moscow on August 28 for talks with the Soviet Government on the possibility of increased military aid to India.

In a statement at the airport, Mr. Chavan said: "This is my first visit to this great country—the Soviet Union. I am very pleased to come here. I have brought with me greetings of the people of India for the people of the Soviet Union."

He said that during his visit he would be seeing some important institutions in the Soviet Union. "I will also have talks with the Soviet Defence Minister and I hope to meet other political leaders to discuss some of our problems with them."

Asked about the main objective of his visit, he said: "Basically, my visit is intended to expedite the completion of the plant to manufacture MIGs in India. Certainly, I will be interested to explore the possibility of getting some naval equipment too from the Soviet Union. But it will be merely exploratory talks." The Defence Minister, however, did not elaborate on the nature of the equipment that India wished to get from the Soviet Union.

"I am here in response to an invitation of the Soviet Defence Minister. I have come to emphasize the good relations existing between our people and Government and the people and Government of the Soviet Union because this was one of the basic planks of the policy of the late Prime Minister Nehru which we want to continue in all our eagerness."

He was accompanied by the Chief of Army Staff, Gen. J. N. Chaudhuri, the Cabinet Secretary, Mr. S. S. Khera, Rear-Admiral S. M. Nanda and Capt. B. K. Dang of the Navy.

Marshal R. Malinovsky's Assurance:

The Soviet Defence Minister, Marshal R. Malinovsky, declared on August 31 at a luncheon given by the Indian Ambassador, Mr. T. N. Kaul, at the Indian Embassy in honour of Mr. Chavan that the Soviet Union would give assistance to India as far as possible to enable her to preserve her non-alignment and independence.

He paid tribute to the policy of non-alignment followed by India and said: "We greet you for following this policy. We will be happy to assist you as far as possible.

"In accordance with our traditional policy of non-interference in the domestic affairs of others, our assistance will be without any political conditions".

The Soviet Union was not in competition with any one in the matter of giving assistance to India, he said, adding: "We will give you such terms of assistance to the maximum extent as we can. It is for you to accept. India needs peace and so also we, and thus we are together in the struggle for peace".

Earlier, Mr. Chavan discussed India's defence shopping list with Soviet officials at an hour-long meeting.

Indian officials said the talks were "friendly, cordial and useful." They added that one topic at the discussion was the possibility of India obtaining credits to buy military equipment in Russia.

Mr. Chavan met Mr. I. V. Arkhipov, Acting Chairman of the State Committee for Foreign Economic Relations, and other foreign aid experts.

On August 31, Mr. Chavan left Moscow on a tour of USSR. He returned to Moscow on September 8.

Meeting With Mr. N. Khruschev:

The Soviet Prime Minister, Mr. N. Khruschev, received Mr. Chavan in his Kremlin office on September 9.

Mr. Khruschev was believed to have welcomed the growing India-Soviet collaboration and co-operation, expressing particular pride in such symbols of friendship as Soviet aid for Bhilai.

He expressed the Soviet Union's active interest in the development of India's economy and to enable India to maintain and strengthen her independence.

He conveyed his greetings to the President, Dr. S. Radhakrishnan and the Prime Minister, Mr. Lal Bahadur Shastri, and said the Soviet people were eagerly looking forward to receiving Dr. Radhakrishnan. They were also hoping that Mr. Shastri would also be able to visit the Soviet Union soon.

Mr. Chavan thanked Mr. Khruschev and the Soviet Government for the understanding, friendship, and co-operation extended to India in various fields.

He re-affirmed India's determination to continue with her plans of economic development and policy of non-alignment, and at the same time to strengthen her defences in order to safeguard her integrity.

Mr. Khruschev expressed his appreciation of India's policies of peace, friendship and non-alignment enunciated by Jawaharlal Nehru, which were being continued devotedly by the present Government.

The discussions generally covered Mr. Chavan's mission to secure India's defence requirements, and a satisfactory agreement was believed to have been arrived at, with regard to the repayment of credits within the limited budget India could afford.

Soviet Arms Supply—Agreement Signed:

India and the Soviet Union signed on September 11 an Agreement for the supply of Soviet defence equipment to India.

The Agreement was signed by Mr. Sarin for India and by General Sidorovich for the Soviet Union.

It came in the wake of discussions between an Indian delegation led by Mr. H. C. Sarin and Soviet officials and subsequent talks between Mr. Chavan and Soviet leaders, including the Prime Minister, Mr. N. Khruschev.

One of the important subjects in the talks was the setting up of the MIG complex in India.

Returns Home:

Mr. Chavan returned to New Delhi on September 12.

He told newsmen at the airport that his visit to USSR had been fruitful and friendly and added: "I am quite satisfied with what I have done."

Asked whether India would get a few more MIGs from Russia and whether the MIG project in India would be executed speedily with Soviet assistance, he said: "Please await my statement in Parliament."

Members of the Indian delegation connected with the MIG project in India stayed behind in Moscow to work out some details.

Statement In Parliament:

On September 21, Mr. Chavan gave the Lok Sabha details of the assistance which USA, USSR and UK had agreed to give India to enable her to implement the five-year defence plan.

The following is the statement:

"This statement is a brief report for the information of Parliament on my visits to USA in May, 1964 and USSR during August-September, 1964.

"The object of my visit to USA was to secure material and financial assistance for the implementation of India's five-year defence plan covering the period April, 1964 to March, 1969 to which I had made a reference during the debate on the demands for grants of the Defence Ministry in March, 1964. There was also a long-standing invitation from Mr. Robert S. McNamara, US Defence Secretary, to visit USA to discuss problems of mutual interest.

"I also received later an invitation from Marshal Malinovsky, Defence Minister of USSR. I took this opportunity to discuss with the Soviet Government various matters connected with the implementation of our defence plan.

"The task of re-equipping and modernizing our armed forces is a stupendous one.

"In order to ensure systematic development of our defence potential in the light of the threat facing the country, earlier this year we prepared a five-year defence plan. Broadly, the plan envisages:

(a) The maintenance of a well-equipped army with a strength of 825,000 men;

(b) Maintenance of a 45-squadron Air Force including programmes of re-equipment and replacement of the older aircraft like Vampire, Toofani and Mystere by more modern aircraft and improvement of the air defence radar and communication facilities;

(c) A phased programme for replacement of over-age ships of the Navy;

(d) Improvement of road communications in the border areas;

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(e) Strengthening the defence production base to eventually meet the requirements of arms and ammunition of our armed forces; and

(f) Improving the organizational arrangements in the fields of provisioning and procurement, storage, training, etc., to ensure most economical utilization of funds allotted for defence.

"The above programmes of modernization of the defence forces and improvement of facilities for logistic support of the Armed Forces would call for additional outlays on defence. The increase, in terms of internal resources, will be of the order of about 10 to 12 per cent over the current level of defence expenditure. But the total requirement of foreign exchange for the defence plan has been assessed at about three times the normal allocations which can be made to defence from our own export earnings.

"The major constraint, therefore, which would affect the implementation of the defence plan is the availability of foreign exchange, in time, to meet the import requirements of the various constituents of the plan. As the economic development plans also require heavy investments of foreign exchange in order to ensure that the progress of India's economic development is not affected, it is necessary to secure assistance from friendly foreign countries for the implementation of the defence plan.

"I reached Washington on May 18, 1964, and had discussions with the US Secretary of Defence, Mr. Robert S. McNamara and other officials of the Administration. I also had discussions with Secretary of State, Mr. Dean Rusk, and Mr. Averell Harriman. I had also opportunities to meet important members of the US Senate and the House of Representatives.

"The discussions held with the US Government were very friendly and disclosed large areas of agreement in respect of our assessment of the Chinese threat and the measures required to meet it. There is considerable understanding in the US Administration of the special problems we are faced with and a desire to assist in building up the defence potential without adversely affecting our economic development plans.

"As a result of these discussions the US Government has agreed to provide to the Government of India the following assistance:

(i) Immediate credit of $10 million for the purchase of defence articles and services. The main items to be financed from this credit relate to replacement and modernization of plant and equipment in ordnance factories;

(ii) The military grant assistance will be continued by the US Government during their fiscal year 1965 (July, 1964 to June, 1965) at the same level as during the fiscal year 1964. This assistance includes such items as continued support for Indian mountain divisions, air defence communication equipment, transport aircraft support and road-building equipment for the Border Roads Organization. As this assistance would be in kind, it is not possible to assess its value financially.

(iii) In addition, further credit to the extent of $50 million during fiscal year 1965 would be available. Among other things, the Artillery Shell Plant to be set up at Ambajhari will be financed from this credit.

"Successful implementation of the Defence Plan would require continued assistance from USA at the current levels in respect of both grant assistance and credit assistance. The US authorities have agreed that periodical discussions should be held between our two countries to determine further US assistance in relation to India's defence effort.

"I also discussed the question of supply of high-performance fighter aircraft for the Indian Air Force, the need for which was established in Exercise Shiksha held last year. The US authorities, while discussing supply of such aircraft under the Military Assistance Programme, pointed out that as we had already plans for introducing in the IAF MIGs and the HF-24, the question of introducing another type of supersonic aircraft may have to be studied further. In the circumstances no final decision was taken. The US authorities offered to send a team of experts to determine whether they could be of assistance in further development of this aircraft and in its production. The team has since visited India and has submitted a report which is under examination.

"On the question of supply of naval vessels for replacing the over-age ships in our fleet, it was agreed that our requirements in this field should first be discussed with the British Government.

"Apart from the grant assistance and credit assistance which the US Government has agreed to provide during the fiscal year 1965 and which they are willing to consider for the subsequent years, I attach considerable importance to the fact that the need for strengthening the defence production base in India has been fully recognized by the US authorities and a substantial portion of the credits already offered will be utilized for modernization of the Indian ordnance factories and for setting up the Artillery Shell Plant at Ambajhari.

"During my stay I visited a number of defence installations and training establishments in USA.

"On hearing of the sudden passing away of Mr. Jawaharlal Nehru I cut short my visit in USA and returned to India on May 28, 1964. A meeting with President Johnson scheduled for May 28, 1964 could not take place.

"As Hon'ble Members are aware, we had concluded an Agreement in August, 1962 with the Soviet Union for establishing production of MIG-21 fighter aircraft. While we have proceeded with civil works and preparation of project reports, it was found that there were several important fields not covered by the original agreement in which without additional Soviet assistance it would not be possible to establish early production of the aircraft. It was also our intention to explore possibilities of securing assistance in respect of certain other equipment included in the Plan.

"I reached Moscow on August 28, 1964. I had discussions with Defence Minister Marshal Malinovsky and senior members of the State Committee for Foreign Economic Relations. I had also discussions with the Chairman, Mr. Khruschev.

"These discussions were most cordial. The Soviet Government fully appreciated our policy of non-alignment. They recognized our need for the strengthening of our defence potential and also our economic difficulties. It was explained that we attached considerable importance to the early establishment of the MIG complex of factories and production of MIG aircraft and associated equipment.

"Our requirement for supply of a certain number of MIG-21 aircraft to meet the needs of the Air Force until the production of the aircraft starts in the country and the requirement for light tanks was also discussed.

"As a result the following agreements have been concluded with the Soviet Government:

(i) As an extension of the Agreement concluded in August, 1962, the Soviet Government has now agreed to provide plant and machinery, jigs and tools, etc., of Soviet manufacture to facilitate the early establishment of the MIG complex of factories. They have also agreed that Soviet technical teams will be more closely associated in the preparation of detailed working projects and production schedules. Arrangements for the supply of major assemblies, sub-assemblies, and raw material from the Soviet Union for the production of initial batches of MIG-21 aircraft have also been finalised.

(ii) Agreement has been concluded for the purchase of a certain number of MIG-21 aircraft and associated equipment. The supplies under the August, 1962 Agreement and the present Agreement would enable us to re-equip three of our fighter squadrons with MIG-21 aircraft.

(iii) The Soviet Government has also agreed to the supply of a certain number of light tanks and associated equipment.

"The above purchases will be paid for in rupees which can be used by the Soviet Government for purchases of goods and articles in India according to existing arrangements.

"A contract has also been concluded with the Soviet export organization for the supply of 20 MI-4 helicopters.

"The Soviet authorities provided facilities to me and to the naval officers who accompanied me to see the performance of the naval craft including submarines which they are in a position to supply to India. The technical details made available during this visit are under study. It may take some time before a decision is reached in the matter as, apart from technical evaluation, the financial feasibility of making additional purchases would require review.

"I had planned to spend a few days in the UK at the invitation of the British Government on my return journey from USA. I could not do so. It convenient to the British Government, I hope to visit the UK some time in November-December, 1964.

"As I have mentioned earlier, I intended to discuss with the British Government particularly our requirement for destroyers. As Honourable Members are aware, the Indian Navy is at present equipped with British-built ships. Several of our destroyers are over-age and are due for replacement. We are intending that some of the ships required for such replacement should be built in this country itself and we have been exploring ways and means of securing the necessary financial assistance and foreign collaboration.

"I am happy to be able to say that the British Government has agreed to provide financial assistance towards the reconstruction of the Mazagon Docks in Bombay and the subsequent construction there of three Leander-class frigates. We have accepted this offer in principle and negotiations for a loan agreement, as also for a collaboration agreement with Vickers Limited, are progressing.

"I wish to conclude my statement by re-stating certain basic facts underlying our defence plan and the programme to secure foreign assistance.

"Our policy in meeting requirements of our defence is necessarily guided by our foreign policy of non-alignment which will continue to govern our actions in the field of defence procurement. In both the USA and the USSR, there was a complete recognition of this policy.

"Our defence plan identifies the requirements of the defence forces to enable them to discharge the task assigned to them. These carefully worked out requirements guide us in seeking assistance from friendly sources where it is available.

"Apart from USA and USSR, other countries such as Australia, Canada and Yugoslavia have come to our help in our time of need.

"I would like to emphasize that we

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have not the slightest intention of playing military assistance from one country against military assistance from another. It was heartening for me to find that in both the great countries that I visited, there was full appreciation of our point of view and desire to assist."

Soviet Aid Can Be Used Against China: Mr. Chavan said in the Rajya Sabha on September 21 that Soviet military assistance to India could be used against China and there were "no strings or conditions" attached.

Mr. Abdul Ghani (Ind.) asked whether the MIGs and other military assistance to be supplied by Russia could be used against China.

Mr. Chavan said: "Of course, we can. Otherwise why are we taking it? We are not taking them for a joke. There is no condition, nor any strings attached."

Mr. A. B. Vajpayee asked whether the equipment which had been promised by USA for mountain divisions had been received in full and if not, whether this question was raised by Mr. Chavan during his talks in Washington.

Mr. Chavan said the supply of equipment for the mountain divisions was a continuous process and it was in the process of being received. This was also one of the points he discussed while at Washington.

Mr. Chavan told Mr. C. D. Pande that the MIGs proposed to be manufactured in India would be of the improved version of MIG-21. Even the new MIGs that were being supplied to India would be of the improved types.

He informed Mr. Kureel that "no conditions or strings are attached" to supply of military assistance.

Mr. Bhupesh Gupta (Com.) said that in the Defence Minister's statement, he had noted that USSR appreciated India's policy of non-alignment. He wanted to know whether this appreciation about India's policy was noticed in the United States.

Mr. Chavan said the conditions under which he had to leave America for India suddenly were very well-known. There was recognition and appreciation of the conditions of Indian policy even in the United States and there was understanding of it.

US Comment:

The US Secretary of State, Mr. Dean Rusk, at a news conference in Washington on September 14 said it was not coincidental that both USA and the Soviet Union were giving military assistance to India.

He added that India had felt that under the pressures directed against it by the Chinese attack of 1962 she needed to strengthen her armed forces. She had asked both USA and the Soviet Union for assistance and both countries were giving it.

(*Tass*, *The Hindu*, Madras and *The Times of India* and *The Indian Express*, Bombay)

[Prev. ref. 5414:CHI:A, 5884:INI:C]

B. Government To Go Ahead With MIG And HF-24 Aircraft Projects: The Central Minister for Defence Production, Mr. A. M. Thomas, gave a categorical assurance in the Lok Sabha on September 21 that the Government proposed to go ahead with the MIG project as well as the manufacture of HF-24 supersonic aircraft and there was no question of giving up either.

The assurance came in the wake of several supplementaries by Mr. Nath Pai and others. Mr. Nath Pai asked whether it was true that the Government was left with a choice either to have the MIG project or manufacture HF-24.

Mr. Thomas said that India had already completed the manufacture of the airframe for HF-24 to suit Mach-I performance. "Our idea is to develop the engine to have Mach-II performance. We intend to enter into suitable arrangements for the manufacture of Mach-II aircraft at Bangalore."

He told another questioner that the Agreement entered into between India and the Soviet Union in 1962 in regard to the MIG project stood. As a result of recent discussions there had been a supplementary agreement.

(*The Times of India*, New Delhi)

[Prev. ref. 5235:INI:M]

C. Collaboration With UAR On Supersonic Aircraft Production—Agreement Signed: India and UAR signed in Cairo on September 28 an Agreement for collaboration on producing supersonic (Mach-II) combat aircraft.

The Agreement was signed by Air-Marshal Mohammed Sidky Mahmoud, Commander of the UAR Air Force and Mr. H. C. Sarin, India's Secretary in the Ministry of Defence Production.

Mr. S. S. Khera, India's Cabinet Secretary said UAR had been developing the engine while India had been developing the airframe and the agreement aimed at "marrying the two parts into an advanced fighting machine".

He added: "The UAR and India have agreed that further steps will be taken expeditiously to examine the question of implementing their resolve to assist each other and develop this aircraft. In pursuance of this the UAR and India will exchange technical missions at an early date for further study and consultation."

The Agreement provides for the production of the UAR-developed engine in India.

(*The Egyptian Gazette*, Cairo)

[Prev. ref. 4058:INI:K]

D. British Credit For Defence: The Commonwealth Relations Office announced in London on September 21 that Britain would give India a special "defence credit" of £4.7 million to cover "external cost" during the next four years.

The new credit is specially earmarked for building three Leander-class frigates.

The total foreign exchange cost of the project, which includes the reconstruction and expansion of the Mazagon Docks of Bombay harbour, has been estimated at about £13.6 million.

The project is expected to be completed in 10 years.

(*The Times*, London)

[Prev. ref. 5979:INI:B]

E. Increase In Cease-fire Violations By Pakistan In Jammu And Kashmir—Mr. Y. B. Chavan's Statement In Parliament: In a detailed statement to Parliament on September 28, the Defence Minister, Mr. Y. B. Chavan reported "an abnormal increase" in the number of cease-fire violations in Kashmir by Pakistan in an attempt "deliberately" to increase tension.

He said that the number of violations in September—163 so far—was higher than in any preceding month. Moreover, all the attacks were well-planned and prmeditated, and were concentrated on "remote villages and small pickets" which could be easily overwhelmed.

Consequently, he added, the casualties were high. During the Pakistani raids since September 1, as many as 37 Indians had lost their lives; four of them were civilians. Seventeen persons had been wounded and eight missing.

On the Pakistan side, the casualties "definitely known to us" were 72 killed and two wounded.

Another point made by him was that Pakistan was using defence personnel as well as armed civilians for border raids. This was done not only "without any attempt at concealment" but "with a degree of publicity".

The gangs of armed civilians, which had sometimes left behind medium machine-guns or rocket-launchers, were trying to create lawlessness and subversion in Kashmir and were a "major factor in mounting tension in the area".

The Pakistani attacks and incursions were concentrated on Akhnur, Mendhar, Naushera, Tithwal, Uri and Gurais sectors; Pakistan was also building bunkers and trenches on her side of the cease-fire line.

He said: "I would wish to assure the House that we are fully conscious of the seriousness of the situation and are doing all in our power not only to lessen tensions, but also to prevent encroachments on our side of the cease-fire line".

He added that all the violations had been brought to the notice of the Chief Military Observer of UN and over recent months India had accepted a number of suggestions by the Chief Military Observer calculated to lessen tensions.

One of the suggestions was to prohibit the entry of armed civilians within 500 yards of the cease-fire line. "To the best of our knowledge, the Government of Pakistan has not yet accepted this suggestion".

He said that negotiation with Pakistan for a Gentleman's Agreement to prevent the violation of the cease-fire had been interrupted because of the absence from Karachi of the Indian High Commissioner. It had now been suggested to Pakistan that its High Commissioner in New Delhi be authorized to conduct these negotiations.

The most serious violation by Pakistan of the cease-fire line in Jammu and Kashmir in recent years was reported to have taken place in the Uri sector on September 23. About 400 Pakistani troops were deployed.

In the pitched battle, involving some hand-to-hand fighting, that followed, there were many casualties. As the Indian defending party was repelling the Pakistani attack, it was subjected to heavy firing from the Pakistani side of the cease-fire line. The Pakistanis were pushed back in a few hours.

Gen. Nimmo, chief of the UN Observers' team in Jammu and Kashmir, had taken a serious view of this Pakistani provocation. He had sent a report to the UN Secretary-General, U Thant, giving full details of this major offensive action by Pakistan. In his opinion it could not be lightly dismissed as just one of those recurring border incidents.

There had been a series of violations of the cease-fire line by Pakistan during the last few weeks. A new area in which Pakistanis crossed the line last week was the Gurais sector in the north. This incident occurred about 50 miles east of Kargil. This area was comparatively quiet in recent years.

Pakistanis have used heavy weapons in all these incidents. It was stated that on one occasion light tanks were also seen not far from the cease-fire line. An anti-

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tank gun mounted on a jeep was also noticed.

(*The Times of India* and *The Statesman*, New Delhi)

[Prev. ref. 5989:INI:B]

F. Skardu-Gilgit Road Being Built By Pakistan: Mr. Y. B. Chavan said in the Lok Sabha on September 21 that Pakistan was developing strategic communications in the Gilgit area near the cease-fire line including the road from Skardu to Gilgit.

In a written reply to a question by Mr. Bibhuti Mishra, he said that the Government, however, had no information regarding Sino-Pakistan collaboration in the matter. India had taken precautions.

He further informed the House that Pakistan was improving her defences in the Lathitilla-Dumabari area of Cachar district in Assam.

He replied in the negative when asked whether Pakistan had withdrawn from the positions forcibly occupied by her during the firing last year in that area. Negotiations for the demarcation of the boundary were going on.

(*The Times of India* and *The Statesman*, New Delhi)

[Prev. ref. 5730:PAK:C]

G. Mr. J. P. Narayan's Goodwill Mission To Pakistan: The Sarvodaya leader, Mr. Jaya Prakash Narayan, arrived in Rawalpindi on September 5 at the head of a goodwill mission composed of Mr. S. Mulgaokar, Mr. B. Shiva Rao, Mr. J. J. Singh and Mr. K. S. Radhakrishnan, Secretary of the Sarva Seva Sangh.

Mr. Narayan told newsmen at Chaklala airport that he had brought with him a request and wish of the Prime Minister, Mr. Lal Bahadur Shastri, that F-M Ayub Khan, the Pakistan President, would respond to the invitation to visit India at his earliest convenience.

He said that his mission had the cooperation and sympathy of the Government of India although the latter was in no way committed to it.

He said he would consider his visit worthwhile even if India and Pakistan moved one step forward towards a solution of their 17-year-old differences. "We (he and his group) are doing in India whatever is possible to solve the Kashmir problem. We also want our position to be understood in Pakistan."

Asked whether he was hopeful about the outcome of his mission, Mr. Narayan replied in the affirmative.

Questioned on the nature of his proposed talks with Pakistani leaders, he said they would cover not only Indo-Pakistani disputes but the entire future relationship between the two countries.

Meetings With President Ayub Khan:

Mr. J. P. Narayan and members of his delegation met President Ayub Khan in Rawalpindi on September 6.

President Ayub Khan arranged an unscheduled luncheon meeting in the President's House so that he could carry on discussions with them informally.

The talks were held in a free, frank and informal fashion and covered a wide range, embracing not only Kashmir and other outstanding Indo-Pakistan problems, but the larger and more fundamental question of future relations between the two countries and collaboration between them in socio-economic and cultural spheres.

President Ayub Khan and the delegation leader, Mr. Jaya Prakash Narayan, had two meetings lasting more than two hours.

They met for 25 minutes at the beginning, while the Pakistan Law Minister, Mr. Khurshid Ahmad, discussed general scope of improving relations between India and Pakistan with other members of the mission. Later, President Ayub and Mr. Jaya Prakash Narayan joined them.

After his two meetings with President Ayub Khan, Mr. Narayan said in a statement in Rawalpindi on September 7 that "a real possibility exists for evolving a workable approach to the solution of the outstanding disputes" between India and Pakistan, including the Kashmir dispute.

He said: "I was very happy to meet President Ayub after three years and to find him as genial and warm as before. I was also very happy to see that he was in excellent health.

"There have been in recent months many indications both in India and Pakistan of a desire for a new relationship of co-operation and good-neighbourliness. We came here to explore the ways in which this desire could be consolidated and the cause of friendship advanced.

"We have found an encouraging and statesmanlike response from President Ayub and we believe that a real possibility exists for evolving a workable approach to the solution of the outstanding disputes between the two countries, including the one relating to Kashmir.

"The task will not be an easy one and the ground for a new relationship of trust and confidence will have to be prepared with care and patience. But the road ahead no longer seems dark and uncertain as it has seemed during many periods in the last 17 years. And with God's grace and the help of men of goodwill in both countries, the end of the road will not be far off.

"To say more at this point will not help. Many useful ideas have been thrown up during the talks I had with the President, which were constructive and unusually frank. I shall work on those ideas when I go back to India and I hope some of them will bear early fruit."

Meeting With Mr. Z. A. Bhutto:

Mr. J. P. Narayan discussed Indo-Pakistan relations with the Pakistan Foreign Minister, Mr. Z. A. Bhutto, in Karachi on September 8.

With this, Mr. Narayan's talks with Government leaders came to an end.

Mr. Narayan's talks with Mr. Bhutto were believed to have dealt in general terms with the entire range of Indo-Pakistani relations.

Mr. Bhutto said that he was satisfied with his talks with Mr. Narayan.

Talking to newsmen at a reception held in his honour at Hotel Metropole, he said he had assured Mr. Narayan of all the necessary co-operation, on behalf of Pakistan, in his mission to find out ways and means to resolve the Indo-Pakistan disputes. He told him that Pakistan appreciated his vigorous and genuine efforts in this regard, and was happy to receive him.

Returns Home:

Mr. J. P. Narayan returned to New Delhi on September 12.

He was received at the airport by Sheikh Abdullah, Maulana Masoodi, and the Pakistan High Commissioner in India.

He issued the following statement on his mission to Pakistan:

"We have returned from a week's visit to Pakistan during which we had the opportunity of frank and friendly discussions with the leaders of the Government and a wide spectrum of public opinion including representatives of the Opposition.

"We were satisfied that there is a general desire in Pakistan for a relationship with India based on community of interest and good-neighbourliness. It was made plain to us, however, that such relationship could only be predicated on an honourable solution of the Kashmir dispute. Naturally you will not expect us to go into any details about the talks with President Ayub Khan and Foreign Minister Bhutto.

"It is our impression, for whatever it may be worth, that the attitude of leaders of the Pakistan Government on the question of Kashmir is not rigid and that there is scope for meaningful negotiations.

"We are glad to learn that there will be early meetings between the Foreign and Home Ministers of India and Pakistan and we hope that the meeting at the summit will also take place soon. We don't want to raise expectations of an early end to the difficulties with Pakistan, but we are convinced that the time is ripe for a significant beginning in the process towards reaching practical, attainable solutions.

"We also took up with like-minded persons in Pakistan the question of forming an organization with the same broad objectives as the India-Pakistan Conciliation Group. There was a great deal of interest in the project and we are looking forward to an early formation of the organization in Pakistan and to a visit by them to India when we may be able to repay in a slight measure the debt of kindness and hospitality we owe to the Government and people of Pakistan."

Mr. Lal Bahadur Shastri's Statement In Lok Sabha:

Speaking in the debate on a no-confidence motion against the Government in the Lok Sabha on September 18 (see page 6088), the Prime Minister, Mr. Lal Bahadur Shastri, said he wanted to correct a prevailing impression regarding the plenipotentiary aspect of Mr. J. P. Narayan's mission to Pakistan.

He said: "He did not carry any letter from me to President Ayub Khan." "J.P." wanted that the two countries should come closer to each other. "I did not want to come in his way. I agree that we should live in peace."

Replying to a Communist member, he said when he (Mr. Narayan) talked about Aksaichin, "they are very happy, but not when he refers to Kashmir." The late Mr. Nehru and he (Mr. Shastri) had made public announcements regarding Kashmir on more than one occasion. The Government stand remained the same. "I would, in any case, like to meet President Ayub for an exchange of views."

(*The Times of India* and *The Hindustan Times*, New Delhi and *The Statesman*, Calcutta)

[Prev. ref. 5951:INI:A, 6040:INI:A]

H. Diplomatic Appointments: It was announced in New Delhi on September 26 that Mr. Abid Hasan Safrani, India's Ambassador to Senegal, had been appointed Ambassador concurrently to Ivory Coast with residence at Dakar (Senegal).

Mr. R. Gobardhan, former Chairman of the International Control Commission, Viet-Nam, will succeed Mr. S. Sen as India's Ambassador in Algeria.

Mr. Sen will replace Mr. Kewal Singh

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as India's Deputy High Commissioner in London.

(*The Statesman*, New Delhi)

[Prev. ref. 6055:INI:E]

I. Foreign Policy Debate In Parliament: The Government's stand with regard to various foreign policy issues was re-iterated on September 23 in the Rajya Sabha by the Minister for External Affairs, Sardar Swaran Singh, in his reply to a two-day debate on the international situation.

Mr. P. Ramamurthy (Leftist Communist) wanted India to take the initiative in solving the Sino-Indian border problem. Sardar Swaran Singh said that India had taken the initiative on several occasions. The last one was when Mr. Nehru showed his willingness to go to the negotiating table if China withdrew her posts from the demilitarized zone. This was a concession inasmuch as it meant a partial modification of the Colombo proposals which envisaged an equal number of posts. For anybody to charge that India's attitude was not conciliatory was, to say the least, not justified.

He added: "If Mr. Ramamurthy has the confidence of the Chinese Government let him say what initiative China has taken. The integrity of the country is dear to us. No matter what happens, we cannot compromise on this."

He alleged that Mr. Ramamurthy was trying "to create the the impression that we are adopting a posture which has led to a misunderstanding in the minds of Afro-Asian countries." He repudiated the suggestion and said it was a pity that Mr. Ramamurthy should entertain such a feeling created in his own mind."

At the conclusion of his remarks on this issue he said: "This does not mean that our efforts for a satisfactory settlement will not continue."

On Indo-Pakistani issues he said that India wanted amity between the two countries. One of the guiding principles of the Government's policy continued to be to try for an amicable settlement with Pakistan.

While repudiating suggestions in Pakistan or elsewhere that India meant to harm any country, he recalled that during his talks with the Pakistan Foreign Minister, Mr. Z. A. Bhutto, he had said India was prepared to enter into "a no-war pact" with Pakistan. This showed that there was no ground for anybody to suspect Indian intentions.

About the issue of people of Indian origin in Ceylon, he said India's stand was that the two countries should understand each other's difficulties and bring about a solution acceptable not only to both countries but also to the people concerned. "Let us create an atmosphere of understanding and cordiality so that the forthcoming meeting between the Prime Ministers of the two countries will succeed."

He referred to Mr. S. N. Mishra's apprehension that the Commonwealth seemed to be well on the way to becoming a bloc. He agreed that the Commonwealth should only be an informal association and said that any attempt to formalise the relations between the member-nations would not in the long run be in the interests of cohesion among them.

He explained that African countries wanted some sort of a secretariat for the Commonwealth. Discussions on the nature of such a secretariat were taking place. But he assured Mr. Mishra that a secretariat, if and when it was established, would not give the Commonwealth the character of a bloc.

In Lok Sabha:

The myth of Chinese willingness to quit the seven posts in the demilitarized zone of Ladakh, on the basis of which India had been urged to take the initiative for a direct dialogue with Peking on the border issue, was exploded by Sardar Swaran Singh, while winding up the foreign affairs debate in the Lok Sabha on September 28.

He said that his recent discussions with the Ceylon Premier, Mrs. S. Bandaranaike and her Parliamentary Secretary, Mr. Felix Bandaranaike, did not give him the impression that they had any evidence with them to indicate Chinese willingness to withdraw from those posts.

On Pakistan, he said that despite the complexity of the problems which had been made more complicated by the provocative border incidents and the unhelpful attitude of some Pakistani leaders, "we should try to explore the possibilities of reaching a settlement of our differences."

He said that the Government attached the highest importance to the work of the Cairo Conference in which half the number of member-nations of United Nations participated. India's aim was to reaffirm the policy of non-alignment, particularly in the light of the changing world situation.

The Non-aligned Conference would also concern itself with the codification of the policy of peaceful co-existence, disarmament, strengthening of the UN Organization, raise its voice against colonialism and imperialism and discuss ways of furthering economic development and co-operation among the participating countries.

Answering a question about the reported Portuguese complaint to the Security Council in regard to Goa, he said: "We shall take very serious notice of this". The complaint had not yet been lodged. They might circularise it among members of the Security Council, with mischievous intent. The Government of India would present its own version.

The meeting of the Laotian Princes in Paris had not been quite a success, but it was hoped that the Princes would resume their talks after the Cairo Conference which Prince Souvanna Phouma was attending. The Laotian problem could be solved only through a political approach.

He said that the position regarding North and South Viet-Nam was difficult. The Government of India hoped that outside interference in the form of troops and other things would be eliminated.

(*The Times of India*, New Delhi)

[Prev. ref. 6040:INI:A]

J. Bakshi Ghulam Mohammed Arrested In Jammu And Kashmir: A former Premier of Jammu and Kashmir, Bakshi Ghulam Mohammed, was arrested in Srinagar on September 22 along with six others under the Defence of India Rules and taken to Udhampur jail.

Among those arrested were four legislators besides the former Premier. They were Mr. Ghulam Nabi Wani Sogami, Mr. Ghulam Ahmed Soofi, Mr. Abdul Rehman Ghazi and Pir Mohammed Yaheeya Siddiqi.

A few hours later the Sadri-i-Riyasat, Mr. Karan Singh, prorogued both Houses of the Legislature. When the Sadr-i-Riyasat's order was read out in the Assembly, some members shouted "shame, shame."

The Premier, Mr. G. M. Sadiq, defended the arrests at a news conference, saying that Bakshi Ghulam Mohammed's activities were likely to prove a threat to the peace and security of the State. It would not be proper for him to disclose at this stage the various charges against the former Premier.

He said that Bakshi Ghulam Mohammed would be shifted to Tara Nivas, a guest house converted into a jail. The other arrested leaders would be lodged in the Central Jail in Srinagar.

Replying to a question, he denied that Bakshi Ghulam Mohammed's talks with Sheikh Abdullah and Maulvi Mohammed Farooq had anything to do with his arrest. He also denied that the arrests had been made to forestall the tabling of a no-confidence motion against his Ministry. He had no knowledge of any such motion.

He hoped that the prorogation of the Legislature would be for a short period. As soon as the situation became normal the Legislature would be summoned to meet.

The arrests followed reports that dissidents in the National Conference Legislature Party had decided to overthrow the Ministry. A spokesman for the dissidents had claimed that they enjoyed a majority in the party.

The arrests were condemned by the dissidents. They contended that the step had been taken to forestall the no-confidence motion against the Ministry, notice of which was given on September 22.

Reaction In New Delhi:

The Central Government was taken completely unawares by the news of the arrest of Bakshi Ghulam Mohammed and his six associates in Srinagar.

Unlike in 1953, when the first Premier of Jammu and Kashmir, Sheikh Abdullah, was arrested with the full knowledge and concurrence of the Centre, Bakshi's arrest was not known even to the Prime Minister, Mr. Lal Bahadur Shastri, till 9 a.m. on September 22.

It appeared that Mr. Shankar Prasad, Secretary for Kashmir Affairs, who was in Srinagar, was with Bakshi Ghulam Mohammed till 9 p.m. on September 21 trying to dissuade him from moving the proposed no-confidence motion against the State Government. The Bakshi, on the other hand, was credited with the intention of moving a similar motion even against the Sadr-i-Riyasat whose office is also now elective.

The matter came up in both Houses of Parliament through calling-attention notices.

Mr. Lal Bahadur Shastri told the Rajya Sabha that the Central Government had not been given prior information about the arrests. The State Government had apparently taken the decision about one or two o'clock the same morning and he (Mr. Shastri) received intimation about this development at 9 a.m.

Mr. A. B. Vajpayee (JS) drew attention to the news of the arrests and said that it had come as a surprise. Was Bakshi's arrest made at the instance of the Government of India?

Mr. Shastri replied in the negative and said he was not posted with the details yet. He read out a statement by the Premier of Jammu and Kashmir, Mr. G. M. Sadiq.

The statement read:

"Lately, the State authorities had been investigating cases of corruption and other criminal cases in which Bakshi Ghulam Mohammed's complicity was suspected. To forestall possible developments in this connexion, Bakshi Ghulam Mohammed had started acting in a manner which left no doubt that he and some of his associates were making various attempts to create conditions likely to affect adversely the public peace and internal security in the State. At a time like this when the greatest need of the hour is to harness all our efforts towards the fulfilment of our programme of economic development, his disruptive moves were likely to have great repercussions on the normal life of the country and the well-

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being of the people of the State. The State Government therefore decided to curb such prejudicial and anti-social activities of these elements in the larger interests of peace and public order. The Government has therefore detained Bakshi Ghulam Mohammed and six other persons under the Defence of India Rules. The State Government was compelled to take the action with reluctance in these circumstances."

(*The Times of India*, New Delhi)

[Prev. ref. 5716:INI:L]

K. Bank Rate Raised: The increase in the Bank Rate from 4½ per cent to 5 per cent with immediate effect and the modification of the existing mechanism of credit control were announced in the Lok Sabha on September 25 by the Central Finance Minister, Mr. T. T. Krishnamachari.

These steps were taken by the Reserve Bank of India to correct the imbalance between the rate of monetary expansion and real output growth to which, Mr. Krishnamachari said, private sector operations had contributed.

His "credit squeeze" measures were generally welcomed by MPs who, in the lobbies, said the announcement showed the Government's readiness to tackle a difficult situation.

Although it was recognized that monetary transactions were limited, the announcement had served a warning that manipulations would not be tolerated and this would have an important psychological effect on the economy.

The modification of the credit control mechanism was being done by changing the system of quotas through which the Reserve Bank regulates the borrowings of scheduled banks.

The Reserve Bank has decided to introduce a system under which the cost of commercial banks' borrowings from the Reserve Bank will be linked to the actual level of credit extended by the commercial banks in relation to their own resources.

Thus, Mr. Krishnamachari said, the emphasis will be on increased cost, rather than a direct restriction of the availability of credit from the Reserve Bank, to secure the needed restraint. In this way, genuine productive requirements of the economy would not be affected.

He added that the Reserve Bank was taking steps to introduce a "more orderly deposit rate structure under which the rates on longer term deposits will become relatively more attractive to the holders and thus assist deposit mobilization".

This was because the capacity of the banking system to meet the growing credit demands of an expanding economy depended essentially on the success with which it could increase deposits. The present narrow spread between the interest rates on short and longer term deposits was not conducive to the process of deposit mobilization.

He prefaced his announcement by expressing the Government's concern at the deterioration in the price situation, particularly food prices, which showed the strain the economy was going through.

He stressed the need to cut non-essential expenditure and appealed to the States to review their expenditure position in the light of the current serious supply and price position.

Deficit financing should be kept to the minimum, he said, particularly as additional doses of deficit-financing in the light of the tight position on the supply side would only aggravate an already serious situation.

The 5 per cent Bank Rate is the highest so far in India.

At the beginning of the First Five-Year Plan the rate was increased from 3 per cent to 3.5 per cent. At the beginning of the Second Plan it was increased by another ½ per cent. More or less in the middle of the Third Plan, in January, 1963, the rate was again raised by another ½ per cent.

Interest On Deposits Raised:

It was announced in Bombay on October 1 that scheduled banks had decided to step up the rates of interest on deposits with immediate effect. The average increase would be about ½ per cent for term deposits.

The executive committee administering the all-India inter-bank agreement on maximum rates of interest on deposits, decided to revise the rates as follows:

"Banks will offer no interest on deposits up to 14 days. The rate for deposits for 15 to 45 days has been fixed at 1.25 per cent and for 46 to 90 days at 2.50 per cent in accordance with the directive of the Reserve Bank of India.

"For term deposits the rates are: 91 days and over but less than six months —4 per cent; six months and over but less than one year—4.50 per cent; one year and over but less than two years—5 per cent; two years and over but less than three years—5.25 per cent; three years and over but less than five years—5.50 per cent; five years and over but less than seven years—6 per cent; seven years and over but less than nine years—6.25 per cent and nine years and over 6.50 per cent."

The State Bank of India announced the revised rates on September 30.

(*The Times of India*, Bombay and New Delhi and *The Statesman*, New Delhi)

[Prev. ref. 5029:INI:F]

L. Statutory Price And Production Controls On Cloth Imposed: The Central Minister of Commerce, Mr. Manubhai Shah, announced in the Lok Sabha on September 28 that statutory price and production controls on popular varieties of cloth would come into force from October 15.

The controls will be introduced over the manufacture and sale of mill-made dhotis, saris, longcloth and shirting, covering about 45 per cent of the total annual mill production excluding sales for exports and defence requirements. The quantity involved is estimated at about 2,000 million yards.

According to a statement laid on the table of the House, the introduction of controls will result in a reduction of about 5 per cent to 8 per cent in the prices of most of the cloth of the controlled categories from those prevailing under the Voluntary Price Scheme.

In a few old varieties of controlled categories (whose prices continue at the pre-1961 level, and which constitute less than 5 per cent of the controlled cloth), the new prices may, however, rise by about 7 per cent to 8 per cent.

Even though controls came into force on October 15—it is expected that "substantial" quantities will become available early in November—Mr. Shah told newsmen later that prices would probably fall almost immediately in view of the announcement.

Under the statutory controls scheme, formulae have been drafted to work out the cost of particular varieties of cloth.

Ex-mill and retail prices, excise duty, the category and description of the cloth and the "tex-mark" of the mill will also be stamped on the cloth and all controlled categories will bear the words "controlled cloth" on them. All details will be printed in red.

An important feature of the scheme is that no mills will be allowed to produce controlled varieties of cloth—that is, dhotis, saris, longcloth and shirting—in the non-controlled sector. No mill will also be allowed to print these words (dhotis, saris, etc.) on any non-controlled varieties.

The statement said that mill-made cloth of the non-controlled categories will not be subject to price control. "But the Government trusts that the industry, the trade and the consumers will exercise the necessary restraints to see that these categories sell at reasonable prices and do not show any undue rise in the price of such cloth."

Mills were instructed to begin to produce and stamp prices from October 7 onwards and complete the switch-over by October 15.

To make sure that the control scheme is effectively implemented, a new wing has been created in the Textile Commissioner's organization under an Additional Textile Commissioner.

It was also proposed to set up a "Textile Control Advisory Committee", under the chairmanship of Mr. V. P. Naik, Chief Minister of Maharashtra, to advise the Government on all aspects of the work relating to the administration of the controls.

Mr. Shah said: "In calculating the retail price of cloth of the controlled categories, a margin of 18 per cent over the ex-mill price (excluding excise) will be allowed to the trade".

An official clarification given later said: "While most of the textile mills in the country will re-adjust thehir production of programme and bring up their production of the controlled cloth to the required quantum as per control orders, some mills in West Bengal and Northern India, which at present produce a larger percentage of dhotis and saris on account of their existing machinery and equipment, can continue to have this larger production of dhotis and saris."

(*The Statesman*, New Delhi)

[Prev. ref. 5596:INI:O]

M. Companies (Second Amendment) Bill Passed: The Lok Sabha passed in the third week of September a Bill to amend the Companies Act in accordance with the recommendations of the Vivian Bose Commission, which inquired into the working of the Dalmia-Jain companies and the Daphtary-Shastri Committee, which examined these recommendations.

The Companies (Second Amendment) Bill, introduced on September 21 by the Minister of State for Finance, Mr. B. R. Bhagat, on behalf of the Finance Minister, sought to strengthen the provisions of the parent Act relating to investigation of the affairs of companies.

It also sought to provide for more effective audit in dealing with cases of dishonesty and fraud in the corporate sector.

The following are some important provisions in the 62-clause amending measure:

"Clause 3 (sub-clause two): It is proposed to expand the definition of officer in Clause 5 of the parent Act to bring within its ambit any person in accordance with whose instructions the board or any of the directors of a company is accustomed to act. This is designed to counter the trend whereby dummy directors are appointed on boards of companies to implement policies of a dubious nature, while the masterminds, mainly instrumental in evolving these policies, remain in the background.

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"Clause 4: This provides for delegation of powers by the Company Law Board to the officers of the Board with the approval of the Government.

"Clause 5: The purpose of the amendment is to provide for clear definitions of the main and subsidiary objects of a company in its memorandum of association.

"Clause 8: It seeks to make it an offence to make applications for shares or their allotment in the name of fictitious persons.

"Clause 11 (a): This clause seeks to impose a duty on the promoters and directors of a company to ensure that the share capital reflects cash or other valuable assets and is not supported by merely book adjustments.

"Clause 12: This seeks to make it clear that underwriting commission should not be paid except in respect of shares or debentures offered to the public.

"Clause 13: It contains restrictions designed to curb the abuse inherent in the system of blank transfer of shares.

"Clause 21: A sub-section of this clause makes it clear that the Registrar of Companies or any officer authorised in that behalf may inspect the books of account and other books and papers of the company without giving any previous notice to the company.

"It is made obligatory on the company and its officers to produce the necessary books of account etc. for inspection by the Registrar or any other officer and to give him all possible assistance.

"Clause 24: A new section is proposed to be introduced to enable the Government to issue necessary directions for conducting cost audit of companies engaged in manufacture or mining activities.

"Clause 29: This introduces a new Section—250A—on the basis of a recommendation made by the Daphtary-Shastri Committee in the light of the Vivian Bose Commission's report. One of the methods by which investigations into the affairs of the company were sought to be delayed was by raising technical objections to it on the ground that applications for relief against oppression and mismanagement were pending before a court or that the company concerned had gone into liquidation. The proposed Section 250A provides that investigations may be initiated notwithstanding the voluntary winding up of the company or the pendency of such application in court.

"Clause 36: Under the present provision regarding the retiring age of a director, the normal retiring age is 65, but he could continue beyond this age provided a special resolution is passed by the company. The amending clause seeks to raise the age of retirement to 75 but makes no provision for continuance beyond that age.

"Clause 40: This is based on the observations of the Vivian Bose Commission regarding the abuse arising out of payment of compensation to the sole selling agents for the unexpired period of their agreement. The Commission has suggested that in certain circumstances no compensation should be paid at all, while in others compensation should be paid only for the unexpired portion of the agreed term, not exceeding three years. This clause seeks to insert a new section to implement these recommendations.

"Clause 43: The restriction on remuneration of directors is sometimes sought to be evaded by the directors holding technical or other appointments in addition to their directorship. This clause seeks to provide for bringing such cases within the purview of Section 309 of the Companies Act. The clause also provides for payment of monthly salaries to part-time directors.

"Clause 46: The Vivian Bose Commission had suggested that inter-company loans should be on a par with inter-company investments and should be subject to the same restrictions as the latter. In particular, the Commission had recommended that the loans referred to in Section 370 should be subject to the restriction contained in Section 372. This clause seeks to amend Section 370 accordingly.

"Clause 51: This seeks to check certain malpractices in relation to take-over offers.

"Clause 53: This clause proposes to delete Sections 410 to 415 of the Companies Act in regard to the advisory commission. It provides, instead, for the constitution of an advisory committee to advise the Central Government and the Company Law Board on such matters arising out of the administration of the Act as might be referred to it. The committee would consist of not more than five persons.

"Clause 54 and 55: These clauses seek to provide that a company which has been brought under voluntary liquidation should not be dissolved until the official liquidator has scrutinised the books and papers of the company and made a report to the court that its affairs have not been conducted in a manner prejudicial to the interests of its members or the public interest."

The Bill also sought to simplify some of the procedural requirements which, according to its Statement of Objects and Reasons, "are at present burdensome to the companies without being of corresponding advantage to the Government."

The Bill was passed by the Rajya Sabha on September 28.

(*The Times of India*, New Delhi)

[Prev. ref. 5596:INI:N]

N. **Hindustan Antibiotics' Annual Report:** Releasing Hindustan Antibiotics' annual report at a news conference in New Delhi on September 26, the Managing Director, Dr. G. S. Kasbekar, said the company had responded promptly to the Finance Minister's call for larger returns from public sector projects by declaring a high dividend of 10 per cent from its profits for 1963-64.

The company, which had so far been paying a dividend of 6¼ per cent to the Central Government, decided at a meeting of its board of directors to raise it to 10 per cent.

As a result, the company will pay to the Central Exchequer Rs. 24,73,000 this year as against Rs. 15,45,000 paid last year. The Central Government holds shares for Rs. 247,00,000 in the company.

Dr. Kasbekar said that the company had steadily increased its profits by progressively reducing the cost of production and raising production and sales.

Dr. Kasbekar and the chairman of the company, Dr. D. P. Setna, who was also present at the news conference, reviewed in detail the progress of the Pimpri undertaking in the last 10 years of its working.

The net sales in 1963-64 amounted to Rs. 447,00,000 and the gross surplus before taxation was Rs. 144,00,000. The net surplus after taxation etc. was about Rs. 72,00,000. The ratio of net profit to net sales was about 32.3 per cent. The sale turnover of 1963-64 registered an increase of 12 per cent over the previous year.

The company's output of penicillin, they said, met more than 60 per cent of the domestic demand. The private sector companies added another eight to 10 per cent. The rest was being imported.

Dr. Kasbekar indicated that there were good possibilities of the company entering the export market for penicillin. He was expecting some orders from South-East Asian and Middle East countries. The company proposed to step up penicillin production from 52 million mega units in 1963-64 to 70 million mega units in 1964-65.

The most significant achievement of the company was, however, in the field of research and new products. A new antifungal antibiotic, discovered at the research laboratory of the company, had attracted foreign attention.

A new product, known as namycin, had proved very effective in the treatment of tinea infections including cases which did not normally respond to other antibiotics. Commercial manufacture of this product had been approved by the Government of India.

Simultaneously, various pharmaceutical firms of international repute had approached Hindustan Antibiotics for royalty rights for commercial exploitation of this new drug all over the world. Negotiations in this regard were in an advanced stage and were expected to conclude soon.

Work on other new antibiotics was also under way. A project for undertaking the manufacture of recently discovered neomycin was being finalised.

Dr. Kasbekar added that the company was also engaged in setting up and operating a pilot plant for the production of vitamin 'C' by a technique which had been developed by the National Chemical Laboratory, Poona.

(*The Times of India*, New Delhi)

[Prev. ref. 5473:INI:G]

PAKISTAN

A. **Miss Fatima Jinnah To Run For Presidency:** Miss Fatima Jinnah, 71-year-old sister of the late Mr. Jinnah, on September 17 agreed to run for the Presidency against President Ayub Khan.

A formal announcement regarding Miss Jinnah's acceptance of nomination was later made by Khwaja Nazimuddin, President of the Council of Muslim League.

Miss Jinnah told newsmen: "I am doing this for the country, I am not doing it for myself."

The Jamaat-i-Islami group is not associating itself with the decision to set up Miss Jinnah as it could not take any decision in the absence of its leaders who are in jail.

The statement read out to newsmen by Opposition leaders said: "The combined Opposition consisting of the Council of Muslim League, Awami League, National Awami Party and Nizami-e-Islam requested Miss Fatima Jinnah to accept nomination for Presidential elections. She has graciously accepted the nomination".

Miss Jinnah will lead the Opposition campaign for the election in November of the 80,000 "Basic Democrats" who will elect the President in March, 1965.

Miss Jinnah, who was closely associated with her brother, Mr. Mohammed Ali Jinnah, throughout his campaign for creation of Pakistan, had never been closely connected with any of Pakistan's political parties in the 17 years since its birth.

In an Independence Day message on August 14, Miss Jinnah had attacked the Government as one which had led to private gain and public intrigue.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 6048:PAK:C]

B. **Record Cotton Export:** Karachi Cotton Association sources said on September 11 that a record quantity of 8,83,000 bales of cotton was exported by Pakistan during the

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season ended August 31. Exports during 1962-63 accounted for 7,92,000 bales.

The carry-over this season was only 58,000 bales, including 10,000 bales of desi cotton. The Association sources said that considering the consumption of the indigenous textile industry, this was not a big quantity.

China maintained its lead during the season and headed the list of countries buying Pakistan cotton with total purchases of 3,03,000 bales.

Hong Kong was second with total purchases of 2,19,000 bales, while Japan, which, till the previous season, was the most important cotton buyer of Pakistan cotton, purchased only 1,09,000 bales during this season.

The reason, the trade circles pointed out, was that USA supplied cotton to Japan in large quantities on deferred payment basis.

The UK ranked fourth with a total purchase of 79,000 bales, followed by Yugoslavia with purchases of 47,500 bales.

The Soviet Union and other Socialist countries did not make any purchases of Pakistan cotton during the season.

The USA purchased only 8,000 bales, which included 7,700 bales of desi cotton.

Three thousand bales were imported by different African countries.

Out of the total production of about 23,00,000 bales, over 14,00,000 bales were consumed by the indigenous textile industry.

(*Dawn*, Karachi)

[Prev. ref. 5649:PAK:B]

C. Ban On Jamaat-i-Islami Party To Be Lifted: The Government announced in the Supreme Court in Karachi on August 29 that the Right-wing Jamaat-i-Islami Party, charged with fostering unrest among civil servants, would not be outlawed.

Counsel for the Government announced the decision during an appeal by the religious party's chief, Maulana Abdul Ala Maudoodi, against the judgment of the West Pakistan High Court in upholding action taken by the Provincial Government in banning the organization.

The Party, most organized in Pakistan's splintered opposition, had been banned by the Governments of East and West Pakistan under a Criminal Law Amendment Act in January for "subversion (see page 5650).

At the same time, 45 members of the party hierarchy had been jailed, and party offices throughout the country nailed up.

(*The Egyptian Gazette*, Cairo)

[Prev. ref. 6001:PAK:C]

SAUDI ARABIA

A. Development Of Riyadh: A message on September 4 said that a complete face-lift for the city of Riyadh had been planned by the City Council. The cost of the operation would be included in the State Budget for the next year.

Twenty-six new streets are to be constructed, 22 existing streets paved and a further 20 streets installed with modern lighting. Ten fountains and nine clock towers will add elegance to the city and public lavatories and a giant incinerator for garbage disposal will improve its amenities. Plans for the future include the demolition of the old commercial quarter and food market and the building of a modern shopping centre.

A 60,000,000 riyals ($13,000,000) contract covering Riyadh's water filtration and purification project is expected to be signed with a Swedish company in the immediate future, operations being scheduled for completion within three years.

(*Middle East Economic Digest*, London)

SYRIA

A. State Budget For 1964: The Presidential Council, at the beginning of September, 1964, announced the Ordinary Budget for the financial year which began on January 1 and ends on December 31.

The last State Budget was approved in October, 1962 and covered the 18 months, July 1962-December 31, 1963, it having been decided to change the beginning of the fiscal year from July 1 to January 1 with effect from 1963.

The new budget is balanced at £S634 million, which shows a very slight increase of £S5.1 million if, for the sake of comparison, the previous 18-month total of £S943,372,000 is calculated on a 12-month basis. The 1961-62 Budget was balanced at £S943,425,000.

The biggest item of expenditure is defence which, with an allocation of £S295,333,000 accounts for 46 per cent of total spending. Internal security receives £S50,880,000, both allocations being proportionately unchanged from the 1962-63 budget. There are few deviations from the previous figures in the new Budget, the allocations generally following those of 1962-63.

Expenditure on education is estimated at £S86,528,000 (£S129,000 for the 18-month period 1962-63), and on health at £S19,841,000 (£S29,762,000 in 1962-63). Communications, Social Affairs and Municipal Affairs all show a decrease on the figure of three years ago; Communications receive £S14,463,000 against £S15,578,000 for the 12 months 1961-62 and £S21,694,000 in the 18-month period 1962-63; Social Affairs £S3,496,000 against £S4,556,000 in 1961-62 and £S5,244,500 in 1962-63; and Municipal Affairs £S3,661,000 against £S472,600 in 1961-62 and £S5,491,-500 in 1962-63. The subsidy for radio services has grown from £S2,817,000 in 1961-62 to £S8,688,000 in the 18 months 1962-63 and £S5,792,000 this year. The subsidy for television which was first introduced in the 1962-63 Budget remains proportionately the same at £S7,871,000 this year. Both radio and TV are State-owned.

On the revenue side, direct taxes are budgeted to yield £S113,550,000, indirect taxes £S246,470,000, registration fees £S85 million, State lands and property £S5,457,000, State enterprises £S1,750,000 (compared with £S4,500,000 in 1961-62 and £S6,900,000 in 1962-63), public services £S137,965,000, deferred payments £S4 million, and miscellaneous revenues, resulting mainly from rates and taxes imposed in the last Budget, £S634,000,000.

The Minister of Industry, Mr. Adel al-Saadi, announced an increase in the price of diesel oil throughout the country. Syrian consumption is about 700,000 tons a year, most of which is imported and, while world prices have risen in recent years by some 15 per cent, there has been no increase in the local price since 1960. The new price will be £S2.25 per 20 litres.

(*Middle East Economic Digest*, London)

[Prev. ref. 4860:SYR:B, 4903:SYR:A]

TURKEY

A. Foreign Trade: According to statistics available early in September, 1964, Turkey's foreign trade for the first six months of 1964 showed a deficit of $127,100,000 as against $144,000,000 for January-June, 1963.

Exports amounted to $168.4 million compared with $174.4 million in the same period of 1963, while imports totalled $295.5 million compared with $318.4 million in 1963. One reason for the decline was the fall in tobacco exports, from $51.7 million in 1963 to $41.3 million. Imports of machinery rose steeply from $78.9 million in the period January-June, 1963 to $111.8 million in 1964. Imports of wheat fell from $29.4 million to $2.2 million as Turkey herself had a good harvest in 1963.

The Minister of Commerce, Mr. Fenni Islimyeli, announced that since export freedom had led to an increasing number of commodities being exported at below market price, particularly in the south of Turkey, it had been decided to impose export price restrictions there and at other ports should the need arise. At present livestock is the main export involved; exports of livestock in the first six months of this year fell to $5 million from $6.9 million in the same period last year.

Turkey's import policy for the second half of 1964 will also be less liberal. The list of prohibited imports prepared by the Ministry of Industry, now being considered by the Cabinet, includes prefabricated buildings, metal construction materials and fittings, lighting and air-conditioning equipment, telephone exchanges, vehicle bodies, concrete mixers, graders pumps, tractors, agricultural tools, sewing machines and radios. Tariff and import restrictions protection is being provided for any local industry able to meet most of the demand.

(*Middle East Economic Digest*, London)

[Prev. ref. 5794:TUR:A]

VIET-NAM (RVN)

A. Another "Coup" Attempt: South Viet-Nam went through another military *coup* on the morning of September 13, the third since President Ngo Dinh Diem was killed in November, 1963.

The latest attempt at overthrow of the Government of Gen. Nguyen Khanh was made by Brigadier-General Lam Van Phat, who recently lost his post as Minister of the Interior. He headed a group of Catholic generals and other officers who formed themselves into a "Council for Liberation of the Nation opposed to Communism, dictatorship and neutralism." Brig-Gen. Lam said he would place Gen. Khanh under arrest.

The five points in the Council's programme "for the salvation of the nation" were:

(1) To establish and strengthen the power of the nation to destroy all plots by the (Communist) Viet-Cong disguised under nationalism.

(2) To weed out the Viet-Cong and its lackeys from nationalist elements.

(3) To unify the people and the army into one bloc without distinction of religion, and to co-operate and accept all capable people from all walks of life without discrimination.

(4) To establish a clear frontier between religion and politics: to keep reli-

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gion out of politics and politics out of religion.

(5) The Republic of Viet-Nam "is determined to stand among the free nations of the world, respect the United Nations Charter and all agreements already signed: to unite with all nations which respect the sovereignty of the Republic of Viet-Nam and support the struggle of the Viet-Namese people in its fight against Communism."

Attempt Fails:

However, within 24 hours the *coup* the Council collapsed and Gen. Khanh was back in power. According to reports, the *coup* failed because the Air Force General did not support it.

Air Force General, Air Commodore Nguyen Cao Ky said at a news conference on September 14 that there was no coup, but only a movement of troops. He and other Generals were reported to be making up a list of demands to be fulfilled by Gen. Khanh, the main one of which was said to be the purging of Communist and neutralist elements from the Government.

The failure of the coup was also due to lack of US support for Gen. Lam.

Gen. Khanh returned to Saigon following the collapse of the military coup, and promised to hand over power to any Government which had the confidence of the entire people.

While he was speaking at a news conference, about 1,000 banner-carrying students marched through the streets of Saigon shouting slogans against "counter-revolutionary" coups and neutralism.

Air Force helicopters and planes circled above the city keeping watch on the demonstrators.

At Can Saint Jacques, near Saigon, Gen. Khanh met the US Ambassador, Gen. Maxwell Taylor, who had just returned from Washington.

A reconstruction of events following the coup indicated that a number of Generals had previously reached basic agreement on certain demands to be put to the Government. Some Generals wanted to back up these demands with a show of force—a coup—but Air Commodore Ky and others opposed this.

However, certain commanders ordered troops into Saigon, forcing Air Commodore Ky to elect whether to back them or oppose them. Although the city was entirely in rebel hands, he decided to crush the coup, using force if necessary.

Throughout September 13, more and more Generals commanding troops threw their support behind Air Commodore Ky until by early morning on September 14 some of the coup forces themselves withdrew, leaving Generals Duc and Lam in a very weak position.

A Washington report stated the United States continued to support the duly constituted Government set up by Gen. Khanh, Gen. Minh and Gen. Khiem.

On the evening of September 16, the leader of the abortive coup, Brig-Gen. Lam surrendered to the Government, bringing an end to the crisis.

Several high-ranking officers linked with the coup were arrested.

There were also reports that the Commander-in-Chief of the Armed Forces, Lieut-General Tran Thien Khiem, had been relieved of his post and his powers taken over by the Prime Minister, Major-General Khanh.

Official sources declined to confirm or deny the sacking of General Khiem, whose role in the coup was not clear.

(*The New York Times* and *The Times of India*, Bombay)

[Prev. ref. 5768:RVN:A]

YEMEN

A. Loans From China And Hungary: It was stated on September 11 that China had granted a loan of £10,000,000 to Yemen for the construction of a 200-mile highway from Sanaa to Saada in north Yemen, a weaving factory, a school and a hospital in Sanaa.

The loan will also be used to finance agricultural projects and for the repair of the Chinese-built Sanaa-Hodeida road, construction of which began in 1959 with a credit of 70,000,000 Swiss francs from China.

Hungary had agreed to grant a loan of $300,000 and a Trade Agreement valued at $1,000,000 had been negotiated between the two countries.

(*Middle East Economic Digest*, London)

[Prev. ref. 5924:YEM:A]

B. UAR-Saudi Arabia Accord On Ending War In Yemen: UAR and Saudi Arabia announced in a *communique* issued in Cairo on September 14 that they would try to stop hostilities in Yemen.

The announcement was made at the end of conversations in Alexandria between Emir Faisal, Regent and Prime Minister of Saudi Arabia, and President G. A. Nasser of UAR.

The **communique** said: "The Kingdom of Saudi Arabia and the United Arab Republic decided to co-operate completely in order to resolve the differences existing between the parties concerned in Yemen and affirm their desire to avoid armed conflicts in the Yemen.

"The two countries have agreed to make the contacts and to use their good offices with the two sides in Yemen in order to create an atmosphere permitting existing differences to be resolved by peaceful means."

King Hussein's Appeal:

An Alexandria message on September 10 said that King Hussein of Jordan had urged Saudi Arabia to recognize the Yemen Republic.

Sources close to the King said that King Hussein had made his appeal at a session of the Arab "Summit" Conference. The sources added that King Hussein stressed the necessity of such a settlement in order to strengthen the Arab front in the Palestine affair.

King Hussein, whose Government recognized the Yemen Republic regime in August, also offered his services as mediator between Saudi Arabia and Yemen.

(*The Egyptian Gazette*, Cairo and *The Times of India*, Bombay)

[Prev. ref. 6025:YEM:D]

ASIA OUTSIDE ASIA

A. UN Economic And Social Council Meeting: Proposals for the establishment of a new UN development programme, measures related to the UN Development Decade, financing of economic development, expansion of development activities, intensified action in the housing and social defence fields, examination of world economic trends, and the economic and social consequences of disarmament were some of the subjects which the United Nations Economic and Social Council discussed at its 37th session, which opened in Geneva on July 13.

The Council had before it the reports of the recent UN Conference on Trade and Development, including proposals for the establishment of a continuing machinery to keep world trade problems under constant review and to promote expansion of international trade.

Other items on the agenda related to the World Food Programme, the development of nature resources, science and technology and illiteracy.

The proposals concerning the new UN Development Programme resulted from a Council resolution requesting the preparation of a study on steps to bring about closer co-ordination of technical co-operation and pre-investment activities of the United Nations family of organizations. Documents which the Council had before it on this matter included the report of an ad hoc Committee of 10 appointed to prepare such a study.

It also had before it two other reports by the Secretary-General outlining a plan providing for a merger, under the proposed Development Programme, of two existing operations aiding developing countries—the Expanded Programme of Technical Assistance (EPTA) and the UN Special Fund.

U Thant's Statement:

The Council heard a statement by the UN Secretary-General, U Thant and approved the annual reports of the four regional Commissions.

The following is a summary of U Thant's statement to the Council:

"During the past year, the world economy has continued to move forward and the recent growth has been shared by most areas of the world. However, the record of growth continues to be marred by the familiar weaknesses in all regions.

"A change is taking place which is of particular significance to the examination of the world economic situation. It is a change of political dimensions in the awareness of the need for more organized international co-operation in the economic and financial field.

"Significant initiatives have been taken in various quarters towards the adaptation of international policies and institutional arrangements. The most momentous development has been the UN Conference on Trade and Development.

"North-South tensions are fundamentally as serious as East-West ones. Before the Trade Conference, the parallel between North and South, on the one hand, and East and West, on the other, may have seemed a little far-fetched. Now the South can be identified as a large group of more than 75 votes, when it chooses to assert itself. In demonstrating such a possibility, the Conference may have signalled a turn in the history of international economic relations.

"The contribution that may be expected of the 75 to the solution of world problems will depend to a great degree on the validity of the faith in the unique value of United Nations as an instrument for reconciling differences of opinions.

"The recommendations of the Trade Conference show that no problem can be dealt with outside the context of a single world economy in which trade cannot be dissociated from a complex of inter-related activities involving the interests of all nations. Greater cohesion among less developed countries will definitely foster world-wide economic co-operation.

"The Council should make a review and reappraisal of the functions and machinery of the whole Organization, and

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particularly of the Council, with the utmost frankness.

"It should be remembered that economic progress has no meaning if it is not closely related to social aspirations. Trade and investment must be seen in the broad context of the prevailing social structure.

"With respect to the international economy, there is a need to ensure that those who can contribute to its progress and growth should know how it is affected and shaped by the various actions taken constantly by Governments as well as by international bodies.

"There is an overriding need to ensure the continuing appraisal of performances in the world economy against the background of aspirations and objectives. There is a need at the international level for revew of both national and international programmes to lend greater clarity, urgency and cohesion to the widely diffused, and often unrelated, efforts being made today towards development.

"This session should initiate certain steps to permit the Economic and Social Council to perform this function more adequately than in the past.

"The targets which have been set up by the General Assembly and which have been given additional emphasis in the UN Trade Conference might become embarrassing or perfunctory if there were no machinery to get an accurate and comprehensive view of how far or how close we are to them year after year. The world economic situation is characterized by increased determination on the part of the developing countries to plead their case, greater willingness on the part of the industrialized ones to listen, and, as a result, by a better chance for a proper understanding of the problems involved and their inter-relations."

Resolutions:

The Council took the following actions in the first week of August:

(1) Referred to the General Assembly a draft convention on the elimination of all forms of racial discrimination.

(2) Requested the Assembly to take further action this year on the draft declaration and convention on the elimination of religious intolerance.

(3) Designated 1968 as the International Year for Human Rights.

(4) Requested the Economic Commission for Europe (ECE) to examine further the problem of re-insurance in relation to trade, taking into account a recommendation of the UN Conference on Trade and Development.

The Council's Co-ordination Committee adopted a resolution under which the Special Fund and the Expanded Programme of Technical Assistance would be combined in a programme to be known as the UN Development Programme.

The Council's Economic Committee adopted resolutions dealing with new sources of energy and with the desalination of water. One resolution would have the Council approve the establishment of a solar energy experimental centre in Niger.

The Council's Social Committee recommended that the Council approve a plan envisaging the creation of a centre for housing in the UN Secretariat.

Economic And Social Consequences Of Disarmament:

On August 12, the Council unanimously approved a resolution concerning the economic and social consequences of disarmament.

The resolution, tabled jointly by the delegations of Czechoslovakia, Colombia, USSR and USA, stressed the need for the early conclusion of a Treaty on general and complete disarmament and pointed out that all States must redouble their efforts to achieve this goal.

The Council stressed the importance of extensive research to find the most convenient ways and means of channelling all material and man-power resources, released as a result of disarmament, to peaceful production.

Session Ends:

The Council concluded its session on August 15.

At its closing meeting, it adopted a number of resolutions dealing with questions related to the UN Development Decade, and concerning a general review of the economic, social and human rights programmes and activities of the UN family of organizations.

Regarding the UN Development Decade, the Council heard statements emphasizing the need for a concerted information effort throughout the world.

The President, Sir Ronald Walker (Australia) in a closing address, said that reappraisal of the Council's activities, in connexion with the proposed continuing trade machinery, would be an issue for next year, and that the present need was for an overhaul of the Council's activities and procedures.

The Council had before it the report of its Co-ordination Committee concerning the agenda item dealing with a general review of economic, social and human rights programmes and activities of United Nations, the specialized agencies and the International Atomic Energy Agency (IAEA).

It adopted a proposal in that report recommending the inclusion in the Council's agenda for its 38th session of an item concerning a review and reappraisal of the functions and machinery of United Nations and of the Council in the economic and social fields.

It took note of the reports of the Administrative Committee on Co-ordination (ACC), the specialized agencies, and of IAEA.

It adopted a resolution on the evaluation of the impact of the UN technical co-operation programmes, requesting the Secretary-General to proceed, in consultation with the Special Fund, the Chairman of the Technical Assistance Board and executive heads of the specialized agencies, with arrangements for undertaking pilot evaluation projects in a limited number of countries.

This resolution, adopted by a vote of 17 in favour, none against, with one abstention, also requested the Secretary-General to report to the Council at its 39th session.

The Council adopted unanimously a resolution welcoming arrangements concerning meetings between the ACC, officers of the Council and the Chairman of the Council's Co-ordination Committee.

Measures provided for in other resolutions adopted by the Council under this item included: a call for a study of the extent to which the specialized agencies and the IAEA could be requested to use a uniform lay-out for the preparation and presentation of their respective budgets; endorsement of the proposal that a procedure should be established for screening the UN work programme in the economic, social and human rights fields in relation to its budgetary implications; and a request to the Secretary-General to submit to the Council's 38th session a progress report on the question.

The Council also had before it the report of the Co-ordination Committee dealing with the UN Development Decade and embodying four draft resolutions on the subject.

It adopted, by a vote of 15 in favour to none against, with 3 abstentions, a draft welcoming the pledges which had already been made by Governments and private sources towards the establishment of the proposed UN Training and Research Institute, and appealing for more. The draft also expressed the hope that the Secretary-General would be in a position to establish the Institute before the end of 1964.

The Council unanimously adopted another draft stressing the importance of establishing close working relationships between the various regional planning institutes of United Nations and the specialized agencies and national planning organizations for their mutual benefit and calling for certain actions by the Secretary-General and the ACC in relation to the matter.

The Council adopted a third draft accepting the view that the relationship between the proposed five-year world campaign in the fields of food, health and education and the Freedom-from-Hunger Campaign required clarification, and requesting the Secretary-General to pursue, as a matter of urgency, consultations with Governments, the specialized agencies and non-governmental organizations concerning the feasibility and possible plans for organizing and executing the proposed five-year world campaign. It also requested the Secretary-General to report to the Council on the question at its 39th session.

In the fourth draft on this agenda item, the Council called for intensified efforts against hunger under the Freedom-from-Hunger Campaign.

Other resolutions adopted by the Council dealt with science and technology, a UN disaster fund, planning and economic projections, population growth and economic and social development, and calendar of conferences for 1965.

In statements made on the UN Development Decade, Mr. Raul C. Migone (Argentina) referred to the importance of informing the public about the activities of United Nations in the economic and social fields.

He expressed the conviction that co-ordinated action could mobilize the information media to give real co-operation to United Nations. He announced his intention to raise that problem at the next session of the General Assembly.

In his closing address, the President, Sir Ronald Walker (Australia), said that the 37th session was notable as it was the first to benefit from the General Assembly's decision to provide more equitable geographical distribution by enlarging the Council.

The outstanding event since the previous session, he said, was the UN Conference on Trade and Development, which was convened in pursuance of a Council decision.

When the General Assembly finally approved the proposals for a continuing trade machinery, he said, the Council would have to consider the complex problem of co-ordination, which should not prove too difficult if approached constructively and realistically. The great significance of the Trade and Development Conference was that United Nations was taking up, with renewed vigour and deeper understanding, the task of promoting an agreement on trade policies among countries at various stages of development.

(United Nations)

[Prev. ref. 5490:AOA:C]

B. World Population—UN Demographic Yearbook: According to the UN Demographic *Yearbook* for 1963, the world's population is increasing by almost 63,000,000 a year —an increase larger than the combined population of France and Czechoslovakia.

By mid-1962 there were approximately 3,135,000,000 people on earth and this

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figure was growing at an average rate of 21 per cent a year, the highest world population growth yet observed.

The fastest growing region in the world was Central America—including the Caribbean—where, since 1958, the population grew at an annual rate of 2.9 per cent. But the largest regional increase in absolute numbers was in East Asia, where there were 74,000,000 more people in 1962 than in 1958.

Covering almost 250 geographic areas, the Yearbook deals with international statistics on area, population, birth, death, marriage and divorce.

For the first time, the Yearbook also shows figures on the numbers of the various tribes in several newly independent African nations. the present issue features data, according to censuses held between 1955 and 1968, on literacy, language, religion, and the age|sex composition of urban and rural population, country of birth, country of citizenship, level of education, school attendance, fertility and other statistics.

At least 20 per cent of the inhabitants of the world now live in Mainland China.

Although the Statistical Office of United Nations does not have a current official estimate of the size of the population in Mainland China, semi-official estimates placed the number at 670 million to 680 million in 1958.

Mid-1962 estimates of nine other countries with very large populations are: India 449 million; USSR 221 million; United States 187 million; Indonesia 98 million; Pakistan 97 million; West Germany 55 million; and United Kingdom 53 million. Approximately two-thirds of the world's population live in these 10 largest countries.

Measured by area, the 10 largest countries in descending order of size are USSR, Canada, China, United States, Brazil, Australia, India, Argentina, Sudan and Algeria.

Tokyo is still the largest city in the world, followed by New York. The estimated population of Tokyo City proper in October, 1962 was 8,613,000. The most recent figure for New York City proper—comprising Manhattan, Brooklyn, Bronx, Queens and Richmond—is the April, 1960 census population of 7,781,984. New York's area is about 247 square kilometres greater than that of Tokyo.

The third largest city in the world is Shanghai, with an estimated 6,900,000 inhabitants. Other cities with an enumerated or estimated population of over 3 million are: Moscow (6,317,000), Bombay (4,422,165), Peking (4,010,000), Chicago (3,550,404), Cairo (3,418,400), Rio de Janeiro (3,223,408), Tientsin (3,220,000), Leningrad (3,180,000), London (3,179,980), Sao Paulo (3,164,804), Osaka (3,151,000) and Mexico City (3,050,723).

These figures refer only to population within the administrative boundaries of each city. If the population in surrounding urban areas were also taken into account there would be a change in rank order and the list of cities with over 3 million people would be much longer. Thus, for instance, the urban agglomeration figure for London (or "Greater London") is over 8 million inhabitants and for Paris over 7 million.

Only within the past few years have several newly independent African countries been able to undertake census counts of the many tribes of which their population are composed.

For the first time, therefore, it has been possible to show in the Demographic Yearbook figures on the numbers and sex composition of the various tribes of Ghana, Guinea, Kenya, Senegal, Sudan, Tanganyika, Togo, Uganda and Upper Volta. These data are included among figures on the ethnic composition of the population of 77 countries and territories.

Knowledge of tribal characteristics is essential to any study of economic and social development in Africa, it was pointed out in the technical notes accompanying the tables. Statistics on tribal affiliation furnish the primary information needed for the study of these characteristics. Therefore, these statistics have been presented in the Yearbook in as full detail as possible.

In the figures of Tanganyika, for example, 112 separate indigenous tribes are identified, along with 13 tribes originating outside of the country and a number of tribal groups identified not by name but only by their countries of origin.

In Ghana, 87 separate tribes are identified, plus substantial numbers of persons grouped together in eight categories composed of more than one tribe each.

Some of the countries distinguish between tribes indigenous within their borders and those which originated outside the country. From these distributions, it is possible to gain some impression of the movement of tribal peoples across political borders. Some further indication of the international distribution of some of the tribes can be gleaned from the appearance of the same or similar names in the figures for different countries. The Peul peoples, for example, constitute a major group in Guinea, and also appear in sizeable numbers in Senegal, Togo and Upper Volta.

It is not only in Africa, however, that large numbers of separately identifiable ethnic groups of the population appear.

The USSR, for example, identifies 109 separate ethnic nationalities within its borders, plus 17,000 persons in groups too small to be separately listed.

Canada shows statistics for 96 "ethnic or cultural" groups, which refer to the group from which each person is descended on the paternal side. Of the total population, 43.8 per cent belongs to the English, Irish, Scottish and Welsh groups, and 30.4 per cent is classified as belonging to the French group.

According to the figures on ethnic distribution, the population of South Africa is 68 per cent Bantu and 19 per cent "white". Almost 48 per cent of the population of British Guiana and over 36 per cent of the population of Trinidad and Tobago is composed of persons of Indian origin or descent.

Data on ethnic composition, as supplied by different Governments, may refer to many different concepts, such as "race", "component populations", "ethnic nationality", or "cultural group."

Aside from these types of data, however, there are other types which can also serve, alone or in combination, as indicators of ethnic affiliation. Among those shown in the Demographic Yearbook are statistics on country of birth, country of citizenship, religion and language.

Census statistics on language may refer to one or more of several different concepts: the mother tongue, most commonly defined as the language spoken by the individual in his childhood; the language usually spoken by each person at the time of the census; and each person's ability to speak one or more specified languages, these being as a rule the official language or languages of the country.

Because of this diversity of concept, many of the statistics are not comparable with each other and cannot provide information on the numbers of persons in the world who speak any one language. They indicate, however, the great variety of languages throughout the world and within national borders.

In combination with data on country of birth and country of nationality, both of which are included in the Demographic Yearbook, they can give some indication of the rate of assimilation of the foreign-born population into the culture of their new countries.

The most extensive language listing shown is that for USSR, where 107 separate mother tongues, or groups of mother tongues, are identified.

The Philippine census results show 84 different mother tongues. A separate tabulation of population by ability to speak specified languages indicates, however, that almost 45 per cent of the total population of the Philippines is able to speak Tagalog and almost 40 per cent can speak English.

The figures for Canada reveal that 68 per cent of Canadians are able to speak English but not French, 19 per cent can speak French but not English, 12 per cent can speak both English and French and one per cent cannot speak either language.

Among the 81 countries and territories for which census data on country of birth are presented in the Demographic Yearbook, Monaco and Israel are the two outstanding examples of a situation where native-born persons are outnumbered by those born elsewhere.

In Monaco, 69 per cent of the population was born outside the principality, mostly in France or Italy. In Israel, 62 per cent of the Jewish population is foreign-born, approximately half of them born in USSR, Poland, Algeria, Morocco, Tunisia or Iran.

Other places where more than half of the inhabitants are foreign-born include Aden and Hong Kong.

Among the large countries with considerable proportions of foreign-born persons are Australia (17 per cent), Canada (16 per cent), and New Zealand (15 per cent).

Seventy countries and territories have supplied data on the extent of illiteracy among their populations. Many countries where illiteracy is known to be widespread have not yet investigated the situation while many economically advanced countries no longer ask about illiteracy since it has been almost eliminated. Therefore, both the highest and the lowest illiteracy rates shown in the Yearbook are likely to be matched in countries that have not supplied information on this topic.

Out of 10 African countries for which data are shown for the majority of the population, eight have an adult illiteracy rate of 50 per cent or over; in five of the eight more than 75 per cent of the adults cannot read and write.

Among Asian countries, more than half the adult population is reported to be illiterate in 15 countries and seven of these have an illiteracy rate of 75 per cent or more.

In North America, two of the 16 areas covered report that somewhat more than half of their adults are illiterate, and the four countries in South America that have supplied figures report illiteracy rates ranging from 3.6 per cent to 39.4 per cent.

One country in Europe reports an illiteracy rate of 38 per cent.

Women are less literate than men in most countries. In some countries or territories the percentage of women who cannot read and write is three to four times higher than that of men. The same sex differentials appear in the school attendance figures.

The Demographic Yearbook presents school attendance data by single years between the ages of 5 and 24, thus providing a spectrum of the proportions of children and young persons receiving an education from the lowest grades through university or higher professional schools.

These figures reveal that the proportion of children at ages under 15 years actually attending school varies between 15 and 96 per cent. In 10 of the 43 countries reporting, fewer than 50 per cent of the children are in school.

Also shown are figures on the highest level of education completed by all segments of the population by age, including children at school and persons who have already completed their education. From these tables, it is possible to observe changes in the amount of education received by persons in the past and at later periods, in the same country.

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The Ivory Coast has the highest birth-rate reported by any country in recent years, with 56 babies per 1,000 inhabitants born annually. The birth-rate is almost as high in Togo and Dahomey. On a regional basis the highest birth-rate is found in South-East Asia with an estimated 49 births annually per 1,000 population.

In northern, western and central Europe, the birth-rate is only 18 and in West Berlin it drops to 11.1. Among major countries, Hungary has the lowest birth-rate, at 12.9 per 1,000. The average for the world as a whole is 37.

In tropical and southern Africa and South-West Asia the estimated regional death-rate is 24 per 1,000 population, and in Ivory Coast it reaches 33.3. The lowest death-rate among major countries is found in Iceland where only 6.8 persons per 1,000 inhabitants die annually. The average for the world is 17.

Although death-rates continue to decline almost everywhere, they are levelling off in countries where they have been low for many years, such as in USSR, United States, Canada and Western European countries. Because of the control of infectious diseases, the main causes of mortality are now chronic diseases, accidents and violence, and among these, rates have remained stationary or in some instances have increased.

Despite the continuing downward trend in infant mortality rates throughout much of the world, the range between the lowest and the highest rate is still enormous. Thus, in Sweden, the rate is 15.0 infant deaths per 1,000 live-births, while the recorded or estimated rates are 180.4 in Haiti, 165 in Turkey and 139.3 in Burma.

Very high infant mortality rates are also found in the United Arab Republic (133.9 per 1,000 live-births), Indonesia (125), the "coloured" population of South Africa (119.6), Chile (116), the Turks and Caicos Islands (107.1) and Ecuador (104).

At the lower end of the scale, in addition to Sweden, are the Netherlands (15.8), Iceland (17), Norway (17.7), Finland (18.0), New Zealand (19.6), Gibraltar (19.6), Australia (20.0), Denmark (20.1) and Switzerland (21.2).

Female babies born in Sweden now can expect to live slightly over 75 years. Those born in the Netherlands, Switzerland and Norway can look forward to almost 75 years of life; those born in France can expect to live slightly over 74 years; and those born in Denmark, the United States, Czechoslovakia and New Zealand have an average number of years of life (expectation of life) between 73 and 74 years.

In addition, there are 19 other countries where life expectation for females is as high as 70 years or more, making a total of 28 countries in which the expectation of life for females is 70 years or over.

The highest expectancy for males born today is almost 72 years, and this applies to those born in Sweden. Male babies in the Netherlands and Norway can expect to live slightly over 71 years.

There are only three additional countries—Denmark, Israel (Jewish population) and Iceland—where the longest expected lifetime for male babies is 70 years or more, making a total of six, as contrasted to the 28 for females.

Statistics for 112 countries and territories show the degree of participation of the population in the production of economic goods and services. (The economically active population is generally understood to comprise all those persons who contribute to the supply of labour for the production of goods and services, including those unemployed but available for work.)

The highest rate of economic activity is shown for Rumania, where 59.7 per cent of the population is economically active. The USSR rate is 47.5 per cent and that of the United States is 39.9 per cent. The difference between these two countries is mostly the result of the fact that 41.5 per cent of women in USSR are economically active, while the rate is 24.6 per cent for the women in the United States. The rates for men are very similar in both countries, 54.8 in USSR and 53.8 in the United States.

The range of rates for both sexes within each continent is from 22.8 to 50.3 per cent in Africa, from 25.3 per cent to 47.1 per cent in North America, from 30.2 per cent to 53.5 per cent in South America, from 24.5 per cent to 52.7 per cent in Asia, from 40.1 per cent to 59.7 per cent in Europe, and from 22.9 per cent to 46.5 per cent in Oceania.

The **Yearbook** says there are 11,286,455 Hindus living in 21 countries and territories outside India. Of these the largest number—10,001,474—live in Pakistan.

Besides the 11,000,000-odd Hindus who have been counted as such, there are also 389,033 persons in these countries who are shown as Buddhists, Jains and other sects of Hindus.

The number of Hindus in some of these countries and territories are: Mauritius 332,857; Mozambique 4,751; Northern Rhodesia 5,490; Nyasaland 3,010; Seychelles 176; South Africa 311,165; Southern Rhodesia 3,310; Tanganyika 34,752; Uganda 51,033; Canada 11,611; Jamaica 131; Trinidad and Tobago 190,403; British Guiana 187,432; Fiji 137,232; Aden 4,786; Thailand 3,483; and New Zealand 1,597.

The **Yearbook** also lists 853 persons in these countries as Parsis, while another 15,723 in Iran are listed as Zorastrians.

Reference To Goa—Indian Protest:

Following Indian protests to United Nations, the Statistical Office of United Nations has shown Goa, Daman and Diu as part of the Indian Union.

The UN Demographic **Yearbook** lists these three territories under India and carried a footnote "census figures for India include Goa, Daman and Diu, known as Portuguese India prior to being nationally united with India in December, 1961."

This was the language used by the UN Special Committee on Portuguese Territories in 1962 and this was accepted by the General Assembly.

Despite this, the UN Demographic **Yearbook** for 1962, published in August, had listed these territories separately under Portuguese territories in Asia with a footnote referring to them as "Portuguese overseas provinces". India had then lodged a protest with the UN Secretary-General, and the Secretariat had then agreed to make the necessary changes and corrections.

(*United Nations* and *The Times of India*, Bombay)

[Prev. ref. 5602:AOA:E]

C. French Trade With Middle East: The most notable feature of the figures for French trade with the Middle East for the first six months of 1964 was the remarkable rise in French imports of oil from Iran, Libya, Saudi Arabia, Kuwait, Qatar and Abu Dhabi.

There has been a small increase in imports from Algeria. The decrease in imports from Syria is entirely due to the unsettled trading conditions in that country, and as far as Sudan is concerned, France bought less cotton from that country, turning to Egypt instead. In fact, France has become Egypt's best Western customer for cotton recently.

The table below gives the figures in millions of New Francs:

Country	Exports to the Middle East January-June		Imports from the Middle East January-June	
	1964	1963	1964	1963
Algeria	1,269,844	1,511,303	1,588,417	1,378,732
Morocco	480,242	451,533	657,420	624,569
Tunisia	285,240	255,330	195,636	185,328
Israel	261,590	120,349	31,063	30,580
Lebanon	96,809	124,075	4,336	6,233
Iran	60,906	66,337	190,290	95,976
Turkey	54,144	90,741	43,502	41,492
Libya	43,331	28,461	115,893	68,853
UAR	34,755	58,333	52,913	40,937
Syria	27,297	36,769	18,113	58,537
Sudan	21,487	20,965	19,358	31,702
Saudi Arabia	16,302	15,868	112,690	88,525
Kuwait	14,559	19,493	423,033	316,459
Iraq	12,411	4,085	420,877	447,790
Jordan	6,341	8,781	57	1,424
Federation of South Arabia	6,594	4,284	353	384
Afghanistan	3,050	1,444	3,308	5,778
Bahrain	2,370	3,176	6,236	2,754
Qatar	1,803	1,575	63,830	53,111
Muscat and Oman	1,606	1,551	38	—
Abu Dhabi	672	1,673	49,000	16,469
Yemen	117	60	2,675	1,996
Total	2,702,770	2,826,186	3,999,038	3,498,029

(*Middle East Economic Digest*, London)

[Prev. ref. 5769:AOA:B]

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ASIAN RECORDER

October 28—November 3, 1964

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AFGHANISTAN

A. US And Soviet Assistance: A Kabul despatch on September 18 said that the high pitch of competitive generosity which marked American aid to Afghanistan a few years ago had declined, but Afghanistan continued to benefit from economic assistance from both USA and the Soviet Union.

The despatch said: "In the most wintry days of the 'cold war' USA was inclined to see Afghanistan as a threatened and wavering outpost whose independence could be shored up only by urgent and generous offers of economic assistance. In those days the Afghans could more or less fill in the figures on blank American cheques, the anxious signer believing that Russia was ready to step in at any hesitation.

"Now the American appraisal of possibilities is much calmer; it is being recognized that Afghanistan's independence is at least as dear to Afghanistan as it is to Washington, and Afghanistan's requests for economic assistance are closely weighed in the light of the American appreciation of the country's needs and resources.

"Russia, with the advantage of contiguity across the Oxus, has probably never felt the same sense of urgency as did the United States, but has continued a steady and large flow of economic assistance ever since it began in the mid-1950s.

"Communications were Afghanistan's greatest need, and both benefactors have contributed largely to the finishing of the chain of roads that on the map lies like a lariat around the Hindu Kush, the great mountain mass that occupies the centre of the country. The American-built road from Kabul to Torkham, at the end of the Khyber Pass, is now complete and the road south from Kabul to Kandahar and then across to the Pakistan border is well advanced.

"The Americans are now surveying a road to link Herat, in the west, with the Iranian border, and it is indicative of the new attitude they have adopted that before they agree to build the road they will want to see a properly organized and equipped road maintenance department set up by the Afghan Government.

"In roads the main Russian contribution has been the highway from Kabul north to the Oxus at Qizil Qala through the Salang tunnel, which cost an estimated £29 million. A longer but less dramatic road is being built by Russia between the Russian border and Herat, and then Herat and Kandahar and this will cost about £50 million.

"The biggest single project in Afghanistan is the American-conceived and financed development of the Helmand Valley, begun in the early 1950s and now beginning to show results. A quarter-of-a-million acres of desert have been irrigated and brought into production and the scheme is still expanding.

"Even this project would be dwarfed, however, by a Russian scheme for the utilization of the Oxus where it marks the frontier between Russia and Afghanistan, which would provide for the construction of eight or 10 hydro-electric stations generating some 16 million kw and irrigate a huge area of land, now barren, on the Afghan side of the river.

"The agreement to survey the project has been signed and a decision on the scheme itself will be taken in 1967. It would cost about £1,000 million and would take about 30 years to complete. Russia is bearing all the initial costs, and if it is decided to go ahead, the agreement would allow Afghanistan to pay her share in kind, with electricity generated from the scheme.

"Both countries have built airports for Afghanistan, USA having had the so far unrewarding task of building the Kandahar international airport, with runways sufficient for the largest jets, a big hotel, a hospital, and everything else that a modern airport needs except traffic. The Afghan Airways' little Dakotas land and take off once a day, otherwise the skies are empty over Kandahar.

"The hope is that when arrangements are made to provide aviation fuel there at competitive prices, airlines now stopping at Karachi will take the shorter route through Kandahar.

"West Germany has provided credits for several projects. Britain has been a late arrival but a good beginning has been made with credits for modernizing the sugar factory at Baghlan and doubling its capacity, and with the agreement, still to be signed, for building a cotton-seed oil plant in the south, about £800,000 would be involved in these projects.

"For a country with a population of perhaps eight or nine million the quantity of aid received in the past decade has been very large. Well used, it has already had its marked effect on the social and economic well-being of Afghanistan."

(*The Times*, London)

[Prev. ref. 6039:AFG:B]

B. Loi Jirga Approves New Constitution: The Great Assembly (*Loi Jirga*) approved on September 19 the new Constitution, having made only minor adjustments. It also approved the Government's resolution on the Pakhtoonistan issue.

The resolution on Pakhtoonistan referred to the Afghans' "religious, national, and historical duty" to support the rights of the Pathan people of Pakistan to self-determination, but concluded (in an unofficial translation) with the statement that Afghanistan was "waiting for the day when the issue of Pakhtoonistan will be settled on the basis of the true aspirations of the people and leaders of Pakhtoonistan."

The new Constitution for Afghanistan is a first step in the direction of establishing a democratic polity under a constitutional monarchy. The Government it provides for will stand between the elected legislature and the monarchy, responsible to both but part of neither. The King will continue to have ultimate political power, but once the Constitution comes into effect in 1965 it will undoubtedly become progressively more difficult for him to exert it. A ratchet is built into the political process the King has started, and no step away from oligarchy will be able to be retraced without dislocating the whole system.

The Government will be formed by a Prime Minister chosen by the King. He need not be a member of the legislature; nor is the Prime Minister required to choose his Ministers from among the legislators. If he does so the Minister will have to resign his seat. After a Government has been formed its members and policy will be presented by the Prime Minister to the Lower House, from which he must obtain a vote of confidence.

At the drafting stage long consideration was given to requiring the Prime Minister to be chosen from the legislators. The need to give Parliament a respected place in the new system was appreciated, and it was made plain that the fact that the road to ministerial power does not lie through elective office will work against that objective; but the drafters of the Constitution were not confident enough of the quantity of the Parliament that will emerge afer next year's elections, and therefore decided not to bind the King to form the Government from among its members.

The Government will be coterminous with the legislature, elected for four years, and the King has the power to dissolve Parliament. The Constitution stipulates, however, that new elections must be held within three months of dissolution.

While the powers of the monarchy are reserved in the Constitution, they become essentially emergency powers, and the explicit exclusion of all members of the Royal Family from membership in the Government or participation in political parties will effectively bar the members of the oligarchy that ruled the country for so long from returning to power.

Elections to the Lower House (House of the People) will be by universal, secret, and direct election. Of the Upper House (House of Elders) one-third will be nominated by the King "from among well-informed and experienced persons"; some of the others will be elected by the provincial councils, elected bodies of local self-government; and the remainder directly elected.

The Loi Jirga (Great Assembly), which for 10 days had considered the new Constitution, had to approve its own demise as an institution. For most of this century the Loi Jirga had been the dominant political institution in Afghanistan beneath the monarchy, and if Parliament is to grow into that role it is necessary for the Jirga to be diminished. Accordingly the Loi Jirga provided for in the Constitution will essentially be nothing more than both Houses of Parliament sitting together, with the addition of 29 chairmen of the provincial councils. The Loi Jirga will come into existence if there is uncertainty about the royal succession, on questions of impeachment, and in similar moments of crisis.

The Constitution will not come fully into effect for a year after its promulgation. The interim period—a new Parliament will be elected, and will be inaugurated on October 14, 1965—will give the Government time to draft Ordinances to be approved later by Parliament. The first elections will be held before the formation of parties, the Constitution explicitly stating that the law governing the formation and conduct of parties will not be issued as an Ordinance but submitted to the new Parliament.

(*The Times*, London)

[Prev. ref. 6015:AFG:A]

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BURMA

A. Cabinet Expansion: *Rangoon Radio* announced on September 18 an expansion and re-shuffle of the Cabinet. The Cabinet strength was raised from nine to 14.

The members of the Cabinet and their portfolios are:

Gen. Ne Win—Chairman of the Revolutionary Council and Defence;

Brigadier Tin Pe—Trade and Co-operatives;

Brigadier San Yu—Finance and Revenue;

Commodore Thaung Tin—Mines;

Brigadier Thaung Dan—Information and Culture;

Brigadier Sein Win—Public Works and Housing;

Colonel Thaung Kyi—Agriculture and Forests;

Colonel Maung Shwe—Industry;

Colonel Than Sein—Labour;

Colonel Kyaw Soe—Home Judicial, Immigration and Religious Affairs;

Colonel Hla Han—Education and Health;

Colonel Ba Ni—Transport and Communications;

Colonel Maung Lwin—National Solidarity and Social Welfare; and

U Thi Han—Foreign Affairs and National Planning.

The Cabinet now includes practically all the important heads of the Defence Services. The five new Ministers are Brigadier Thaung Dan, Commodore Thaung Tin, Brigadier Sein Wein, Colonel Thaung Kyi and Colonel Maung Shwa.

The official announcement said the new Ministers were appointed because the Revolutionary Council's all-out drive to socialism had brought increasing duties and responsibilities.

(*The Statesman*, Calcutta)

[Prev. ref. 5375:BUR:A]

B. Another Newspaper Nationalized: The Government has nationalized one more Burmese language daily, *Botataung*, published from Rangoon.

According to an official announcement, the paper will now be administered by the Ministry of Information.

This was the second language daily to be nationalized in the country—the first being Kyemon.

(*The Times of India*, Bombay)

[Prev. ref. 5807:BUR:A]

C. Agricultural Control Order: Thirty-four cereal and other crops were declared essential commodities under an order issued on September 19 by the Ministry of Trade Development.

The order prohibited private trade, purchase, distribution, storage and transportation of these crops and other products. Only the Agricultural Marketing Board, Agricultural and Rural Development Corporation, People's Stores Corporation and Industrial Development Corporation were authorized to deal in these commodities.

(*The Statesman*, Calcutta)

[Prev. ref. 5807:BUR:A]

CEYLON

A. Sardar Swaran Singh's Visit: India's Minister for External Affairs, Sardar Swaran Singh, paid a visit to Ceylon from September 11 to 13.

During the visit he held discussions with the Prime Minister, Mrs. Sirimavo Bandaranaike, and other Ceylon leaders.

The issue of citizenship of the Stateless persons of Indian origin as also the Colombo proposals on the Sino-Indian border dispute were among the subjects discussed by them.

A joint communique issued at the close of the talks said: "Sardar Swaran Singh, Minister of External Affairs of India, visited Ceylon from September 11 to 13, 1964, on the invitation of the Government of Ceylon. He was accompanied by Mr. C. S. Jha, Commonwealth Secretary and Mr. N. P. Alexander of the Ministry of External Affairs, India. On his arrival at the Ratmalana airport, he was received by the Honourable Felix Dias Bandaranaike, Minister of Agriculture, Food and Fisheries and Parliamentary Secretary to the Minister of Defence and External Affairs.

"In a brief interview with the Press on his arrival, Sardar Swaran Singh stated that, on his assuming duties as Minister of External Affairs, he had decided to visit Ceylon at the earliest possible opportunity in order to establish personal contact with the Prime Minister and members of the Government of Ceylon as well as with leading Ceylonese personalities as a means of promoting and strengthening the existing friendly relations between the two countries.

"The Minister of External Affairs, India, called on his Excellency the Governor-General, the Prime Minister and the Parliamentary Secretary to the Minister of Defence and External Affairs.

"On September 12, the Prime Minister and Minister of Defence and External Affairs of Ceylon and the Minister of External Affairs, India, met to discuss matters of mutual interest to the two Governments. Mr. C. S. Jha, His Excellency Mr. B. K. Kapur, High Commissioner for India in Ceylon, and Mr. N. P. Alexander, were associated with the Minister of External Affairs, India, in these discussions. The Honourable Felix Dias Bandaranaike, Mr. N. Q. Dias, Permanent Secretary to the Ministry of Defence and External Affairs, His Excellency Mr. H. S. Amerasinghe, High Commissioner for Ceylon in India, Mr. G. S. Peiris, Director-General of External Affairs, Mr. H. O. Wijegoonawardena, Counsellor, Foreign Relations, and Mr. R. B. Weerakoon, Secretary to the Prime Minister, were associated with the Prime Minister in the discussions.

"The Minister of External Affairs, India, described briefly India's efforts in the field of economic development and the results achieved under the Five-Year Plans over the last 13 years. He also touched upon some of the present day economic problems of the country, including the burden cast by the need, since November, 1962, to strengthen her defences for the purpose of safeguarding her sovereignty and territorial integrity, while continuing at the same time to pursue her objective of economic development.

"The Prime Minister of Ceylon gave a brief survey of the economic situation in Ceylon and of the measures that were being taken to meet that situation. She emphasized the attention and importance paid by the Government of Ceylon to the social services such as education and health and food subsidies which absorbed a very high proportion of the national income, but served to keep down the cost of living.

"The Minister of External Affairs, India, offered to share with Ceylon the facilities provided by Indian scientific, technological, educational and engineering institutions and the research establishments of the Government of India. He also expressed the wish for India to benefit from similar institutions in Ceylon. The Prime Minister welcomed this proposal.

"The Prime Minister and the Minister of External Affairs, India, agreed that there was a need for closer economic co-operation on a regional scale and that this question should be examined further at the official level.

"The international situation was reviewed with special reference to the principal areas of tension in the world today. The Prime Minister of Ceylon and the Minister of External Affairs, India, agreed that the principles of non-alignment and peaceful co-existence, on which the foreign policies of the two countries were founded, afforded the best hope for the relaxation of these tensions, for the avoidance of war and for the resolution of international conflicts. The Minister of External Affairs, India, re-affirmed India's determination to adhere to the policy of non-alignment.

"The forthcoming conference of non-aligned nations was discussed and views were exchanged on the various issues that were likely to arise. The two Governments found themselves in complete agreement on all the issues that were discussed.

"The question of disarmament which is one of the subjects on the provisional agenda for the conference of non-aligned nations was discussed. The Prime Minister stressed the desirability of extending to the Indian Ocean the concept of nuclear-free zones which has already been accepted insofar as certain land masses were concerned. The Minister of External Affairs re-affirmed India's support to the principle of creating nuclear-free zones and agreed with the idea propounded by the Prime Minister. He suggested a further study of the question.

"In regard to the Sino-Indian dispute, the correspondence between the Prime Minister of India and the Prime Minister of Ceylon was reviewed.

"The Minister of External Affairs, India, referred to the forthcoming talks between the Prime Minister of Ceylon and the Prime Minister of India on the problem of persons of Indian origin in Ceylon and expressed the hope that an equitable and honourable settlement acceptable to both parties would be found. The Prime Minister of Ceylon wholeheartedly endorsed this sentiment.

"The discussions took place in the spirit of complete cordiality and understanding which has always characterised the relations between the two countries."

(*The Hindu*, Madras)

[Prev. ref. 5663:CEY:A]

B. Chinese Loan Offer: The Finance Minister, Dr. N. M. Perera, in a Press interview reported on September 24, said that China had agreed to give Ceylon an interest-free loan of Rs. 2 crores in addition to the loan already granted.

Dr. Perera, who visited China on his way home from Tokyo where he had gone to attend the annual meeting of the International Monetary Fund, said that China was prepared to give Ceylon other assistance like machinery and aid for agriculture.

He added that Japan had agreed to buy a number of Ceylonese products and sell to the country utility goods on credit.

A Trade Agreement between Ceylon and Japan would be entered into shortly.

(*The Times of Ceylon*, Colombo)

[Prev. ref. 5748:CEY:A]

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was on that ground that the general warrants issued by the House of Commons were treated beyond the scrutiny of the courts in habeas corpus proceedings. Even when recognizing the validity of such warrants, judges had frequently observed that if they were satisfied with the returns that such general warrants were issued for frivolous or extravagant reasons, it would be open to them to examine their validity.

Their Lordships then referred to the decisions of the Privy Council on the question whether the conclusive character of the general warrant was a part of the privilege itself.

They said that even if they proceeded on the basis that the relevant right claimed by the House of Commons was based either on the ground that as part of the High Court of Parliament the House of Commons was a superior court of record or in course of time the right to claim a conclusive character for such a general warrant became an incidental and integral part of the privilege itself, the question which immediately arose was whether this right could be deemed to have been conferred on the House in the present proceedings in the latter part of Article 194(3).

Their Lordships expressed the view that an Assembly could not claim the status of the House of Commons as a superior court of record by any legal fiction introduced by Article 194(3).

The previous legislative history in this matter did not support the idea that the State legislatures were superior courts of record. The latter part of Article 194(3) did not confer on the State legislatures in India the status of a superior court of record. The status of a superior court of record accorded to the House of Commons was based on historical facts and these historical facts could not be introduced in India by any legal fiction.

The House cannot be regarded as a court of record and, therefore, the very basis on which the British courts agreed to treat a general warrant issued by the House of Commons was absent in the present case and the claim made by the House must be rejected.

Assuming, however, that the right claimed by the House could be treated as an integral part of the privileges of the House of Commons the question to consider would be whether such a right had been conferred on the House by the latter part of Article 194(3) and whether this part of the privilege was consistent with the material provisions of the Constitution.

It would appear illogical to contend, for instance, that even if the right claimed by the House might contravene the fundamental rights of the citizens, the aggrieved citizen could not successfully move the Supreme Court under Article 32.

If in a given case the allegation made by the citizen was that he had been deprived of his liberty not in accordance with the law but for capricious or mala fide reasons this Court would have to examine the validity of the contention and it would be no answer in such a case to say that the warrant issued against the citizen was a general warrant and a general warrant must stop all further judicial inquiry and scrutiny.

If the claim of the House was upheld it would mean that the House could issue a general warrant in the case of Article 211 against a judge and no judicial scrutiny could be held in respect of the validity of such a warrant.

It would indeed be strange that the judicature should be authorised to consider the validity of the legislative enactments but should be prevented from scrutinizing the validity of the action of the legislatures trespassing on the fundamental rights conferred on the citizens. The impact of the fundamental constitutional right conferred on Indian citizens by Article 194(3) was decisively against the contention raised by the House.

The Chief Justice then referred to Section 30 of the Advocates Act, 1961, which conferred on all advocates the statutory right to practise in all courts, including the Supreme Court, and to Section 14 of the Bar Councils Act recognizing a similar right and expressed the view that if a citizen had the right to move the High Court or the Supreme Court against the invasion of his fundamental right, the statutory right of the advocates to assist the citizen stepped in and helped the enforcement of the fundamental rights of the citizen. Just as the right of the Judicature to deal with matters brought before them under Article 226 or Article 32 could not be subjected to the powers and privileges of the House under Article 194(3) so the rights of the citizens to move the Judicature and the rights of the advocates to assist that process must remain uncontrolled by Article 194(3). That was one integrated scheme for enforcing the fundamental rights and for sustaining the rule of law in this country. Therefore, the particular right which the House claimed to be an integral part of its power or privilege was inconsistent with the material provisions of the Constitution and could not be deemed to have been included under the latter part of Article 194(3).

Dealing with the question of grant of interim bail, Their Lordships observed that if Article 226 conferred jurisdiction on the court to deal with the validity of the order of commitment, even though the commitment had been ordered by the House, how could it be said that the court had no jurisdiction to make an interim order in such proceedings?

Their Lordships observed that since no contempt was committed by the judges, or the advocate or the party respectively, it was open to the High Court of Allahabad and indeed it was its duty to entertain the petition filed before it by the two judges and by the advocate and it was within its jurisdiction to pass interim orders prohibiting the execution of the impugned orders passed by the House.

The Chief Justice observed that the power to punish for contempt, large as it was, must always be exercised cautiously, wisely and with circumspection both by the Judicature and the legislatures.

Mr. Justice Sarkar delivered a separate and in some respects dissenting opinion. His Lordship was of the view that the power to commit by a general warrant with the consequent deprevication of the court's jurisdiction to adjudicate on the legality of imprisonment was a matter of privilege of the House and not a right possessed by it as a superior court. Further, that privilege was possessed by the UP Assembly by reason of Article 194(3) of the Constitution.

His Lordship answered the first question by saying that it was competent for the Lucknow Bench to entertain and deal with the petition of Mr. Keshav Singh and to pass orders releasing him on bail. As far as the second question—the question whether there was a contempt of the Assembly—was concerned, it was for the Assembly to determine and if that determination did not state the facts, a court of law could not review the legality of it. But since none of the persons mentioned had any knowledge that the imprisonment was under a general warrant, no contempt was committed by the judges, the advocate or the petitioner.

With respect to the third question His Lordship expressed the view that the Assembly was competent to ask for explanations from the two judges and the advocate.

As regards the fourth question, the Full Bench had the power to pass the interim orders that it did and to entertain and deal with the petition of the two judges and the advocate.

The fifth question, His Lordship observed, was too general a question and was not capable of a single answer.

The Special Reference was heard by a specially constituted Constitutional Bench comprising the Chief Justice, Mr. Justice Sarkar, Mr. Justice Subba Rao, Mr. Justice Wanchoo, Mr. Justice Hidayatullah, Mr. Justice Shah and Mr. Justice Rajagopala Ayyangar.

Study Of Verdict's Implications—UP Vidhan Sabha Committee Set Up:

The Speaker of the UP Vidhan Sabha, Mr. Madan Mohan Verma, constituted on October 2 a 15-member committee to study the implications of the Supreme Court's pronouncement on the conflict between legislature and the judiciary and advise him on how he should proceed in the matter.

Mr. Nawal Kishore, Secretary of the Congress Legislature Party, was the convener of the committee which consists of Mr. B. B. Saran (C), Mr. Vir Sen (C), Mr. Kamla Singh (P-SP), Mr. Nekram Sharma (Ind), Mr. Chandrajit Yadav (C), Mr. B. D. Mayar (Ind), Mr. Ali Zaheer, Law Minister, Mr. M. P. Tripathi (JS), Mr. Krishnanand Rai (C), Mr. Rahat Maulai (Rep), Mr. Shiv Raj Singh (C), Mr. Jagmohan Singh Negi, Food Minister, Mr. Sripat Misra (C) and Mr. Bhanupratap Singh (S).

Criticism In Lok Sabha:

On October 2, the Lok Sabha voiced its concern over what the Law Minister, Mr. Asoke Sen, described as a "deep erosion" of the privileges of Parliament and the State legislatures as a result of the verdict by the Supreme Court on the UP dispute.

But the Prime Minister, Mr. Lal Bahadur Shastri urged the utmost restraint and caution in dealing with this "delicate" matter. He repeated his appeal at a meeting of the Congress Parliamentary Party later.

The Congress Party referred the issue to a "special meeting" of its Executive, but in the Lok Sabha the matter did not end with Mr. Shastri's appeal.

Members from both sides declared in no uncertain terms that the situation resulting from the Supreme Court verdict was unacceptable to them, and they were joined by the Speaker, Mr. Hukam Singh, in urging an early decision by the Government on the issue.

A major argument advanced in favour of an early decision was that uncertainty might encourage extreme action of the kind some members of the UP State Legislature were threatening.

For some time the Lok Sabha was in the grip of strong emotion. Feelings ran so high that a few members who attempted to speak in favour of the judiciary were shouted down.

It was left to the Speaker to restore calm and normalcy by formulating the issues involved and by outlining a course of action which was quickly accepted as reasonable by all sides.

He said that whether the Supreme Court's judgment was a verdict or a mere opinion, it was entitled to the highest respect, for otherwise it would be impossible to run a parliamentary democracy.

He also conceded, as the Supreme Court ruled, that in India sovereignty vested in the Constitution and not in Parliament. But he added, amidst cheers, that if the Constitution was supreme for Parliament, it was supreme also for the judiciary.

Quoting a speech by the chief draftsman of the Constitution, the late Dr. Ambedkar, he pointed out that it was clearly the intention of the Constituent Assembly to ensure that whenever Parliament exercised the privilege to imprison anybody, the courts should not interfere.

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There was prolonged applause when he added that if the present phraseology of the Constitution, as interpreted by the Supreme Court, did not give effect to the express wishes of the Constituent Assembly, it was for the Government to decide to amend the Constitution.

He ended with a quotation from Erskine May to the effect that the power to commit or imprison an individual was the keystone of parliamentary privilege, and "if this power is gone, the authority, dignity and integrity of Parliament is gone".

(*The Statesman* and *The Times of India*, New Delhi and *National Herald*, Lucknow)

[Prev. ref. 5440:INI:S]

B. Indian Violation Of China-Sikkim Boundary—Chinese Allegation Denied: In a Note handed to the Indian Embassy in Peking on September 28, China protested against alleged intrusion by Indian troops "into Chinese territory" by crossing the China-Sikkim boundary.

The Chinese Government asked India to "stop its aggressive activities, dismantle all the military structures on the China-Sikkim boundary line and withdraw all its troops which are unlawfully entrenched on Chinese territory."

According to details given by the New China news agency, most of the alleged Indian border violations occurred in August, 1960 or before.

The false charges contained in the Note were broadcast by Peking Radio on October 5, evidently as part of an anti-Indian campaign on the eve of the opening of the non-aligned Summit at Cairo.

The Note had alleged that Indian troops intruded into Tibet across the Sikkim border on August 12 and 14 and also built 18 "aggressive military structures" in Tibetan territory across south-east of Nathu La.

The Chinese Note made no mention of the Indian Note of September 5, when the Government strongly protested against a Chinese intrusion into Sikkim.

Indian Denial:

Characterizing as "utterly false" the Chinese allegation that Indian troops had intruded into Tibet across the Sikkim border, an External Affairs Ministry spokesman in New Delhi on October 5 charged the Peking Government with keeping the border tension alive by fabricating baseless allegations against India from time to time.

The spokesman pointed out that the Sikkim-Tibet border was "well recognized and demarcated", and maintained that Indian troops had at no time crossed it.

The External Affairs Ministry spokesman pointed out how the Chinese charge concerning the military structures was a mere copy of an earlier charge which Peking had first levelled in January, 1963. India had repudiated the charge at that time after a proper scrutiny.

(*The Times of India* and *The Hindustan Times*, New Delhi)

[Prev. ref. 6066:INI:A]

C. Sikkim-Tibet Border Well Guarded—Maharaja Of Sikkim's TV Interview: In a TV interview broadcast from New York on October 4, the Maharaja of Sikkim said that Sikkim's borders with Tibet were very well guarded.

He said the borders were guarded by the Indian Army as well as Sikkim Border Scouts. The frontiers were now sealed off and except for an occasional trickle of Tibetan refugees, there was no movement across.

The borders were being strictly patrolled to prevent infiltration. Any Chinese coming in would easily be recognizable and the Tibetans were carefully screened.

The 90-minute interview was largely concerned with acquainting Americans with Sikkim.

The Maharaja was also asked some questions about Sikkim's relations with India and Sikkim's future.

He explained that Sikkim, under a Treaty, had given the responsibility to the Government of India for Sikkim's external affairs, including trade, defence and communications.

Question: "Is it flexible so that negotiations will be held to seek greater degree of autonomy like Bhutan?"

The Maharaja: "A Treaty is a Treaty. Of course, it can be changed if both parties agree."

The questioner suggested that the three Himalayan kingdoms of Nepal, Sikkim and Bhutan could possibly join together and form a neutral barrier between India and Communist China like an "Asian Switzerland."

The Maharaja said: "Some people have actually talked about these things. But it is not being considered by the Government of Sikkim."

About the future of Sikkim, he said it would depend on time. Sikkim itself was so small that he did not think the Chinese would have any plans against Sikkim as such. "But we would fall within their greater plans, whatever they might be. From our side we are preparing for all eventualities from now on."

(*The Times of India* and *The Hindustan Times*, New Delhi)

[Prev. ref. 5027:INI:A]

D. Pakistan Violations Of Kashmir Cease-Fire Line: Pakistan troops violated the cease-fire line six times in the Uri sector and four times in other sectors of the Kashmir Valley on October 1 and 2.

In one case the intruders made a futile attempt to cut telephone lines between Indian posts 10 miles north of Uri; they fired on Indian troops who returned the fire. The intruders suffered some casualties and fled to their territory.

In another incident Pakistan troops fired with two-inch mortars, rifles and grenades on one of the Indian posts near Uri in the early hours of October 2. Indian troops returned the fire. No damage or loss of life had been reported on the Indian side. Casualties on the Pakistan side could not be ascertained.

According to details received in Srinagar on October 3, one Pakistani soldier was killed and another wounded in an encounter with Indian troops 3½ miles north-east of Poonch on October 2.

Pakistani troops came along the cease-fire line and opened fire with medium and light machine-guns on an Indian post. Indian troops returned the fire, killing one intruder and injuring another. After a brief encounter, Pakistani troops withdrew to their post. No loss of life on the Indian side was reported.

In Chhamb sector, Pakistani troops continued unprovoked firing all along the cease-fire line. They used automatic weapons. No loss was reported on the Indian side.

Reports about these violations of the cease-fire line had been lodged with the United Nations Observers.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 6067:INI:C]

E. Food And Loan Agreements With USA: India and the United States signed in New Delhi on September 30 an Agreement for the supply of four million tons of wheat, 300,000 tons of rice and 75,000 tons of soya bean oil under the US Food-for-Peace Programme. The commodities are valued at Rs. 190 crores.

Two other Agreements were also signed. One Agreement provides for a loan to the Indian Government for development projects, the bulk of the rupees coming from the sale proceeds of the commodities supplied under PL 480.

The loan is repayable within 40 years and carries interest at 0.75 per cent.

Under a similar Agreement, a sum of Rs. 16.6 crores accruing under an earlier 1962 PL 480 Agreement will be given as a loan to the Indian Government.

These bring the total value of commodities, since the programme was extended to India in August, 1956, to Rs. 1,372.9 crores.

Under a earlier PL 480 Agreement concluded in May, 1960, wheat is being shipped to India at the rate of 20,000 tons a day. The USA will complete shipping the entire quantity stipulated in that Agreement before the end of this year. The latest Agreement ensures that wheat shipments will be maintained at this rate through June, 1965. Supplies of rice under the new Agreement will soon start arriving in India. Early shipments of soya bean oil are also expected.

During the fiscal year ending June, 1965, USA will make available to India as much as 6.7 million tons of wheat under the programme.

This massive flow is expected to help stabilize the price situation and discourage hoarding. Arrangements have been made for the quick unloading and effective distribution of commodities received under PL 480.

The Agreement concluded on September 30 was the ninth with India since August, 1956. They cover a total of 31 million tons of wheat, 1.7 million tons of rice, 800,000 tons of maize and other grains, 2.4 million bales of Indian cotton and considerable amounts of tobacco, soya bean oil, milk powder, cheese and canned fruit.

The Agreements were signed by Mr. P. Govindan Nair, Additional Secretary in the Ministry of Finance, and the US Minister, Mr. Joseph N. Greene, Jr.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5990:INI:E, 6055:INI:F]

F. Financial Agreement With Sweden: An Agreement on financial assistance between Sweden and India was signed in Stockholm on September 29 by Mr. Torsten Nilsson, Foreign Minister of Sweden, and the Indian Ambassador, Mr. Khub Chand.

The Agreement envisages grants of 12 million Swedish kroner (about Rs. 1.1 crores) and a development credit of 24 million kroner (about Rs. 2.2 crores).

Over 8 million kroner of the grants will be used for the supply of 8,000 tons of text-book paper for primary education in India. It is the third Swedish gift of paper to India.

Sweden will also supply forestry tools under a UN project to train logging instructors in India.

The 24-million-kroner credit will be repayable in 20 years, the first five years being a grace period; the rate of interest

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will be 2 per cent. Half the amount will be utilized by India to import equipment for 15 dairy plants. Eight million kroner is to be used to buy electrical switchgear and control equipment. The remaining four million will be used for joint Indo-Swedish ventures.

(*The Statesman*, New Delhi)

[Prev. ref. 4800:AOA:E]

G. **Trade Relations With South Africa—Foreign Press Reports Denied:** A Government spokesman on October 2 characterized as "completely baseless" the reports which had recently appeared in some foreign newspapers that India was having trade relations with South Africa.

He said that India was the first country to break off trade relations with South Africa in 1946 as a protest against the racial policy of that country. The Indian mission in that country was closed down in 1954.

In pursuance of the resolution passed by the UN General Assembly on November 7, 1952, India had banned trade with South Africa.

The spokesman said that such reports emanated from interested sources. For instance, such an allegation had been made by Pakistan in the Security Council in May. It was refuted by the leader of the Indian delegation, Mr. M. C. Chagla.

(*The Times of India*, New Delhi)

[Prev. ref. 5402:INI:B]

H. **Direct Telegraph And Telephone Services With Nepal:** Direct wireless telegraph and radio telephone services between India and Nepal were made available from October 1.

There are now two classes of telegrams —ordinary and express.

The charges for ordinary telegrams are Rs. 2 for the first 10 words and 20 paise for every additional word. As for Press telegrams, the charges are Rs. 1.50 for the first 50 words and 15 paise for every additional five words.

The charges for express telegrams are double that of ordinary dues.

The charges for telephone calls originating from any station in Andhra Pradesh, Gujerat, Kerala, Madras, Maharashtra, Mysore and Orissa and adjacent Union Territories are Rs. 17 for the first three minutes. For calls originating from any station in the rest of the country the charges are Rs. 13 for the first three minutes. The charges for every additional minute are levied on proportionate basis.

There is no separate priority classification for telephone calls.

(*The Statesman*, New Delhi)

[Prev. ref. 5929:INI:F]

I. **Loan To Nepal:** India will give Nepal a loan of Rs. 1 crore in Indian currency to help establish a wide range of industries including jute, cement, paper and textiles under an Agreement signed in New Delhi on September 30 between the two Governments.

The loan is repayable in 15 years; the interest will be 3 per cent.

The Agreement was signed by Dr. Yadav Prasad Pant, Finance Secretary of the Nepalese Government, and Mr. S. Boothalingam, Finance Secretary of the Government of India.

(*The Statesman*, New Delhi)

[Prev. ref. 5945:NEP:A]

J. **Envoy To Nepal:** The appointment of Mr. Shriman Narayan, a member of the Planning Commission, as Indian Ambassador to Nepal was officially announced in New Delhi on September 30.

He would assume charge shortly.

(*The Statesman*, New Delhi)

[Prev. ref. 5874:NEP:B]

K. **Session Of WHO Regional Committee For South-East Asia:** The 17th session of the WHO Regional Committee for South-East Asia was held in New Delhi from September 22 to 28.

During its one-week session, the Committee endorsed WHO's 1966 programme and Budget for South-East Asia and approved the report on WHO's work in the region during the past year.

The session, which was inaugurated by the Vice-President of India, Dr. Zakir Hussain, was attended by representatives from Afghanistan, Burma, Ceylon, India, Indonesia, Mongolia, Nepal and Thailand. Dr. V. T. H. Gunaratne, Director of Health Services, Ceylon, was elected Chairman of the Committee, and Dr. D. Baidya, Director of Health Services, Nepal, as Vice-Chairman.

During the discussion of the Regional Director's annual report, the Committee endorsed the continued emphasis in WHO assistance to countries in South-East Asia on control and eradication of major communicable diseases such as malaria, tuberculosis, yaws and smallpox, and on the improvement of environmental sanitation.

In a resolution noting the relatively large number of cases of typhoid fever in the region, particularly among children, the Committee called for the introduction of systematic programmes of immunization of school-children, through the co-ordinated efforts of Ministries of Health and Education.

The Committee also adopted a resolution calling for the improvement of infectious disease hospitals.

The technical discussions held during the Regional Committee meeting were devoted to smallpox eradication. Dr. K. M. Lal, Deputy Director-General of Health Services, India, was elected chairman of the discussions.

It was pointed out that Asia still reports the largest number of smallpox cases and deaths. In 1960, the continent had reported about 67 per cent (39,000 cases) of the world's total and in 1963 61 per cent (75,000 cases). The increase of the number of cases in 1963 was foreseen according to the cyclical trend of the disease in some countries.

The technical discussions group stressed that eradication of smallpox from the region could only be achieved if nationwide eradication projects were pursued by all countries and if an adequate level of immunization was maintained on a long-term basis after the completion of mass eradication programmes.

It was noted that most countries in South-East Asia had started production of freeze-dried smallpox vaccine with the assistance of WHO and UNICEF. However, it would take a minimum of two years before they could meet their own requirements. It was recommended that in the meantime WHO should endeavour to obtain further donations of freeze-dried vaccine from countries with adequate production facilities. Millions of doses of freeze-dried smallpox vaccine have already been donated to South-East Asia by the Soviet Union, the Netherlands, Switzerland and Britain.

The 18th session of the Regional Committee will take place in Kabul (Afghanistan) in September, 1965.

(*World Health Organization*)

[Prev. ref. 5826:AOA:A]

L. **New Central Deputy Ministers:** A *communique* issued on October 1 from Rashtrapati Bhavan said that Mr. Rameshwar Sahu had been appointed Deputy Minister in the Ministry of Finance.

Mr. P. S. Naskar was appointed Deputy Minister in the Ministry of Health on September 30.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5968:INI:A]

M. **Review Of Exports—Board Of Trade Meeting:** Reviewing the export performance during July and August, 1964 at its meeting in Bombay on October 5, the Board of Trade exhorted the trading sector to step up exports to achieve an increase of at least Rs. 5 crores every month over the 1963 level.

The Board was concerned that its earlier apprehensions, that due to shortage of some commodities and the general trend of rising prices in recent months exports might stagnate, had been justified.

Exports in July rose only by Rs. 3 crores and in August remained almost stationary (at Rs. 67 crores) as compared with exports in the corresponding months of July and August, 1963.

Lack of adequate export surpluses in critical commodities such as vegetable oils and sugar as well as the general inflationary pressures on the economy had been hampering exports.

While expansion in the exports of some non-traditional items such as engineering goods, plastics, chemicals, etc., had been able to compensate for the shortfalls in some staple export commodities, it was essential that utmost vigilance be exercised and corrective action taken with reference to the impact of rising prices on the export sector.

While the general problem of prices needed to be more vigorously tackled by the Government—and this the Board considered most important—the Board stressed that all trade organizations, including export promotion councils, commodity boards, as well as individual trading houses, should do their best during the coming months to overcome these handicaps and step up exports so as to achieve an increase of at least Rs. 5 crores every month over the 1963 level.

With regard to long-term export problems, the Board observed that though appropriate institutional arrangements for promoting exports had been greatly strengthened during the last two years, what was required was a purposive and determined implementation of these policies in the different sectors of the economy to stimulate exports to the desired extent. To that end the procedures under these policies must be further streamlined.

The Board was happy to observe that the Ministry of Commerce had initiated action to hold a series of meetings with State Chief Ministers in order to enlist the full support of the State Governments in the task of export promotion.

The Board was informed that a successful meeting between the West Bengal Government, the Deputy Minister of Commerce and leading exporters had already taken place on October 4 and that meetings with the other States were being planned.

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The Board re-iterated the need to ensure continuity and stability in export promotion schemes and policies. It felt that export promotion assistance schemes should be allowed to operate unchanged till the end of the Fourth Five-Year Plan to enable the industries to plan their export programmes on a long-term basis.

The Board observed that difficulties in the matter of release of foreign exchange for business visits abroad continued to be felt by the trade. It felt that early study should be undertaken to rationalize and liberalize the allocation of foreign exchange for such visits and allied purposes.

A committee was formed to formulate concrete proposals and procedures.

The Board noted that with the formulation of the Fourth Plan targets, steps should be taken to establish an export sector in each industry or group of industries.

It also felt it was necessary to enunciate a code of trading between manufacturers and exporters.

It gave detailed consideration to the problems relating to exports to Africa. It observed that exports to that continent did not show much improvement. It was recognized that exports to Africa presented some special problems arising from lack of adequate shipping facilities, land-locked character of the region and difficulties in internal distribution etc.

It recommended there should be intensification of export promotion measures in their application to trade with Africa, and that the problem of arranging specially assisted shipping services to all important ports in that continent should be immediately undertaken by shipping interests. The Government should give special assistance for this.

The Board also called upon all Export Promotion Councils and the All-India Exporters' Chamber to prepare a list of principal exporters dealing with Africa. It was also decided to open a few offices to market information and trade facilities in western, eastern, central and northern Africa.

(*The Times of India*, Bombay)

[Prev. ref. 5846:INI:K]

N. **Bhilai Steel Plant's Expansion Programme:** The General Manager of the Bhilai Steel Plant, Mr. Inderjit Singh, told newsmen in Raipur on October 1 that a Rs. 20-crore expansion programme was being worked out in three phases to meet the iron-ore requirements of the Plant's fourth, fifth and sixth blast furnaces as and when they came up.

The first phase, which was already in hand, he said, was the introduction of a third shift at Rajahara ore mines to feed blast furnace number four which would be commissioned by the middle of November. The second phase would raise Rajahara mines capacity to 3.5 million tonnes and would include extension of work to Jharanambli mines. This phase would cost nearly Rs. 2 crores and would be completed by the end of 1965. The third phase, to be completed by 1968, included development of Dalli mines to produce 6 million tonnes of ore.

He said that the fourth blast furnace, to be commissioned in November, would have an annual capacity of 6 million tonnes of iron-ore.

Other important units to be commissioned by November were the seventh open-hearth furnace and the sixth group of soaking pits, and a slag granulation plant.

To maintain the schedule of the programme, arrangements had been made to receive some equipment from USSR by air.

(*The Statesman*, Calcutta)

[Prev. ref. 5645:INI:G]

O. **IFC Annual Report:** According to the annual report of the Industrial Finance Corporation (IFC), released in New Delhi on September 30, since its inception 16 years ago the Corporation has given assistance amounting to Rs. 196.78 crores, including Rs. 16.89 crores in foreign currency, to 334 industrial undertakings. The amount of aid sanctioned last year was Rs. 38.27 crores, the number of beneficiaries being 90.

The State-wise distribution of the loans shows that Maharashtra, with Rs. 34 crores, has benefited most from IFC's activities. Madras, with Rs. 28.82 crores, came second and West Bengal, with Rs. 19.79 crores, a rather distant third. Andhra got Rs. 15.11 crores, UP Rs. 13.80 crores and Punjab Rs. 10.90 crores.

Mr. A. Bakshi, Chairman of IFC, said at a news conference that while applications for loans were generally treated on merit, efforts were made to help the growth of industries in the more under-developed States, such as Rajasthan and Madhya Pradesh.

Replying to a question whether the increase in the Bank Rate to 5 per cent would cause an increase in the Corporation's lending rate (7.5 per cent), he said no increase was contemplated. If, however, there was a general rise in long-term interest rates the Corporation might have to review the position.

In recent years the Corporation had provided not merely loans in foreign currency, but also increased its underwriter activities, and undertaken direct subscriptioh to capital issues and deferred payment guarantees.

The financial results of IFC's activities in 1963-64 were satisfactory. After setting apart Rs. 1.01 crores for taxation it made a net profit of Rs. 1.25 crores. Reserves amounted to Rs. 4.09 crores against the paid-up capital of Rs. 7 crores.

Mr. Bakshi said that some relaxation had been made in IFC's terms and conditions. In future the Corporation's right to appoint directors on boards of assisted concerns would be exercised more selectively.

The Corporation needed a great deal more foreign credit than it had been assured so far. Negotiations for such credit were under way with the Kreditanstalt and AID. Lately, information had come that an additional credit of DM15 million had been allotted. More foreign assistance, particularly in convertible currency, was necessary.

(*The Statesman*, New Delhi)

[Prev. ref. 5473:INI:I]

P. **Merger Of HAL And Aeronautics India Ltd:** With the merger of the Hindustan Aircraft Ltd. (HAL) and the Aeronautics India Ltd. on October 1, all establishments connected with India's State-owned aircraft industry came under a single management.

The merged undertaking was re-named Hindustan Aeronautics (India) Ltd.

The Government had earlier proceeded on the basis of a separate management for each manufacturing centre. The HAL, which was founded in 1940 and is the oldest aircraft manufacturing unit in the country, was responsible for the complex of factories located at Bangalore.

A second aircraft manufacturing project was started by the Defence Ministry in 1960 at Kanpur. Yet another public limited concern, the Aeronautics (India) Ltd., was founded by the Government in 1963 to supervise the three factories being set up for the manufacture of MIG-21 aircraft.

Earlier this year the Government reversed its earlier decision on a separate management for each establishment and started a process of amalgamation.

The Kanpur manufacturing depot, which has on hand the building of Avro-738 transport planes, was taken over by the Aeronautics (India) Ltd. on June 16, 1964. The process of amalgamation was completed with the merger of the HAL and AIL on October 1.

The new public undertaking, the Hindustan Aeronautics (India) Ltd., has Mr. S. S. Khera as Chairman of the Board of Directors and Air Vice-Marshal Ranjan Dutt as Managing Director.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5422:INI:V, 5500:INI:O]

Q. **Progress Of Shipping Corporation Of India Ltd:** At the annual meeting of the Shipping Corporation of India in Bombay on September 28, the Chairman, Mr. R. L. Gupta gave details of the record of the Corporation for the past year.

The number of ships owned by the Corporation, a Government undertaking, he said, had risen from 15 in 1960 to 29 aggregating 237,000 GRT or 334 DWT. Orders had been placed for an additional 20 ships totalling 200,000 GRT—12 cargo vessels with Hindustan Shipyard, four in Poland, three coal-carriers in Yugoslavia and one super-tanker in Japan.

The volume of cargoes carried by the Corporation rose from 382,000 tons in 1950-60 to 1,327,000 tons in 1963-64, resulting in an increase in net profit from Rs. 1.07 crores in 1961-62 to Rs. 1.40 crores in 1963-64.

The Corporation had established itself and had also strengthened its services to the Black Sea, the UK and the Continent. It would participate in the services to UAR in 1965.

(*The Times of India*, Bombay)

[Prev. ref. 5257:INI:O]

R. **Fertilizer Corporation Annual Report:** According to its annual report, released in New Delhi on September 30, the Fertilizer Corporation of India reported an increase of Rs. 2.25 crores in its net profit for 1963-64.

The increase was mainly attributed to the retrospective revision of the retention prices of fertilizers and the record production by the Nangal unit.

The gross profit for the year was Rs. 9.28 crores and the net profit Rs. 3.85 crores.

The Corporation's internal resources arising from the revenue surpluses of its production units and the allocation for depreciation reserve during the year amounted to Rs. 8.74 crores. The total of such internal resources since the inception of the Corporation's oldest unit at Sindri had been Rs. 47.97 crores. This was about 120 per cent of the paid-up capital of the Corporation's production units.

The annual report claimed that the overall production of fertilizers at Sindri and Nangal was 7,46,596 tonnes against 6,88,791 tonnes during the previous year. The Nangal unit accounted for almost the entire increase in production.

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The progress of the implementation of the projects under construction was said to be satisfactory. The trial run of the ammonia plant at Trombay was expected to start in November and that of the nitrophosphate plant in February, 1965.

The report added that the Central Government had asked the Corporation to take up the planning and implementation of one more fertilizer project at Durgapur in West Bengal.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5413:INI:F]

S. Progress Of CSIR—A. R. Mudaliar Committee's Report: The need to orient research programmes in the national laboratories, with 80 per cent of the effort directed towards applied research, has been stressed by Dr. A. Ramaswami Mudaliar's Committee which had been appointed by the Government to review the work and progress of the Council of Scientific and Industrial Research (CSIR).

The Committee, whose report was released in New Delhi on September 30, said that the main responsibility for pure fundamental work should rest with universities with which close links must be forged by CSIR.

Steps should be taken for effective utilization of the results of research. The setting up of the Central Design and Engineering Unit with a view to bridging the gap between the laboratory and pilot plant researches and the stage where they are scaled up to industrial size units was welcomed by the Committee. It said that user participation in research should be encouraged in various forms and links with industry should be forged in more than one way.

Expert panels comprising scientists from industry and universities must be closely associated with the programme and control of research in the research divisions in the laboratories.

Industry should also be given incentive by way of financial support to start research and development organizations or to undertake research on approved projects with partial or full support from CSIR.

The Committee recommended that machinery should be set up and strengthened by CSIR for its collaboration with the Planning Commission, Ministry of Industry, the Director-General of Technical Development and other agencies responsible for the collection of essential information and action in respect of the nation's economy, with the object of ensuring that national plans and problems become the basis for the programmes of its research establishments.

Machinery should also be set up for inter-communication and exchange with other research organizations and technical agencies of the Government, particularly those associated with agriculture, medicine, defence, railways, posts and telegraphs, and atomic energy.

If India was to make headway as a developing country, its research effort in terms of quantity, quality and effectiveness would have to be increased manifold and limited only by the availability of trained personnel and resources.

It recommended that CSIR's part in the Fourth Plan should be implemented to the full and extended where fresh needs arose.

The strength of the governing body of CSIR should be limited to 20 or 25 and consideration should be given to introducing some fresh members at the time of its re-constitution. It also recommended that the board should set up a limited number of specialist committees to advise on those aspects which require more detailed consideration than the board would have time to give.

Industry-oriented laboratories should be located in an area containing a concentration of the industry but should avoid crowded parts of cities. An important consideration should be the availability of sufficient area for its growth and accommodation of field stations of other laboratories and auxiliary institutes. On the other hand, out-of-the-way places without social amenities and supporting engineering services should also be avoided. Proximity to a university should play a part in the siting of a discipline-oriented or a regional laboratory. Where more than one institute or field station are to be located in the same city they should as far as possible be in the same campus and share common services as far as possible.

The balance between fundamental and applied work in the National Chemical Laboratory, Poona, which at present was about 50:50 should be altered nearer to 20:80 and the fundamental work should become mainly related to the applied projects or for the development of expertise in general chemical knowledge and techniques. The laboratory should concentrate its research effort on selected projects in fields such as organic intermediates, high polymers, fermentation chemicals, inorganic chemicals, dyestuffs and textile auxiliaries, catalysts and chemical engineering and pilot plant techniques. The number of Ph.D. students and fellowships should be progressively reduced until it is not more than one-tenth of the permanent scientific staff.

In the National Physical Laboratory, New Delhi, the primary emphasis should be on applied work, including standards and testing. Of particular importance should be the fields of radio components, radio propagation, electronics, ceramics, acoustics, optics, time measurement and applied mechanics, and in each of these fields objective basic work should form a substantial part. It was important that the laboratory should build up an esprit de corps, only possible in a well-led single unit and it should not be divided into two wings with a separation of fundamental work from applied work.

Research at the National Metallurgical Laboratory, Jamshedpur, in the field of non-ferrous metallurgy should be increased in collaboration with the industry. Design facilities to enable the laboratory to act as consultants help to partly fill a gap in the application of research results and these should be extended.

It was recommended that the objective basic research at the Central Fuel Research Institute, Jealgora, should be increased. The whole of such fundamental work should continue at Jealgora and not be separated. Coal survey stations should be organizationally separated from the Institute.

The four industries related to the four divisions of the Central Glass and Ceramic Research Institute, Calcutta should be brought into even more active participation in the work and share in the finances. Advisory panels from industry should be set up for these four divisions.

The shifting of the Indian Institute for Biochemistry and Experimental Medicine, Calcutta, from its present congested location at Jadavpur may be carried out in due course.

The Central Electrochemical Research Institute, Karaikudi, should be transferred from its present isolated location to Madras as soon as possible.

Besides the Chairman, Dr. A. Ramaswami Mudaliar, the Committee consisted of Mr. K. T. Chandy, Dr. S. Dhawan, Sir Charles F. Goodeve, Sir Patrick Linstead, Prof. P. C. Mahalanobis and Dr. S. A. Sen Gupta. This was the third reviewing committee for CSIR.

Dr. A. Ramaswami Mudaliar's Statement: Explaining the recommendations of the Committee to newsmen in New Delhi on September 30, Dr. A. Ramaswami Mudaliar called for a periodic review at the highest level of the national policy on scientific research.

Such a review, he added, should be based on the facts and data to be furnished by the Council of Scientific and Industrial Research on the working of the various research laboratories in the country.

A clear enunciation of the national policy once in five years, in his view, would facilitate the work of the different Ministries in respect of research programmes carried out by institutions under their aegis.

He deplored the tendency in certain circles to consider fundamental research as superior to applied research and stressed the need to bring about a "healthy combination" of the two.

He, however, wanted greater stress to be placed on applied research in all the national laboratories, leaving fundamental research to universities.

He hoped that the Government would release adequate foreign exchange to universities for the import of equipment required for fundamental research.

In this context, he referred to the unwillingness of Indian scientists abroad to return to this country and said that they did not want to return because of the lack of facilities for research in India. He, therefore, emphasized the need to provide all the basic facilities like modern equipment even if that meant more foreign exchange expenditure.

(*The Times of India* and *The Statesman*, New Delhi)

[Prev. ref. 5532:INI:G]

T. President's Rule In Kerala—Parliament Passes Bill: The Rajya Sabha approved on September 30 the proclamation of President's Rule in Kerala and passed a Bill conferring on the President the power of the Legislature of Kerala to make laws.

The Lok Sabha passed the Bill on September 24.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 6079:INI:M]

U. New Gold Deposits In Mysore: The Mysore Industries Minister, Mr. K. Mallappa, said in Bangalore on October 1 that new veins of gold-bearing ore had been discovered at Hatti gold mines in Raichur district in which the Mysore Government had 90 per cent capital interest.

This discovery had led to the launching of an expansion programme costing about Rs. 2 crores which would increase the crushing capacity at the mines from 400 tons per day at present to 1,000 tons by 1967.

Mr. Mallappa, who presided over a meeting of the Board of Hatti Gold Mines, told newsmen that the undertaking was expected to improve upon Rs. 5,00,000 profit it registered in 1962-63. Accounts were being finalised.

The gold mines were promising since the depth of only 1,400 feet had been explored so far. Further exploration was in progress. He contrasted this with Kolar gold mining undertaking where depths up to 10,000 feet had been explored. "As we go down deeper at Hatti, we may find richer gold ore."

The Central Government had abandoned its earlier proposal to take over Hatti mines. This was because the Centre's experience with Kolar mines, which it took over a few years ago (see page 4960), might not have been satisfactory.

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At present, about 2,500 ounces of gold produced at Hatti were being sold every month for jari and other special purposes at prices fixed from month to month.

Mr. Mallappa said that the Mysore Government had given up further exploration for gold at Kappadagudda in Dharwal district where gold-bearing ores were traced two years earlier. Initial attempts had proved the existence of gold in the area and to continue exploration would require heavy investment which the Central Government alone could provide. The State Government, would rather use its resources in the exploration of iron, manganese, bauxite, clay and limestone which were of immediate and great importance.

(*The Hindu*, Madras)

[Prev. ref. 4588:INI:F]

V. **Increase In MPs' Salaries—Bill Passed:** Parliament set its seal of approval on September 25 on the legislation to increase the salaries and allowances of its members after a last ditch battle against it by the Communist group in the Lok Sabha.

The House divided half-a-dozen times before passing the Bill, as amended by the Rajya Sabha, to give effect to the Bill from June 1, 1964. The option clause, under which those who do not want to draw the higher emolument can declare their decision to that effect to the presiding officer, was deleted. All MPs will now receive Rs. 500 per month as salary, instead of Rs. 400, and Rs. 31 as daily allowance during the session as against Rs. 21.

The new rate will have retrospective effect from June, 1964.

The House gave priority to the Bill and adjourned discussion on Mr. Prakash Vir Shastri's non-official Bill seeking abrogation of Article 370 which confers a special status on Jammu and Kashmir.

(*The Times of India*, New Delhi)

W. **Separation Of Judiciary And Executive In Punjab:** The Separation of Judicial and Executive Functions Act came into force on October 2, the birth anniversary of Mahatma Gandhi.

The Chief Justice of India, Mr. P. B. Gajendragadkar, formally inaugurated the enforcement of the Act at a function in Chandigarh.

(*The Times of India*, New Delhi)

[Prev. ref. 4721:INI:L, 4795:INI:R]

X. **Land Holdings Of Agricultural Families:** According to statistics on households compiled by the Census Commissioner of India, and released in New Delhi on October 1, only 1.3 per cent of agricultural families hold 14 per cent of India's total cultivated land—nearly 324 million acres.

On the other hand, 57 per cent of families plough less than 16 per cent of the land.

The statistics showed that 11 per cent of families had 37 per cent of the land, whereas 30 per cent of families cultivated 32.7 per cent of the total cultivated area.

The Planning Commission had been apprised of the situation.

The average size of holdings for India as a whole worked out to 7.39 acres. The average size in the pure tenancy holdings was the lowest and varies between two and three acres in Kerala, Madras, Assam, West Bengal, Orissa, Bihar and Uttar Pradesh.

In Punjab, Rajasthan, Gujerat and Maharashtra, however, the size of a pure tenancy holding varied between seven and 10 acres.

Of the pure tenant families, 76 per cent had holdings of less than five acres.

The average size of mixed tenancy holdings was relatively high in all States, except Uttar Pradesh. Of all mixed tenancy households, 48 per cent had holdings of less than five acres.

Generally speaking, in Punjab, Rajasthan, Madhya Pradesh, Gujerat, Maharashtra and Mysore, which fall more or less in the north-western and south-western regions, the average size of holdings was three to four times the size in the eastern region and five to seven times of that in Kerala.

Further, the average size of holdings was generally higher in urban areas as compared to the rural areas.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 4072:INI:M]

Y. **Nehru Agricultural University In Madhya Pradesh Opened:** The Nehru Agricultural University was opened at Adhartal, five miles from Jabalpur in Madhya Pradesh, on October 2.

In doing so, the Central Minister for Information and Broadcasting, Mrs. Indira Gandhi, appealed to cultivators to step up agricultural production.

She said that simultaneous development of agriculture and industry was vital for the prosperity.

The rapid growth of population was posing a tough problem. It should be tackled effectively.

She welcomed US assistance for the University. The institution had been set up in collaboration with Illinois University which had supplied equipment and books and provided training facilities.

Six agricultural colleges, two veterinary colleges and the Madhya Pradesh Agricultural Research Institute would be affiliated to it. The University, which would have on its rolls 2,500 students, promises to open a new chapter in agricultural education in the State. It would have a staff of about 500 teachers and instructors.

(*The Times of India*, Bombay)

[Prev. ref. 5532:INI:I]

IRAQ

A. **Details Of "Interim" Constitution:** The August-September issue of *New Iraq* carried the text of the *Interim* Constitution proclaimed by President A. S. Arif on May 2, 1964.

The following is the text:

I—The State:

Article 1: The Republic of Iraq is a democratic socialist State deriving the roots of its democracy and socialism from the Arab heritage and the spirit of Islam; the Iraqi people are a part of the Arab nation and their aim is comprehensive Arab unity. The Government is committed to work for the realization of this unity as soon as possible, starting with unity with UAR.

Article 2: The Republic of Iraq is a fully sovereign State, and no part of its territory shall be given up.

Article 3: Islam is the religion of the State and is the main basis of its Constitution. Arabic is the official language of the State.

II—Basic Constituents Of Society:

Article 4: Social solidarity is the basis of Iraqi society.

Article 5: The family is the basis of society. It rests on religion, morals, and patriotism.

Article 6: The State shall guarantee equal opportunities for all Iraqis.

Article 7: The economic system of the State aims at the realization of economic development and social justice which rejects all forms of exploitation.

Article 8: The State directs the national economy in accordance with a comprehensive plan to be drawn up by law within the frame-work of which both the public and private sectors shall co-operate to ensure a continued economic development for the sake of increasing production and raising the standard of living.

Article 9: The natural resources and all their revenues and potential are the property of the State. The State shall ensure the proper exploitation of these resources.

Article 10: Capital shall be in the service of the national economy. The employment of capital shall not conflict with the people's well-being.

Article 11: Public property is inviolable. Its protection is the duty of every citizen since it is the source of the welfare of the people and the strength of the homeland.

Article 12: Private ownership is inviolable. The law organizes its social function. Property may not be expropriated except for the public purposes and in consideration of a just compensation in accordance with the law. The right of inheritance is guaranteed in accordance with Islamic law.

Article 13: The law shall determine the minimum of agricultural ownership in such a manner as to prevent the establishment of a feudal system.

Article 14: The State shall encourage the co-operative system and foster all forms of co-operative establishments.

Article 15: The State shall, according to the law, guarantee the support of the family and the protection of motherhood and childhood.

Article 16: The State shall guarantee social insurance services. Iraqis are entitled to assistance in old age, sickness, incapacity, or unemployment.

Article 17: Employment in the Republic of Iraq is the right, duty, and honour of every able citizen. Public posts are a trust to those who occupy them. Public servants shall, in carrying out their duties, aim at serving the people.

III—Public Rights And Obligations:

Article 18: Iraqi citizenship shall be defined by law.

Article 19: All Iraqis are equal before the law. They are equal in their public rights and obligations without distinction of race, origin, language, religion, or creed. All Iraqis, including both Arabs and Kurds, shall co-operate in safeguarding the homeland. This Constitution shall guarantee their national rights within the frame-work of Iraqi unity.

Article 20: There can be no crime or punishment except as defined by law. Penalties may only be inflicted in respect to felonies committed subsequently to the date of the law prescribing them.

Article 21: Penalty is personal.

Article 22: No person may be arrested, detained, imprisoned, or searched except in accordance with the law.

Article 23: The accused is innocent until he is proved guilty in a legal trial in which all the means for the exercise of the right of defence in person or by attorney shall be guaranteed. It is prohibited to harm the accused physically or psychologically.

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INDIA

SUMMARY: Supreme Court Verdict On Conflict Between UP Vidhan Sabha And Allahabad High Court; Sino-Indian Correspondence On China-Sikkim Boundary; Agreements With USA; Review Of Exports.

A. Conflict Between UP Vidhan Sabha And Allahabad High Court—Supreme Court's Hearing And Verdict: A Special Bench of seven judges of the Supreme Court on July 27 began hearing of the President's Reference to the Supreme Court on the constitutional issues involved in the conflict between the UP Vidhan Sabha and the Allahabad High Court.

About 60 counsel represented the two sides.

On March 14, the Speaker of the Vidhan Sabha had directed that a Socialist worker, Mr. Keshav Singh, be committed to prison for contempt of the House and a breach of its privileges. Mr. B. Solomon, an advocate, filed a petition on behalf of Mr. Keshav Singh before the High Court bench at Lucknow challenging the validity of the Speaker's order and praying for his client's release. The High Court granted interim bail and issued notice to the respondents.

The Vidhan Sabha passed a resolution on March 21 stating that the judges had committed contempt of the House by granting bail and entertaining the petition and they should be produced before the House. The judges questioned the order by a petition in the High Court. Thereupon a Full Bench of 28 judges passed an interim order restraining the Speaker from issuing the warrants of arrest.

These incidents gave rise to a serious conflict between the judges and the legislature regarding the scope of their jurisdiction in matters relating to the privileges of the House.

Five principal questions were addressed to the Supreme Court for its opinion and advice:

(1) Whether the Judges of the High Court were competent to entertain Mr. Keshav Singh's petition and release him on bail;

(2) Whether the Judges, Mr. Keshav Singh and his lawyer, Mr. B. Solomon, were guilty of contempt of the Legislature;

(3) Whether the Legislature was competent to direct the production of the judges and the lawyer before the House;

(4) Whether the Full Bench of the Allahabad High Court had jurisdiction to stay the subsequent action by the Assembly against the two judges and the lawyers; and

(5) Whether a judge who deals with a petition involving privilege can be proceeded against by the Legislature.

At the outset the Chief Justice, Mr. P. B. Gajendragadkar, asked the Attorney-General about the procedure to be followed in the hearing of the reference. By consent of all parties the order of arguments was settled.

An objection raised on behalf of the Advocate-General of Bihar that the Reference was incompetent was heard and disposed of.

The Attorney-General, Mr. C. K. Daphtary said that in his opinion the judges could not be guilty of contempt by exercising jurisdiction under Article 226 of the Constitution. He maintained that the court had power to grant bail since Mr. Keshav Singh's petition was in the nature of a prayer for habeas corpus.

Mr. Daphtary submitted that the Full Bench also committed no contempt of the House as the proceedings against the two judges were prima facie a threatened violence of the constitutional provisions. He said that having regard to the separation of powers and the paramountcy of judicial power the judges had the right to go into the question of alleged violation of fundamental rights.

The Chief Justice remarked that the problem raised really was how to reconcile Article 226 of the Constitution with Article 194 (3).

Verdict:

On September 30, the Supreme Court held that the Lucknow Bench of the Allahabad High Court was competent to entertain and deal with the petition of Mr. Keshav Singh who had been sentenced to imprisonment by the UP Vidhan Sabha for contempt.

The Court also held that neither Mr. Keshav Singh nor his advocate, Mr. B. Solomon, had committed any contempt of the UP Vidhan Sabha.

It was of the opinion that the two Judges who dealt with the petition of Mr. Keshav Singh were not guilty of contempt of the House.

The Chief Justice, Mr. P. B. Gajendragadkar, read the majority opinion of the Court. Mr. Justice A. K. Sarkar gave a separate opinion.

The five questions referred to the Supreme Court by the President were answered as follows:

(1) It was competent for the Lucknow Bench of the High Court of Allahabad consisting of Mr. Justice N. U. Beg and Mr. Justice G. D. Sehgal to entertain and deal with the petition of Mr. Keshav Singh challenging the legality of the sentence of imprisonment imposed on him by the UP Legislative Assembly for contempt and infringement of its privileges and to pass orders releasing Mr. Keshav Singh on bail pending the disposal of the petition.

(2) Mr. Keshav Singh, by causing the petition to be presented on his behalf to the High Court of UP, Mr. B. Solomon, advocate, by presenting Mr. Keshav Singh's petition, and the two judges by entertaining and dealing with the petition and ordering the release of Mr. Keshav Singh on bail did not commit contempt of the UP Legislative Assembly.

(3) It was not competent for the UP Legislative Assembly to direct the production of the two judges and Mr. B. Solomon before it in custody or to call for their explanation for contempt.

(4) It was competent for the Full Bench of the UP High Court to entertain and deal with the petition of the two judges and Mr. Solomon and to pass interim orders restraining the Speaker of the UP Legislative Assembly and other respondents from implementing the direction of the Assembly.

(5) A judge of the High Court who entertained or dealt with a petition challenging any order or decision of a legislature imposing any penalty on the petitioner, or issued any process against the petitioner for its contempt or for infringement of its privileges and immunities, or who passed any order on such petition did not commit contempt of the legislature and the Legislative Assembly was not competent to take proceedings against such a charge in the exercise and enforcement of its powers, privileges and immunities.

Their Lordships prefaced the answer to the fifth question with the observation that the answer was confined to cases in relation to contempt alleged to have been committed by a citizen who is not a member of the House outside the four walls of the legislative chamber.

[The facts which gave rise to the conflict and the consequent reference by the President to the Supreme Court were that on March 14, 1964, the Speaker of the UP Assembly administered a reprimand to Mr. Keshav Singh, a resident of Gorakhpur, for having committed contempt of the House and for having committed a breach of the privileges of Mr. Narsingh Narain Pandey, a member of the House. Later, on the same day (March 14, 1964), the Speaker directed that Mr. Keshav Singh be committed to prison for committing another contempt of the House by his conduct in the House when summoned to receive the reprimand and for writing a disrespectful letter to the Speaker of the House earlier. On March 19, 1964, Mr. B. Solomon, an advocate, presented a petition to the High Court on behalf of Mr. Keshav Singh under Section 491 of the Criminal Procedure Code and Article 226 of the Constitution. The petition was heard by Mr. Justice N. U. Beg and Mr. Justice G. D. Sehgal who admitted the petition. They issued a notice to the respondents, the Speaker of the House, the UP Chief Minister and the Superintendent of the District Jail, Lucknow, and directed that Mr. Keshav Singh be released on bail. On March 21, the House passed a resolution saying that the two judges and the advocate had committed contempt of the House. It ordered that they be brought before the House and that Mr. Keshav Singh should be taken into custody and kept in the District Jail, Lucknow. The two judges heard about this resolution on the radio and also read about it in the Press. They filed separate petitions before the Allahabad High Court under Article 226 of the Constitution. A Full Bench of the Allahabad High Court, consisting of 28 Judges, admitted the petitions and ordered the issue of notice against the respondents restraining the Speaker from issuing warrants. Mr. Solomon, advocate of Mr. Keshav Singh, presented a similar petition which was also admitted. On March 25, the House passed a clarificatory resolution as a result of which the warrants issued for the arrest of the two judges and Mr. Solomon were withdrawn. They were, however, placed under an obligation to appeal before the House and offer their explanation why the House should not proceed against them. On March 26, the President decided to exercise his power to make a reference to the Supreme Court under Article 143 (1) of the Constitution. The Supreme Court was asked to give its opinion on the legislature-judiciary conflict in UP.]

At the hearing, a preliminary objection was raised by Mr. Verma on behalf of the Advocate-General of Bihar who contended that the reference was invalid under Article 143 (1) because the questions referred to the Court could not be said to be concerned with any of the powers, duties or functions conferred on the President by the relevant Articles of the Constitution.

The Supreme Court expressed the view that the reference was competent.

Further, Their Lordships were of the opinion that the questions formulated for their advisory opinion were questions of great constitutional importance and significance and it was their duty to report to the President embodying their answers to the questions formulated by him.

After setting out the various contentions raised by Mr. H. M. Seervai, Advocate-General of Maharashtra, who appeared for the UP Vidhan Sabha, and Mr. M. C. Setalvad, former Attorney-General, who appeared for the judges of the Allahabad High Court, the Chief Justice, Mr. P. B. Gajendragadkar, observed that the dispute really centred round the jurisdiction of the High Court to entertain a habeas corpus petition even in cases where a general warrant had been issued by the

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House directing the detention of the party for contempt.

The problem had to be decided in the light of the provisions contained in Article 194(3) of the Constitution and in that sense the interpretation of that Article was really the crux of the matter.

His Lordship said that clause (1) of Article 194 conferred freedom of speech on the legislators within the legislative chamber and clause (2) made it plain that the freedom was literally absolute and unfettered. The first part of clause (3) empowered legislatures of States to make laws prescribing their powers, privileges and immunities; the latter part provides that until such laws are made the legislatures in question shall enjoy the same powers, privileges and immunities which the House of Commons enjoyed at the commencement of the Constitution.

It was well known that out of a large number of privileges and powers which the House of Commons claimed during the days of its bitter struggle for recognition, some were given up in course of time and some virtually faded out by desuetude. So in every case where a power was claimed it was necessary to enquire whether it was an existing power at the relevant time. The power must not only be claimed by the House of Commons but must also be recognized by the English Courts.

All the clauses of Article 194 were not in terms made subject to the provisions relating to fundamental rights. In fact clause 2 was couched in such wide terms that in exercising the rights conferred on them by clause 1 if the legislators by their speeches contravened any of the fundamental rights they would not be liable for any action in any court. Nevertheless if for other valid considerations it appeared that the contents of clause 3 might not exclude the applicability of certain relevant provisions of the Constitution, it would not be reasonable to suggest that those provisions must be ignored just because the clause did not open with the words "subject to the other provisions of the Constitution." Whenever there was a conflict between these provisions and the provisions pertaining to fundamental rights an attempt would have to be made to resolve the conflict by the adoption of the harmonious rule of construction.

Further, the fact that the first part of clause 3 referred to future laws which would be subject to fundamental rights might assume significance in interpreting the latter part of clause 3.

Their Lordships then dealt with the question raised by Mr. Seervai that the Assembly should not be taken to have conceded to the Court the jurisdiction to construe Article 194(3) so as to bind it. Their Lordships expressed the view that in dealing with this question it was necessary to bear in mind the fundamental feature of a Federal Constitution.

The supremacy of the Constitution was fundamental to the existence of a Federal State. Legislators, Ministers and Judges all took an oath of allegiance to the Constitution for it was by the relevant provisions of the Constitution that they derive their authority and jurisdiction.

Further, there was no doubt that the Constitution had entrusted to the judicature in this country the task of construing the provisions of the Constitution and of safeguarding the fundamental rights of the citizens. Therefore, there was no difficulty in holding that the decision about the construction of Article 194(3) must ultimately rest with the judicature of this country.

This conclusion would not, however, impair the validity of Mr. Seervai's contention that the advisory opinion rendered by Their Lordships in the present reference proceedings was not a judication properly so called and would bind no parties as such.

His Lordship said that in coming to this conclusion Their Lordships were not unmindful of the grandeur and majesty of the task which had been assigned to the legislatures under the Constitution. The High Court had also to play an equally significant role in the development of the rule of law.

The status, dignity and importance of these two respective institutions—the Legislature and the Judicature—were derived primarily from the status, dignity and importance of the respective causes that were assigned to their charge by the Constitution. They must function not in a spirit of hostility but rationally, harmoniously and in a spirit of understanding within their respective spheres, for that alone would help the peaceful development, the growth and stabilization of the democratic way of life in this country.

But when, as in the present case, a controversy arose the problem must be dealt with objectively and impersonally.

Referring to Mr. Seervai's argument that under the latter part of Article 194 (3) all the powers which vested in the House of Commons at the relevant time vested in the House, Their Lordships said that this broad claim could not be accepted in its entirety because there were some powers which could not obviously be claimed by the House, for instance, the privilege of freedom of access to the Sovereign, the privilege to pass Acts of Attainder and impeachments and the privilege in regard to its own Constitution.

Their Lordships then referred to the previous decision of the Supreme Court in the case of Mr. M. S. M. Sharma in which the Editor of Searchlight of Patna had been called upon by the Secretary of the Bihar Legislative Assembly to show cause why appropriate action should not be taken against him for the breach of the privileges of the Speaker and the Assembly by publishing in entirety a speech delivered in the Assembly by a member, portions of which had been directed to be expunged by the Speaker.

The majority decision of the Supreme Court was that the privilege in question was subsisting at the relevant time and must be deemed to be included under the latter part of Article 194 (3). It also held that Article 19 (1) (a) did not apply because under the rule of harmonious construction the particular provision in Article 194 (3) would prevail over the general provision contained in Article 19 (1) (a).

It further held that though Article 21 applied but, it had not been contravened, it would thus be seen that in the case of Mr. Sharma the contentions urged by the petitioner did not raise a general issue as to the relevance and applicability of all the fundamental rights guaranteed by Part III at all.

Therefore, the majority decision did not lay down that wherever there was a conflict between the provisions of latter part of Article 194 (3) in any of the provisions of the fundamental rights guaranteed by Part III, the latter must always yield to the former. The majority decision in Mr. Sharma's case also accepted the contention of the petitioner that if a law were passed by the Legislature of a State prescribing its powers, privileges and immunities, it would be subject to Article 13 and that was the view with which Their Lordships were in agreement.

His Lordship said that answer to the question whether it was the intention of the Constitution to perpetuate the dualism which rudely disturbed public life in England in the 17th, 18th and 19th centuries, would depend upon a harmonious construction of the relevant provisions of the Constitution itself. The power conferred on the High Court under Article 226 (1) could in a proper case be exercised even against the legislature. If an application was made to the High Court for the issue of a writ of habeas corpus it would not be competent for the House to raise a preliminary objection that the High Court had no jurisdiction to entertain the application because the detention is by an order of the House. Under Article 32 the right to move the Supreme Court for the enforcement of fundamental rights itself was a guaranteed fundamental right. What was said about Article 226 (1) was still more true about Article 32 (1).

It was relevant to emphasize that the conflict which had arisen between the High Court and the House was strictly speaking not a conflict between the High Court and the House as such but between the House and the citizens of this country. No doubt by virtue of the resolution passed by the House requiring the Judges to appear before the Bar of the House to explain their conduct, the controversy had developed into one between the High Court and the House, but it was because the High Court in the discharge of its duties as such Court intervened to inquire into the allegations made by a citizen that the Judges had been compelled to enter the arena. It was the interim order which had led to the present controversy. Basically and fundamentally the controversy was between a citizen of Uttar Pradesh and the UP Legislative Assembly, that was why the provisions of Article 226 and Article 32 assumed significance.

Further, Article 208(1) made it clear that if the House was to make any rules as prescribed by it those rules would be subject to the fundamental rights guaranteed by Part III. Similarly Article 212(1) made it possible for a citizen to question in a court of law the validity of any proceedings inside the legislative chamber if his case was that the proceedings suffer not from mere irregularity of procedure but from an illegality.

Article 211 barred the discussion in the Legislature of a State with respect to the conduct of any judge of the Supreme Court or of a High Court in the discharge of his duties, and the absolute prohibition prescribed by Article 211 should not be read as merely directory and should not be allowed to be reduced to a meaningless declaration by permitting the House to take action against a Judge in respect of his conduct in the discharge of his duties.

Their Lordships then considered the position with regard to privileges and immunities which vested in both the Houses of Parliament in England. Their Lordships based themselves on the relevant statements made in May's Parliamentary Practice and observed that the result of the process of give and take had been that the House of Commons had not for a hundred years refused to submit its privileges to the decisions of the Courts and so it might be said to have given practical recognition to the jurisdiction of the Courts over the existence and extent of its privileges. On the other hand the Courts had always, at any rate in the last resort, refused to interfere in the application by the House of any of its recognized privileges.

While considering whether the privilege to determine if the contempt of the House had been committed and to punish for such contempt and to claim that a general order or warrant sentencing a person for its contempt was not examinable in a court of law was part of the privilege vesting in the House of Commons or whether it was the result of an agreement evolved between the courts and the House by convention or by doctrine of comity or as a matter of legal presumption, their Lordships referred to the judicial decisions in England beginning with the Earl of Shaftesbury case in 1677. After examining the relevant decisions, they observed that the right claimed by the House of Commons not to have its general warrants examined in habeas corpus proceedings had been based more on the consideration that the House of Commons was in the position of a superior court of record and had the right like other superior courts of record to issue a general warrant for commitment of persons found guilty of contempt.

Like the general warrant issued by superior courts of record in respect of such contempt the general warrants issued by the House of Commons in similar situations should be similarly treated. It

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Article 24: Everyone accused of a felony shall have a defence counsel approved by him.

Article 25: No Iraqi may be banned from residing in any locality or obliged to reside in any particular locality except in cases prescribed by law.

Article 26: Extradition of political refugees is prohibited.

Article 27: Homes are inviolable. They may not be entered except in the cases and manner prescribed by the law.

Article 28: Freedom of religion is guaranteed. The State shall protect the freedom of performing the rites of religions provided this does not violate public order or morals.

Article 29: Freedom of thought and scientific research is guaranteed. Every person is entitled to the free expression by speech, writing, photography, and the like, within the limits of the law.

Article 30: Freedom of the Press, printing and publication is guaranteed within the limits of the law.

Article 31: Freedom of the formation of societies and trade unions through legitimate processes, and on a patriotic basis is guaranteed.

Article 32: Iraqis are entitled to orderly assembly, provided they are unarmed, without previous notice. Public meetings, processions, and gatherings are permitted within the limits of the law.

Article 33: Education is the right of all Iraqis. It shall be guaranteed by the State through the establishment of different kinds of schools, universities, and institutes of learning and culture as well as by their expansion. The State shall pay particular attention to the physical, intellectual, and moral development of youth.

Article 34: The State shall supervise public education and the law regulates its various activities. Education at State schools and universities shall be free in all its stages.

Article 35: The State shall guarantee fair treatment for all Iraqis according to the work they do, by means of determining working hours, assessing wages, social and health insurance, and insurance against unemployment, and by organizing the right to rest and vacation.

Article 36: Health care is the right of all Iraqis. It shall be guaranteed by the State through the establishment of all kinds of hospitals and health institutions and by their expansion.

Article 37: Defence of the homeland is a sacred duty and the fulfilment of military conscription as compulsory service is an honour for all Iraqis in accordance with the law.

Article 38: Payment of taxes and public revenues is a duty and an honour. No tax or duty shall be imposed and no person shall be exempted therefrom except in the law.

Article 39: Voting is a right of all Iraqis in accordance with the law, and participation in public life is a national duty for them.

IV—System Of Government:

Chapter 1—Head Of State:

Article 40: The President of the Republic is the Head of the State. He exercises his powers in the manner prescribed by this Constitution.

Article 41: The President of the Republic shall be an Iraqi of Iraqi parents from a family domiciled in Iraq since at least 1900 AD, and which at that time held Ottoman nationality. He shall be a Moslem who observes religious rites, must not be less than 40 years old, must be enjoying his civil and political rights, and must not be married to a foreigner. An Arab woman of Arab parents and grandparents will be considered an Iraqi for this purpose.

Article 42: Before he assumes the duties of his post, the President of the Republic shall take the following oath before a joint session of the National Council of the Revolutionary Command and the Cabinet: "I swear by Almighty God to be faithful to my religion, homeland, and nation, to preserve the Republican regime, respect the Constitution and law, to fully guard over the people's interests, and to safeguard the homeland's independence and the integrity of its territory."

Article 43: The President of the Republic shall appoint the Premier, and Deputy Premiers, and the Ministers and shall accept their resignations and relieve them of their posts.

Article 44: The President of the Republic shall sanction laws and regulations as well as the decisions of the Cabinet.

Article 45: The President of the Republic shall approve and ratify international treaties and agreements.

Article 46: (a) The President of the Republic shall appoint army officers and shall pension them off in accordance with the law; (b) the President of the Republic shall appoint civil servants, judges, governors and diplomatic envoys in accordance with the law; (c) the President of the Republic shall accept accredited diplomatic representatives of foreign countries and representatives of international organizations in the Republic of Iraq.

Article 47: The President of the Republic is the Commander-in-Chief of the armed forces.

Article 48: The President of the Republic shall have the right to declare Martial Law and a State of Emergency following the approval of the National Council of the Revolutionary Command.

Article 49: The President of the Republic shall declare war and accept truce and peace following approval of the National Council of the Revolutionary Command, the Cabinet, and the National Defence Council.

Article 50: The President of the Republic shall set up a National Defence Council and shall be defined by law.

Article 51: In the event or the possibility of a national danger that would jeopardize the country's safety and security, the President of the Republic shall have the right to issue decisions which will have the force of law with a view to protecting the Republic's entity, safety, and security following approval of the National Council of the Revolutionary Command.

Article 52: No death sentence shall be executed except after it has been sanctioned by the President of the Republic. The President of the Republic shall have the right to commute any sentence or repeal it by special pardon. General amnesty shall be exercised only by law.

Article 53: In the event of his absence from Iraq or of his inability for one reason or another to discharge his duties, the President of the Republic shall form a Republican Council to act for him. The Council shall consist of three members of the National Council of the Revolutionary Command. The President of the Republic shall invest in this Council whatever powers he deems necessary by means of a Republican decree.

Article 54: In the event of the President of the Republic resigning his office, he shall address his letter of resignation to the National Council of the Revolutionary Command. In this event the National Council of the Revolutionary Command, the Cabinet, and the National Defence Council shall hold a joint meeting under the charmanship of the Premier to decide whether to accept or refuse the resignation with a majority of two-thirds of the total number of members.

Article 55: If the office of President becomes vacant for any reason, the National Council of the Revolutionary Command, the Cabinet, and the National Defence Council shall hold a joint session under the Premier's chairmanship to elect a President of the Republic with a majority of two-thirds of the total number of members, within a period of not longer than one week from the date of the posts' vacancy. The new President shall be elected from among the members of the National Council of the Revolutionary Command.

Article 56: During the period of vacancy of the office of President of the Republic, the Premier shall continue to exercise his powers and he shall not be entitled to exercise the prerogatives of the President.

Article 57: The law prescribes the salary of the President. Any amendment to the salary of the President may not apply to the term during which the amendment was made.

Article 58: The President of the Republic may not, during the term of his office, exercise a profession or undertake commercial, financial, or industrial, activities. Nor may he acquire or lease any property belonging to the State, lease or sell to, or exchange wth the State any part of his property whatsoever.

Article 59: The President of the Republic shall, jointly with the Cabinet, lay down the general policy of the State in all the military, political, economic, and social aspects and shall supervise its implementation.

Article 60: The President of the Republic shall not incur responsibility because of the duties of his office except in the case of the violation of the Constitution or high treason. With regard to general felonies, his responsibility is subject to ordinary laws. He cannot be accused as a result of such felonies or accused of violation of the Constitution or high treason except by the National Council of the Revolutionary Command, by a decision of a majority of two-thirds of its total members. He cannot be tried except by a special court and in the manner prescribed by law.

Chapter 2—Legislature:

Article 61: The National Assembly is the body which shall exercise the legislative powers.

Article 62: The National Assembly shall consist of members who shall be elected in a general secret ballot. The number of elected members, the method and rules of election, and the call for election shall be defined and prescribed by a law to be issued within not less than six months before the end of the transitional period.

Article 63: The Cabinet shall exercise the legislative powers during the transitional period, while observing the provisions of the law of the National Council of the Revolutionary Command. The President of the Republic shall approve the laws and promulgate them.

Chapter 3: The Executive:

(a) The President of the Republic:

Article 64: The executive power shall be vested in the President and he shall exercise it in the manner prescribed by the Constitution.

(b) The Cabinet:

Article 65: The Cabinet is the higher executive and administrative body of the State.

Article 66: The Cabinet shall consists of the Premier, Deputy Premier, and Ministers. The Premier shall conduct Government affairs and shall preside over Cabinet meetings.

Article 67: The Cabinet shall undertake implementation of the general policy of the State in accordance with laws, regulations, and republican decrees, and shall exercise the necessary powers for this purpose.

Article 68: The Cabinet shall organize and co-ordinate the economic, cultural, social, and health establishments which lead to raising of the standard of living

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and prosperity of the people. The Cabinet shall adopt a sound foreign policy.

Article 69: The Cabinet shall exercise the following powers:

(1) Guidance, co-ordination, and review of the work of the Ministries, public services and organizations.

(2) Issuance of administrative and executive decisions in accordance with law and regulations and the supervision of their implementation.

(3) Preparation of draft laws and regulations.

(4) Appointment of officials, their dismissal, and their retirement according to law.

(5) Preparation of the State General Budget and its supplement.

(6) Preparation of the general plan of the State to develop the national economy and take the necessary measures to implement it according to law.

(7) Supervision, organization, and administration of currency and credit regulations and State insurance activities.

(8) Contracting and granting loans within the limits of the general policy of the State.

(9) Supervision of all semi-official department, Government companies, and institutions of public interest.

(10) Supervision and pursuance of implementation of laws, regulations, decisions and Republican decrees, safeguarding of State security, and protection of the rights of citizens and the State interest.

(11) Supervision of the duties of Ministries, departments, and public and local administrations, and cancellation and amendment of its decisions which are incompatible with the law.

Article 70: An authority will be established for general financial control and supervision. Its formation and its supervision and control activities shall be defined by law.

Article 71: Deliberations of the Cabinet shall be secret. Its decisions shall be issued by a majority vote at the presence of the majority number of Ministers and the approval of the majority present. When there is an equal number of votes, the Premier's vote shall decide the majority, and its decision shall be binding on both sides.

Article 72: The Premier, the Deputy Premier and the Ministers shall be Iraqi of Iraqi parents from a family who has lived in Iraq since at least 1900 AD and has Ottoman citizenship. He should be 30 years old and over, and enjoying all his civil and political rights and not married to a foreign wife. An Arab wife of Arab parents and grandparents is considered Iraqi for this purpose.

Article 73: Before exercising their duties, the Cabinet Ministers shall take the following oath: "I swear by the Almighty God that I shall be loyal to my religion, homeland and nation, and shall protect the Republican regime, respect the Constitution and the law, take full care of the interests of the public, preserve the independence of the homeland and the safety of its territory."

Article 74: When exercising their powers, the Premier, his Deputies, and the Ministers may not practise another profession or undertake commercial, financial, industrial or other economic activity or buy or hire anything of the State property, rent to the State or sell to it any of his property or exchange property with it.

Article 75: The President of the Republic and the Cabinet, after the approval of the President, may refer a Minister to trial for a crime committed when discharging his duties according to law.

Article 76: Resignation or dismissal of the Premier means the resignation and dismissal of all the Cabinet.

(c) The Armed Forces:

Article 77: The armed forces in the Republic of Iraq belong to the people and constitute its means of defending the the homeland and the security and integrity of its territory as well as of preserving the country's national unity.

Article 78: The State alone shall form the armed forces which include the army, the police, the security force and the gendarmerie.

Article 79: No organization or group may set up military or paramilitary formations.

Article 80: General mobilization—alert—shall be organized in accordance with the law.

Article 81: The law shall define the conditions of service and promotion for officers of the armed forces.

Article 82: No member of the armed forces may belong to a party or a political faction. The propagation of political and party ideas among the armed forces by any means is absolutely prohibited.

(d) Local Administration:

Article 83: The Republic of Iraq shall be divided into administrative units to be organized and administered according to the law.

Article 84: The authorities representing the administrative units shall be concerned with the units they represent and shall participate in the implementation of the State's general plan. These authorities establish and administer public utilities and economic, social, health and education projects in the manner defined by the law.

Chapter 4—Judiciary:

Article 85: Magistrates and judges are independent. In the performance of their duties they shall be subject to no other authority save the law. No authority may interfere in the independence of the judges or in the affairs of justice. The judiciary shall be organized by a law.

Article 86: The law shall classify the courts and define their jurisdictions.

Article 87: Sessions of the courts shall be conducted in public unless a court shall decide, in the interests of public order or morality, to sit in camera.

Article 88: Verdicts shall be pronounced and executed in the name of the people.

Article 89: Magistrates and judges are not subject to dismissal except in the manner prescribed by the law.

Article 90: The law shall define the terms governing the appointment of judges, and magistrates, their transfer and discipline.

Article 91: The law shall organize the duties of the public prosecutor and his deputies and define his prerogatives.

Article 92: Appointment of the chief public prosecutor and his deputies and discipline and dismissal shall be in accordance with the law.

Article 93: A State Council shall be concerned with administrative law, and the drafting, scrutiny, and interpretation of laws and regulations.

Chapter 5—General Rules:

Article 94: Baghdad is the capital of the Republic of Iraq.

Article 95: The law shall determine the national flag and regulations related thereto. The law shall also determine the emblem of the State and the regulations relative thereto.

Article 96: The law shall be effective only post-operatively and shall have no retro-active effect; nevertheless, provisions to the contrary may be stipulated in a law in non-criminal cases.

Transitional Provisions:

Article 97: Decisions, proclamations, orders and decrees issued by the President of the Republic, or the Chairman of the National Council of the Revolutionary Command, or the Commander-in-Chief of the armed forces beginning November 18, 1963 shall have the power of law and shall annul all provisions to the contrary in the laws in effect prior to their issuance, and shall be annulled or amended only in the manner prescribed in this Interim Constitution.

Article 98: The legislation in effect before the promulgation of this Interim Constitution shall remain valid and cannot be annulled or amended except in the manner prescribed in this Interim Constitution.

Article 99: As soon as this Interim Constitution comes into effect, the President of the Republic shall take before a joint meeting of the National Council of the Revolutionary Command and the Cabinet the oath stated in Article 42.

Article 100: The incumbent President of the Republic shall continue to perform the functions of his post until a President is elected in accordance with the provisions of the permanent Constitution.

Article 101: The interim period shall not exceed three years from the date of this Interim Constitution coming into force.

Article 102: The Interim Constitution of July 27, 1958 is abrogated.

Article 103: The Interim Constitution shall remain in effect until the permanent Constitution to be drafted by the National Assembly comes into effect or until the unified State is established.

Article 104: This Interim Constitution shall come into effect from the date it is published in the Official Gazette.

Article 105: The Ministers of State shall implement this Constitution.

(*New Iraq*, New Delhi and *The Egyptian Gazette*, Cairo)

[Prev. ref. 5863:IRQ:A, 5897:IRQ:A, 5994:IRQ:B, and 6016:IRQ:A]

ASIA OUTSIDE ASIA

A. Intense Radiation From Mars: A Hamburg report on August 28 said that radio emissions had been detected from the direction of Mars indicating that that planet may be girdled by an extremely intense radiation belt.

Such a belt would show that Mars has a magnetic field like that of the Earth, re-inforcing the hypothesis that the field is generated by the spin of the planet. It would also complicate plans for the exploration of Mars, particularly by manned space-craft.

These findings were presented at the General Assembly of the International Astronomical Union, which was meeting in Hamburg. The Mars observation was made by the giant dish-shaped antenna, 250 feet in diameter, at Jordell Bank (England) and the results reported by Dr. Rodney D. Davies.

The planet was scanned by a radio wave-length of roughly 21 centimetres and the results indicated an unbelievably high surface temperature—about 1,500 degrees F. From infra-red observations and radio scanning at a three-centimetre wave-length, it was known that the true overall temperature is about 30 degrees below zero. Dr. Davies believes the most likely explanation is that additional radio waves on 21 centimetres are coming from an intense radiation belt.

(*The Times*, London)

[Prev. ref. 5806:AOA:A]

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ASIAN RECORDER

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CEYLON

A. Move To Establish Press Council: A Government Bill seeking to establish a Press Council and Tribunal was tabled in Parliament on September 25. There had been 13 earlier drafts.

The Bill, introduced by the Minister of Justice, Mr. G. C. T. A. de Silva, provides for the appointment of a five-member Press Council by the Governor-General.

The Director of Cultural Affairs will be an ex-officio member and two of the members will be selected from lists of names suggested by working journalists' associations and trade unions of other non-journalist employees of newspapers.

The Bill makes provision for the appointment of a Press Commissioner who will investigate on his own, or at request, whether newspapers have published anything profane, false, defamatory, indecent, or obscene. He will also have the power to investigate whether any advertisement is calculated to further any immoral objective. He can compel any person to attend for investigations.

The members of the Tribunal are to be appointed by the Judicial Services Commission, which consists of three Supreme Court judges with the Chief Justice as Chairman.

There is provision for the Press Commissioner to direct newspapers to publish corrections of any news item which the Commissioner, after inquiry, is satisfied was incorrect or distorted.

The offences specified in the Bill are:

(1) Any profane matter, intended to insult the founder of any religion, any deity, saint or person, whether alive or dead, venerated by followers of any religion or any religious belief;

(2) Any statement or matter concerning any person which will amount to defamation of such person within the meaning of Section 479 of the Penal Code;

(3) Any statement or matter which is false or which suggests a falsehood in relation to any person and the printing or publication of which statement or matter is likely to cause injury, harm or damage to such person; and

(4) Any advertisement which is calculated to further any immoral objective or any indecent or obscene statement or matter.

It shall, however, not be an offence to print or publish in any newspaper any fair comment on or any fair criticism of any religion or religious belief.

(*The Times of Ceylon*, Colombo and *The Hindu*, Madras)

[Prev. ref. 6015:CEY:A]

CHINA

A. Illicit Opium Traffic—Soviet Charge: The assertion was made by *Pravda* on September 13 that China was getting about $500 million a year from the illicit opium traffic and was using it for anti-Soviet propaganda or for subsidizing the "puppets of the Peking *regime*".

An article by the newspaper's Tokyo correspondent, who visited China in 1958, said China was producing opium on a large scale.

The correspondent said that according to Mr. Tsusai Sugavara, chairman of the National Japanese Committee for the struggle against addiction to drugs, most of the drugs produced by China—opium morphine, and heroin—were shipped to South-East Asia and large consignments also reached the United States.

The decision to expand the opium trade had been taken at a secret conference in Peking in December, 1952.

The correspondent quoted a Hong Kong weekly publication, **Hsinwen Tiendi**, as saying that the production of opium in China increased in the first few years of the "Great Leap Forward" to 8,000 tons compared with 2,000 tons in 1952.

The correspondent said that the area under opium poppies was also steadily expanded. Corrective labour camps were turned over to producing narcotic raw materials. The entire opium policy was organized from Peking by a "board for the procurement and sale of special merchandise of local production".

The article said: "To take over the methods of the imperialists, to go into partnership with the owners of opium dens, is abominable and monstrous, yet logical for those who disregard the vital interests of their own people in pursuit of their hegemonistic nationalistic schemes."

(*The Times*, London)

[Prev. ref. 5989:CHI:C]

B. Prince Norodom Sihanouk's Visit: The Cambodian Head of State, Prince Norodom Sihanouk, arrived in Peking on September 28 as head of a delegation to the Chinese National Day celebrations.

During the visit, which lasted until October 6, Prince Norodom went through a crowded programme of talks with Chinese leaders, State receptions and sight-seeing.

Speaking at a banquet given in honour of the delegation on September 27, the Chinese President, Mr. Liu Shao-chi, declared that China would go to the aid of Cambodia if she were attacked by any foreign country.

Similar assurances were given to Prince Norodom by the Chairman of the Communist Party, Mr. Mao Tse-tung, and other leaders.

A joint *communique* issued after the talks by Prince Norodom and Mr. Liu Shao-chi was described by the Peking *People's Daily* as "marking a new chapter in the crystallization of militant friendship between China and Cambodia in their struggle against imperialism."

The delegation was seen off on October 6 by Mr. Liu Shao-chi, the Prime Minister, Mr. Chou En-lai, and other leaders.

In a farewell speech Prince Norodom Sihanouk described China as Cambodia's "No. I friend."

He said: "Six million Cambodians are infinitely grateful to the Chinese People's Republic for her resolute support...and for new and most important unconditional economic and military aid which she is giving us without the least compensation."

(*The Times of India*, New Delhi)

[Prev. ref. 5796:CAM:A]

FORMOSA

A. KMT Agreement With Peking on Question Of Boundaries: The Kuomintang Administration is apparently at one with the Peking *regime* on the question of China's boundaries.

This was affirmed in the latest China Year-Book, an official publication brought out in Taipeh, which carries a map purporting to show China's boundaries.

The map in the 1963-64 edition of the Year-Book follows the Peking regime's claim line over large areas of Ladakh, showing the entire Aksaichin area as Chinese.

Hunza, in Pakistan-occupied Kashmir, is placed on the Chinese side of the border in the so-called Sinkiang Province, but the boundary, passing between Hunza and Gilgit, is shown as undefined.

While almost all of China's boundary with the Indian State is shown as final, Kashmir's border with the rest of India as well as its boundary with Pakistan are shown as undefined.

The entire N-EFA area is made out as Chinese and in the east the boundary over the Naga Hills is shown as undefined.

Burma's Kachin triangle too is included in China and the Sino-Burmese boundary, which is shown as undefined, passes just north of Myitkyina. The implication seems to be that Formosa does not recognize the Boundary Agreement between Rangoon and Peking, ratified in early 1961.

The boundary between the Soviet Union and the so-called Sinkiang part of China is shown as undefined in the Pamir region, and the Mongolian Republic is included as a province of China.

In the section on the Peking regime's war against India in 1962, the Year-Book recalls the three-point October 24 proposals made by the Peking Government and India's suggestion for restoration first to the September 8 position, and adds: "The Indians launched a counter-offensive as soon as they had obtained military aid from Britain and the United States. The Communists then attacked again. In a week they occupied the vast area between the MacMahon Line and the traditional border and knocked out the 43 military posts set up by the Indian side since 1960."

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5761:FOR:A]

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IRAQ

A. Cultural Co-operation Plan With USSR: A Cultural Co-operation Plan between Iraq and USSR was signed in Baghdad on September 16.

Under the Plan, USSR will grant 25 fellowships for specialization at higher institutes, send to Iraq three lecturers in atomic physics, atomic chemistry, and economics, a team of artistes comprising 25 members, hold a film week in Baghdad and a photography exhibition on Soviet Cinema art.

The Soviet Union will present to Iraq indices and copies of research works of Soviet orientalists in the field of Islamic and Arab studies. It will also present indices of Arabic manuscripts preserved in Moscow, Leningrad, Tashkent and other cities in the Soviet Union, and copies of Arab and oriental manuscripts photographed on microfilm.

The Republic of Iraq will, on its part, grant USSR five fellowships and exchange TV and radio programmes, scientific and literary magazines in Arabic and English languages or one of the oriental languages.

(*Iraqi Embassy*, New Delhi)

[Prev. ref. 6043:IRQ:A]

ISRAEL

A. Non-Jewish Population: According to an official publication which was summarised in *The Israeli Digest* on September 25, Israel's non-Jewish population totals 247,000, which constitutes 11 per cent of the entire population and a 60 per cent increase since 1948, at the time of the 1961 national census.

Half of this number are children under the age of 14, who were born after the establishment of the State, and almost three-quarters are below thirty.

These facts were given in Publication No. 17 of the 1961 Population and Housing Census, which presents a wealth of data on Israel's Moslem, Christian and Druze population. It contains, for instance, basic statistical tables on the composition of the non-Jewish population by sex, age and personal status, marriage and fertility, languages spoken, education, labour force and housing conditions.

Also included are maps of urban and rural distribution, diagrams and a list of Arab, Druze and Bedouin villages. The publication has been issued for the first time in three languages—Hebrew, English and Arabic.

The data show that three-quarters of the non-Jewish population are concentrated in rural areas, but there is a slight tendency to move over to town life.

One-fifth of the married women entered wedlock under the age of 16, and one-tenth of the married men under the age of 18. The average number of children born by an Arab or Druze woman by the age of 45 is seven, the number being higher in rural areas and among women who have never gone to school.

Three-quarters of the non-Jewish families live in homes owned by themselves, with an average of 3.6 persons per room, the average size of a family being 5.3. More than two-thirds of the males above the age of 14 (not including the Bedouin) are literate, as compared with 30 per cent literacy among the women.

Three-quarters of the men and 12 per cent of the women over 14 belong to the civilian labour force. One-third work in agriculture, one-third in industry and building, and one-third in public services. About half work outside their places of residence.

(*The Israeli Digest*, Jerusalem)

[Prev. ref. 5379:ISR:A]

B. Immigration Statistics: The head of the Jewish Agency's Immigration Department, Mr. S. Z. Shragai, said at a news conference in Jerusalem at the beginning of the Jewish New Year that 250,000 Jews from almost 70 countries had settled in Israel in the past four years since the last Zionist Congress in 1960.

During the four-year period between the 26th Zionist Congress, which is to meet in Jerusalem in December, 1964, and the 27th, he expected that another 250,000 could be brought in. He believed that immigration could be increased over and above this figure by at least 50,000 during the next four years, provided Israel could raise all the financial resources required.

"It is not a problem of employment, but of housing," he explained. "I am thinking of the 50,000 Jews who wanted to immigrate and could have immigrated, but did not come because of the shortage of funds for housing. I am not sure whether we are not missing the right moment to bring these Jews over, for no one knows what the morrow will bring."

Analyzing the composition of the immigration, he said it should not be forgotten that not all Jews in the United States or England were rich. In prosperous countries, too, there were Jews living a life of privation, just as there were well-off Jews in the so-called countries of hardship.

Today's immigration was not classified according to countries of origin but according to the qualifications and talents of the newcomers; this was also the criterion underlying the plans for the absorption of the immigrants.

Immigration in the past two or three years included a substantial number of professional men in science, industry, building, hydrology, education and so forth.

The crucial question today, which would be even more so in a couple of years, was whence the new immigrants would come in the future, if Jews in USA, England and other countries did not wish to come. It should not be forgotten that in the past few years the Immigration Department, with the help of the World Zionist Organization, the State of Israel and the Jewish people in the Diaspora, had succeeded in bringing over practically all the Jews from certain communities.

Jewish organizations and the Zionist political parties should recruit a Peace Force from among their members, especially the youth, for immigration to Israel in order to promote her industrial and scientific development.

The recruitment of people who would come to Israel for three or four years to help the State in its development and strengthen its economy was also necessary.

Mr. Shragai added: "Of course, Israel and the World Zionist Organization must provide appropriate economic and social methods of absorption for such immigrants." In the last two years Israel and the Zionist Executive had done important work in this field, and an appreciable number of American Jews with professional skills had settled in Israel through arrangements made for them in advance.

(*The Israeli Digest*, Jerusalem)

[Prev. ref. 5792:ISR:A, 6017:ISR:A]

JAPAN

A. Trade Relations With USSR: According to Tokyo reports, repercussions from Japan's granting eight-year deferred payment terms on the export to Russia of a urea plant have evidently convinced the Government that it has struck the right balance.

Speaking to businessmen in Tokyo on September 17, the Minister of International Trade and Industry, Mr. Yoshio Sakurauchi, remarked that eight years seemed enough to obtain a "considerable portion" of the $350 million shopping list for plant purchases which Mr. A. Mikoyan had indicated to businessmen during his Spring visit.

The Government, he said, would now continue to promote trade with Russia "on the same level as West European nations"—a remark that persuaded observers that if Japan obviously cannot win the race for communist orders, she is evidently striving to be among the medallists.

Trade with China, for which prospects had been enhanced, Mr. Sakurauchi thought, by the Peking-Moscow rivalry, would, however, be left in the hands of private bankers and traders. Knowing the dependence of private financing on the Central Bank, the nuance of difference is much finer than would be the case in Western countries.

He also forecast that Japan's foreign trade would be much higher this year than all earlier predictions. Conservative estimates, were for exports totalling $6,500 million and imports of about $6,300 million. With this balance, he added, "there is no need for anxiety."

(*The Japan Times*, Tokyo)

[Prev. ref. 5910:JAP:A]

B. Technical And Licensing Agreements Approved: The Government's Foreign Investment Council has approved 33 patent licensing and technical aid agreements with foreign firms, five stock acquisitions involving participation in management, and 32 loans totalling $56,238,000.

The largest loan was for Mitsubishi Heavy Industries, which are borrowing $7 million from the Morgan Guaranty Trust, of the United States, for 35 months at an annual interest of 5.5 per cent.

The Japanese company also obtained a $3 million three-year 5.5 per cent loan from the Midland International Bank.

Hitachi secured a $5 million three-year 5.5 per cent loan from the Toronto Dominion Bank.

Among the patent licensing agreements approved was one between the Polytechnical Corporation of Czechoslovakia, and the Enshu Manufacturing Co., Tokyo, textile machinery makers, on a water jet textile loom. This was the first licence obtained by a Japanese firm from Czechoslovakia.

(*The Statesman*, Calcutta)

C. Mono-rail Service: The Tokyo mono-rail, which, at eight miles, claims to be the longest in commercial use in the world, on September 17 began a regular six-minute service between Haneda airport and Tokyo.

Built by Hitachi Ltd. under licence from the Alweg Corporation of West Germany, the system is of the straddle type, and its trains, running on thousands of prestressed concrete beams resting on piles, boast a speed of 65 m.p.h. in linking the two terminals in 15 minutes.

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The double track runs briefly through two tunnels on leaving the airport to rise steeply and streak across the rim of Tokyo Bay—slightly unnerving this, as from the train there is no visible support—before vying with the new, equally stilted motor-way into the city where, short of centre, the mono-rail pulls into a junction with the conventional railway. The trip costs five shillings, and is a novel experience, if less smooth than the sponsors have led one to expect. Baggage costs nearly four shillings a piece in handling costs.

Local economists reckon this private venture will need to run at near capacity (100,000) daily to pay the interest on almost £20 million it cost to build. Mono-rail construction, according to the company, is a quarter of the cost of building an underground railway. Because of difficulties in building over the sea and reclaimed land, the Tokyo system cost twice the normal which, claims the company, is still about half that of an underground.

(*The Times*, London)

D. Trade With Middle East: Statistical information released in London on September 18 presents a picture of Japanese trade with the Middle East much more varied than that of West German trade.

Iran has been trying to redress the imbalance of her trade with Japan for some years. The trade figures with Afghanistan, Lebanon, Libya and Jordan and Syria reveal a trading position which will be difficult to redress, although Japan might in future import oil from Libya.

The following table gives Japanese trade figures with the Middle East for the years 1961-63 (the amounts are in pounds sterling):

	1963	1962	1961	1963	1962	1961
		Exports			Imports	
Iran	13,000	9,117	15,123	49,545	31,938	15,946
Saudi Arabia	9,642	8,114	7,006	64,395	59,271	46,429
Kuwait	9,232	9,377	9,412	90,778	94,480	96,062
UAR	8,702	5,918	7,972	6,059	3,832	6,313
Sudan	5,950	5,463	5,459	5,160	3,268	2,604
Lebanon	5,293	3,558	2,429	169	192	221
Ethiopia	5,087	5,101	5,012	1,976	1,558	1,365
Turkey	4,894	5,641	7,060	1,285	911	954
Syria	3,580	3,114	1,594	348	288	518
Israel	3,396	2,182	742	2,196	1,868	1,427
Afghanistan	3,290	2,340	2,618	226	2	3
Iraq	2,687	5,225	6,505	14,750	12,180	18,912
Libya	2,658	1,715	1,081	3	5	5
Jordan	2,031	2,216	1,624	15	84	93
Total including names not listed	95,328	81,779	85,400	288,098	220,977	202,686
World Total	1,524,815	1,769,817	1,962,762	2,091,756	2,029,149	2,425,081

(*Middle East Economic Digest*, London)

[Prev. ref. 4164:JAP:A]

E. Exchange Of Newsmen With China: Nine Japanese journalists have gone to Peking on a one-year assignment under a non-governmental agreement by which resident correspondents are being exchanged for the first time with the Peking regime.

Seven Chinese correspondents will function in Tokyo.

A tentative unofficial agreement was reached on the subject last Spring in Peking between Mr. Kenzo Matsumura, a veteran Liberal Democrat and the Chinese Premier, Mr. Chou En-lai.

The Japanese Government maintained that it wanted no official part in the business, but gave every encouragement to Japanese newspaper proprietors, who quickly settled all the details.

The Japanese correspondents will be subject to restrictions on movement, but the Chinese will only have to give notification on departure for trips around Japan.

The Japanese in Peking will be by far the biggest national contingent, except, perhaps, for the Russians.

(*The Times*, London)

[Prev. ref. 6031:JAP:A]

F. Author And Publisher Fined: The Tokyo District Court ordered on September 28 Mr. Yukio Mishima, the best known of Japan's post-War authors, together with his publishers, the Shinchosa Company, to pay £800 for violating, in his novel *Utage no Ato* (*After the Banquet*), the right to privacy of Mr. Hachiro Arita (80), a former Foreign Minister.

Mr. Arita was in 1959 the unsuccessful Socialist candidate for election as Governor of Tokyo. Mr. Mishima admittedly used Mr. Arita's experiences, with details of his wife's financial sacrifices in the campaign and their subsequent divorce, as the frame-work, under fictitious names, in his novel. It is considered generally as a serious study in the self-destruction of a once successful yet ambitious politician.

Mr. Mishima claimed in court that he had made his intentions known to Mr. Arita, who went so far as to lend him one of his own books as material. The proceedings centred not on the truth of Mr. Mishima's creation, but on the issue of privacy, which he was alleged to have damaged by intrusion.

Counsel for Mr. Arita contended that the novel intruded painfully on his retirement insofar as it appeared when he was no longer a public figure. Mr. Mishima and his publishers claimed that any potential right to privacy had been abandoned long before the book appeared through published details in the Aritas' private life in magazine articles by the former Mrs. Arita.

This was the first such action brought in Japan; hitherto the characters of living persons and events involving them have been considered fair game for writers and film producers. It has been something of a cause celebre among intellectuals for the past three years.

Mr. Mishima, announcing his intention to appeal, said after the verdict: "This is how literary art is considered in Japan." He felt, in effect, that the verdict denied readers the freedom to interpret the meaning of a novel, and added: "The social significance of literary activities has been ignored."

(*The Times*, London)

G. "Golden Age" For Japanese Economy—Fuji Bank's Forecast: Fuji Bank, one of the country's major commercial banks, in a report on September 19 predicted a "golden age" for Japan's economy in the 1970's.

It said that by 1970 adjustment problems arising from the liberalization of imports would be a thing of the past. National income in 1975 would be 2.2 times that in 1965. Income standards would then surpass West Germany's and be the world's fourth highest, after the United States, Sweden, and Switzerland. (Currently Japan's standards are estimated, somewhat optimistically, to be level with Italy's.)

Consumer commodity prices would rise an average 4 per cent annually until 1970, and level off at 3 per cent between 1971 and 1975. However, man-power would become increasingly scarce, and to counter this the Bank foresaw many mergers and the development of "multiphased enterprises."

The report was entitled "The Japanese Economy between 1965 and 1975".

Another major bank, the Nippon Kangyo Bank, revised its predictions for the current year notably to re-estimate the current growth rate at 13.5 per cent (10.5 per cent, correcting for price rise)—exceeding by nearly two per cent the current official estimate in actual terms.

(*The Times*, London)

[Prev. ref. 5647:JAP:A]

KOREA (South)

A. Emergency Loan From Japan: The Japanese Government decided on September 22 to make an emergency loan of $20 million to South Korea to be used mainly for buying industrial raw materials and Japanese-made machine parts.

Observers saw in the Japanese decision a move to take the steam out of a new outburst of acrimony between the two neighbours, concerning, inevitably, renewed Korean allegations of "mass violations of the so-called Rhee Line by Japanese fishermen", and Japanese protests over the seizure of boats. Recently, according to the Koreans, violations of this unilaterally imposed 60-mile limit had been running above 1,500 a month.

A new irritant was the Japanese attempt to reject Seoul's demand for payment of local corporation tax by Japanese firms who have secured official contracts in South Korea since 1962-63. The Japanese have now acquiesced in the legality of the tax—the sum outstanding was only 70 million yen—and is seeking in return approval for opening branch offices in Korea for Japanese trading firms.

Officials explained in Tokyo that the emergency loan was not to be regarded as setting a precedent, and they clearly separated it from the $500 million Co-operation Agreement negotiated in 1962. That Agreement remains provisional, and therefore unimplemented, pending the resumption of "normal" diplomatic relations. Normalization talks are still suspended.

The main difference is that terms for the emergency loan are stiffer. Whereas some $200 million of the 1962 total of grants and loans were to be repayable over 20 years at 3½ per cent (from the near extinct Overseas Economic Co-operation Fund), the new loan is extended by the official Export-Import Bank for five years at 5¾ per cent.

(*The Times*, London and *The Japan Times*, Tokyo)

[Prev. ref. 5779:KRS:A]

B. Press Control Law Postponed: President Park Chung Hee announced

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on September 9 the indefinite postponement of enforcement of the Press Control Law.

The Law had been the subject of bitter controversy between the Government and Press since its passage a month earlier.

(*The New York Times*)

[Prev. ref. 5997:KRS:A]

C. Landslides And Floods: About 250 persons were dead on September 13 in landslides and floods caused by South Korea's worst rainstorms for many years.

In Seoul the casualties were 70 known deaths and eight others feared dead. Many of the victims were crushed by landslides and collapsing stone walls, and others were drowned.

In the neighbouring province of Kyunggi there were 62 known dead and 82 feared dead.

From Kangwon Province, east of Seoul, radio reports said that 26 persons in the Province had been killed, with two others feared dead.

More than 1,000 houses were washed away or destroyed, and 5,600 flooded in Seoul and the two Provinces. Railway lines connecting Seoul with eastern parts of South Korea were washed away or blocked by landslides in many places.

President Park Chung Hee ordered troops stationed in the Capital to take part in rescue work.

(*The New York Times*)

[Prev. ref. 4726:KRS:A]

LAOS

A. Paris Meeting Of Faction Leaders: Leaders of the Rightist, Neutralist and the Pathet Lao factions met in Paris in the third week of September. [For background see page 5996]. The venue itself was decided after prolonged negotiations.

Before the leaders of the three groups met round the conference table, the neutralist Prime Minister, Prince Souvanna Phouma, had separate talks with the other faction leaders. The talks, however, failed to bring about national unity.

A joint *communique* issued on September 21 at the close of the talks said that leaders of the three factions had agreed on a three-point agenda for tripartite talks to settle their differences and protect Laotian neutrality.

The three points were: a cease-fire; the reconvening of the 14-nation conference of Laos; a Laotian Government of National Union.

The Pathet Lao turned down the conditions proposed by the Neutralist and Right-wing factions for reconvening the 14-nation conference.

Without stating what these conditions were, the communique said that the representatives of the three leaders would meet shortly to thrash out the question.

The communique was signed by Prince Souvanna Phouma, Neutralist Prime Minister, Prince Souphanouvong, leader of the Pathet Lao, and Prince Boun Oum, chief of the Right section.

Earlier, Prince Souvanna Phouma in an opening address appealed to all factions "to bury their differences" so that Laos might no longer be subject to international bargaining."

He urged them to join forces to pull down barriers standing in the way of reconciliation and a new 14-nation conference to guarantee Laotian sovereignty, independence and neutrality.

He returned to Vientiane on September 23. To assembled diplomats at the airport he said the Paris talks were not at all constructive.

He said that at the talks they had agreed to discuss a cease-fire convocation at a Geneva conference but the "stumbling block" was certain conditions put forward by himself. "The question is whether there should be a Government delegation or a party delegation for Geneva. My point of view is a Government delegation, but the obstacle is that the Pathet Lao does not recognize the present Government. I think the Pathet Lao is wrong."

The Pathet Lao had refused to recognize the changes in the Government since the April 19 Rightist coup.

Prince Souvanna Phouma justified his argument by explaining that the Government still carried out the policy of neutrality as under the Zurich Agreements.

He noted that though the Government was formed under the tripartite Plain of Jars agreements of 1962, after its formation it must come under the Laotian Constitution.

The King had ratified the recent Government changes.

(*The Times*, London and *The Times of India*, Bombay)

[Prev. ref. 6045:LAO:A]

LEBANON

A. Development Of Merchant Fleet: It was stated on September 18 that the loss of traditional Arab outlets for Lebanese produce and the consequent need to open up new markets had led to an urgent demand by the Fruit Office for better shipping facilities.

A Bill authorizing the Government to participate to the tune of £L6,000,000 in the capital of the Lebanese Shipping Company had been presented to the Council of Ministers. (£L8.6=£ sterling.)

The State's investment will take the form of a 10-year loan to be disbursed in several instalments according to the Company's needs, the first repayment falling due at the end of the seventh year. The Government will also guarantee the Company with the Bank of Lebanon. In return, the State will be granted priority in the use of the Company's ships and a regular service between Lebanon and the coast of West Africa will be inaugurated for the export of fruit. The number of annual trips on this route must not be less than four and the ships operating on it must have refrigerated holds.

The Government is to contribute £L300,000 to the establishment of a naval training school which, although run under the aegis of the Ministry of Defence, will also train personnel for the merchant navy.

In addition to the improvement projects already mounted for Tyre, Sidon, and Tripoli, the port of Jbeil is to be developed to handle increased tonnage while at the same time preserving its historic attraction for tourists. Matters requiring urgent attention to enable greater use to be made of the port are the lighting of the harbour and the building of storage and administration buildings. In the interests of tourism, parks are to be laid out and fishing facilities improved.

With, therefore, some prospect of enhanced shipping resources to support its claims, an official trade mission is shortly to visit Africa to promote the sale of Lebanese fruit. Local branches of the Fruit Office may be opened in some of the countries visited, particularly where the trade is in the hands of Lebanese expatriates. The recent visit of a Canadian trade mission to Lebanon resulted in the first purchases of Lebanese citrus fruits which have been popular with Canadian consumers. With the introduction of a fleet of refrigerated ships into the Lebanese merchant fleet, the expansion of the Canadian trade will also be possible.

(*Middle East Economic Digest*, London)

MALAYSIA

A. Complaint Of Indonesian Aggression—Security Council Meeting: The UN Security Council discussed at its meetings held on September 9, 11, 14, 15 and 17 a complaint by Malaysia that Indonesia had committed aggression on her territory.

It failed to adopt a resolution and the question remained on the agenda of the Council. However, Malaysia considered that it had scored a moral victory in the Security Council on September 17 when nine of its 11 members voted for a Norwegian resolution deploring the landing of Indonesian parachute troops in Johore on September 2 and calling on the parties concerned to "respect the territorial integrity and political independence of each other."

However, the resolution was not adopted because Russia vetoed it. The other negative vote came from Czechoslovakia.

Speaking immediately after the division, Mr. Adlai Stevenson (United States) said the latest Soviet action was inconsistent with the principles enunciated by Mr. Khruschev in December, 1963 when he declared that the use of force against a neighbouring country was in no circumstances justifiable.

Sir Patrick Dean (United Kingdom) said he had viewed with sorrow and foreboding the Russian veto of a "moderate and pacific resolution to which no member-State of United Nations could properly object."

This action appeared to amount to a denial of protection to a member-State, to which all member-States were entitled. Also, it prevented the ending of an undeclared war which had grave implications for the peace of South-East Asia. The Soviet vote amounted to ignoring the facts of the case.

Sir Patrick said that in spite of this the Security Council had clearly indicated its view, and had not done with the matter. It must continue to watch events and be ready to intervene again if circumstances were justified.

Earlier in the proceedings, first France and then Morocco and the Ivory Coast said that they would support the Norwegian initiative. At one point Morocco asked for, and obtained, a recess of the Council for half-an-hour, during which it tried to bring about some changes in the draft resolution, but without success.

The two African members admitted that they were in some difficulty in this dispute between two Asian countries, the continuance of which could damage Afro-Asian solidarity. They therefore emphasized the need to re-affirm the territorial integrity of the parties concerned and to call for the creation of an atmosphere conducive to a resumption of peaceful negotiations.

Dr. Sudjarwo (Indonesia) had made it clear that the resolution was unacceptable to his country. He termed the deploring of the incident of September 2 one-sided.

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while the insistence on respect for territorial integrity was in his view not realistic.

For Russia, Mr. Platon D. Morozov said that his vote had been based on the fact that Indonesia had rejected the motion. He re-iterated that in the Soviet view Indonesia was struggling against neo-colonialism.

After the division, Dato Ismail (Malaysia) expressed his country's relief at the near unanimity of the Council's verdict. Malaysia welcomed the Council's call to renew talks, but she welcomed even more its insistence on the prior establishment of an atmosphere conducive to such talks.

The upshot of the deliberation of the Security Council, he claimed, was a clear decision in favour of Malaysia, and a warning to Indonesia against continuing her aggression against her neighbour.

(*The New York Times* and *The Times*, London)

[Prev. ref. 6045:MAL:A]

MALDIVES

A. Complaint Against British Officers Rejected: There was a categorical denial in London on September 15 from the Commonwealth Relations Office of the accusation, reported on September 14 from Colombo, that British officers were "intimidating Maldivian workers" engaged in construction work on the staging post on Gan Island.

According to the reports, the Maldivian Government had asked the British Government to ensure that the alleged intimidation should cease, and alleged that British officers were intimidating the workers to create dissension between them and the Maldivian Government.

A London despatch said this was not the first time that "somewhat wild complaints against British actions in the Maldives have come from those remote atolls via Colombo."

"The explanation lies, largely at least, in understandable but chronic suspiciousness on the part of the leaders of an under-developed territory, who have throughout felt themselves much at a disadvantage in negotiating with the British Government. Their suspicions have been all too easily aroused, at least since March, 1959, when the inhabitants of the Addu Atoll at the southern end of the Maldives broke with the Maldivian Government at Male, the capital, and set up a Suvadive Republic of their own.

"Gan Island, the RAF staging post, which has once more come into prominence now that re-inforcements have been sent by air to Singapore, is a tiny strip of coral island in the Addu group, and the British Government were suspected at the time of the Suvadive Republic to have encouraged the formation of the Republic in order to get easier terms for themselves. Something of this suspicion has remained although the British Government agreed last September in effect to back the Maldivian Government in their dispute with the inhabitants of the Addu group.

"Since then, the leader of the Addu revolt, Mr. Afif has been removed at his own request to the Seychelles, and the Maldivian Government has accepted as its representative in the Addu group a brother-in-law of Mr. Afif. Meanwhile, negotiations for a new agreement between the British and Maldivian Governments have continued and appeared during the Summer to be making satisfactory progress.

"Mr. Sandys, the Commonwealth Secretary, said on June 23 that the British Government were willing to revise the existing Agreement of February 14, 1960, to enable the Maldive Islands to become a fully independent sovereign State, on the understanding that the rights and facilities enjoyed at present by the British Government in Addu Atoll would be confirmed and that no military rights and facilities would be accorded to any other country."

(*The Times*, London)

[Prev. ref. 5816:MLD:A, 5932:MLD:A]

NEPAL

A. American And British Arms Aid—Dr. Tulsi Giri's News Conference: The Chairman of Nepal's Ministerial Council, Dr. Tulsi Giri, said at a news conference in Khatmandu on September 28 that American and British arms aid would start coming into Nepal from October, 1964, indicating that they were already on the way.

A statement describing the achievements in home and panchayat administration was distributed at the news conference, but Dr. Giri spoke mainly on new land reform measures incorporated in a comprehensive amending Bill expected to be passed by the National Panchayat shortly.

The Bill aims at putting a ceiling on the total land holding per family. It was stated that the new measure would be implemented by a separate Land Reforms Ministry.

Replying to questions on the Cairo Non-aligned Conference, he said that he agreed with the Indian Foreign Minister's view that no bilateral dispute should be raised at the Conference.

Asked about Nepal's reaction to the Indian Premier, Mr. Lal Bahadur Shastri's statement that the general question whether the use of force to change territorial boundaries was justified could be raised, he said that Nepal could comment on it only after seeing the actual wording of any resolution on this issue.

(*The Statesman*, New Delhi)

[Prev. ref. 5177:NEP:A]

B. "Mount Everest" In Nepalese Territory—Mr. K. Bisht's Claim: The Foreign Minister, Mr. Kirtinidhi Bisht, told the National Panchayat during question hour on September 24 that "*Mount Everest*, the world's highest peak, is within Nepal territory, according to the latest Sino-Nepal Agreement".

Mr. Bisht's statement was in reply to misgivings voiced in a section of the Soviet and Indian Press about Chinese claims to Everest in maps attached to their school textbooks.

While Nepal's Government-owned **Rashtriya Samvad Samiti** (news agency) had nothing more to report on this subject, it appeared that the Sino-Nepalese Boundary Agreement of 1961 shows Everest in Nepal territory.

Mountaineering expeditions trying to scale the peak from the south have to obtain the Nepal Government's permission.

(*The Times of India*, New Delhi)

[Prev. ref. 3398:CHI:A]

C. International Tele-communication System Inaugurated: The inauguration on October 1 of Nepal's new international tele-communication system marked the end of the arrangement for use of the Indian Embassy telegraph office for wireless communication with India and foreign countries.

Nepal was first connected with the telegraph system with India some time in the last century by the British when they set up a post office in the British Embassy in Khatmandu. With the establishment of the Indian Embassy in Nepal the post office was also taken over by the Embassy. Wireless and telephone links between Khatmandu and Patna were set up in January, 1950. To cope with the increased volume of traffic another wireless link was set up with Patna. This was followed by two more wireless links between Khatmandu and New Delhi.

The Government has now set up a telegraph office in the Capital.

The inauguration of the new tele-communication system followed an Agreement between India and Nepal on June 25, 1963 under which India agreed to help Nepal set up her own international tele-communication system.

During the last 14 years the Indian Embassy telegraph office was the only link between Khatmandu and the outside world. The facilities available there were offered to all—the public and the Government agencies and foreign legations.

In 1956, when Nepal joined the Universal Postal Union, the Government decided to establish its own postal and tele-communication links with the outside world.

(*The Times of India*, New Delhi)

[Prev. ref. 5929:INI:F]

D. Land Reform Measures: According to a Khatmandu despatch on October 1, agricultural lands held by a family in excess of 25 bighas in Nepal will be taken over by the State and redistributed among landless tenants under a new land reform measure before the National Panchayat.

The landless tenants constitute about 35 per cent of those engaged in agriculture.

Dr. Tulsi Giri, Chairman of the Council of Ministers, said that tenants who acquire ownership rights over the land would have to pay 25 per cent of their produce to the State.

He said the entire programme would be implemented within five years.

For determining sizes of holdings, a family would be treated as consisting of husband and wife and dependent children. In the case of those who have more than one wife—bigamy and polygamy had been common in Nepali society until three years ago—each additional wife could hold 25 bighas besides the husband's holding. The first wife would not be entitled to this privilege.

The proposed ceiling will apply only to the terai (plains). Varying ceilings will be fixed for Khatmandu Valley and other hill areas.

(*The Statesman*, Calcutta)

[Prev. ref. 5428:NEP:C]

E. Dr. K. I. Singh's Appeal Dismissed By Supreme Court: A Division Bench of the Supreme Court of Nepal dismissed on October 4 a *habeas corpus* petition filed on behalf of Dr. K. I. Singh, a former Premier.

The Court held that the writ of habeas corpus did not lie after his conviction.

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Dr. Singh was convicted and sentenced to two years' imprisonment and fined Rs. 2,000 by a special three-man tribunal headed by a Khatmandu magistrate on charges of sedition on August 5.

The petition was filed in the Supreme Court on August 4.

The Division Bench consisted of Mr. Justice Ratna Bahadur Bista and Mr. Justice Dhanendra Bahadur Singh.

On the question of jurisdiction of the special tribunal to try Dr. Singh, which the petition had challenged, the Court ruled that this was outside the scope of habeas corpus writ and could be brought only under a writ of certiorari. On superficial scrutiny, the Court held that the tribunal was properly constituted.

Referring to the allegation of irregularity in the detention of Dr. Singh prior to trial by the tribunal, the Court observed that since the matter had been regularized when Dr. Singh was brought before the tribunal, even if there had been any initial irregularity the Court could not take cognizance of it.

Dr. Singh was not produced in the Court.

(*The Statesman*, Calcutta)

[Prev. ref. 6007:NEP:A]

PAKISTAN

SUMMARY: President Sukarno's Visit; Sinkiang-Gilgit Road Link; Heavy Industry Board Set Up; Economic Review; Balance Of Payments Position.

A. *President Sukarno's Visit:* President Sukarno of Indonesia arrived in Karachi on September 19 on his way to Rawalpindi for talks with President Ayub Khan.

During his brief halt at Karachi airport, he told newsmen that there could be no peace in the world and no prosperity for mankind so long as imperialism and colonialism and domination of man by man and nation by nation were allowed to exist.

In Rawalpindi, where he arrived later in the day, he was welcomed by President Ayub Khan.

President Sukarno's talks with President Ayub Khan lasted 70 minutes. They surveyed several world problems, including the issue of Kashmir.

The Communique:

The following *communique* was issued in Rawalpindi on September 19 after the talks between President Ayub Khan and President Sukarno:

"At the invitation of the President of Pakistan, His Excellency Field-Marshal Mohammad Ayub Khan the President of the Republic of Indonesia, His Excellency, Dr. Sukarno, paid a visit to Pakistan on September 19 and 20, 1964.

"The President of Indonesia and the President of Pakistan availed of this opportunity to exchange views on Pakistan-Indonesian relations, problems of Asia in particular and the world situation in general.

"The two Presidents noted with satisfaction the growth of close, fraternal relations between the two countries. They affirmed their belief that further strengthening of these ties will promote the cause of stability and peace in the region.

"The two Presidents regretted the fact that the dispute between India and Pakistan over Kashmir had not been resolved and continued to pose a threat to peace in this region. They called for an early solution of this dispute in accordance with the wishes of the people of the State as envisaged in the resolutions of the Security Council which both India and Pakistan had accepted.

"The two Presidents discussed various aspects of the dispute between Indonesia and Malaysia. The President of Pakistan expressed deep concern over the deterioration in Indonesia-Malaysia relations and expressed the hope that a way may be found that would lead to an early settlement of this dispute through peaceful means, preferably through the Afro-Asian Conciliation Commission.

"The two Presidents expressed concern at the recent developments in Indo-China. They were of the view that early efforts should be made to resolve it by negotiations in the interest of peace and tranquillity of the region.

"The two Presidents deplored the continuance of disputes and dissensions among Asian countries which cause instability, frustrate their economic development and open the door to foreign intervention. They expressed the hope that these countries would recognize the need for composing their differences in their own interest.

"The two Presidents reviewed some of the issues which might come up before the Afro-Asian Conference and agreed that continued collaboration between Pakistan and Indonesia would not only contribute to the success of the Conference but would also promote the cause of Asian solidarity and world peace.

"The two Presidents felt that there should be wider collaboration between the two countries in the economic and cultural fields.

"They agreed that in view of their common interests they should pursue vigorously the task of establishing close co-operation in such spheres along the pattern set by the Regional Co-operation for Development between Pakistan, Iran and Turkey in which the President of Indonesia expressed keen interest."

Dr. Sukarno left Karachi on September 20.

(*Dawn*, Karachi)

[Prev. ref. 5359:PAK:B, 6008:PAK:B]

B. Sinkiang-Gilgit Road Link: Pakistan's plans for an all-weather road link between the *interim* Capital of Rawalpindi and China *via* the old caravan route between China's Sinkiang Province and Gilgit, in Karakoram, were disclosed in Karachi on September 30 by the Works Minister, Rana Abdul Hamid.

In an interview to the Associated Press of Pakistan, he said the Chinese had already completed their portion of the road up to the last Chinese border post.

On the Pakistan side, he said, a new all-weather road between Rawalpindi and Gilgit would be in use by next Summer. A rough road suitable for jeeps from Gilgit to Baltit, in Baltistan, was being surveyed for rebuilding.

It was hoped that the 100-mile pony track, once used by caravans crossing to and from China, which runs from Baltit to the border, would also be converted into a road by next Summer.

He said that besides providing a link with China, the new road planned between Rawalpindi and the isolated mountain area of Gilgit would provide supplies to the Karakoram State.

For most of the year, food had to be flown in over one of the world's most tortuous air routes, and 130 American and European planes had to be brought in earlier this year for an emergency airlift of food and other supplies.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5788:INI:C]

C. Heavy Industry Board Set Up: It was stated on October 1 that a Heavy Industry Board had been constituted by President Ayub Khan to manage the heavy complex industries and mechanical, chemical and industrial sectors to be set up by the West Pakistan Industrial Development Corporation (WPIDC).

The Board, headed by the Chairman of the WPIDC, Lt-Gen. Iftikhar Ahmad, includes one representative each of the West Pakistan WAPDA, the Pakistan Western Railway and the WPIDC.

Disclosing this to a team of newsmen, Lt.-Gen. Iftikhar Ahmad said that the Board had been set up to ensure a foolproof check against duplication of efforts and haphazard establishment of heavy industries in the Province.

He said that since emphasis in the Third Five-Year Plan would be on the setting up of capital goods industries for which the private sector was already negotiating, the WPIDC had been charged by the Government with the task of establishing machine tool industry, heavy mechanical industry and heavy electrical industry.

The Board, he said, was formed at a high-level meeting, presided over by President Ayub Khan, for proper co-ordination among the three organizations concerned. With these industries, the Board would look after the requirements of the WAPDA, the Railways and other mechanical and electrical complex industries and co-ordinate their efforts for further expansion. It would not in any way damage the interests of identical units in the private sector.

Explaining the heavy industry programme of the Corporation, he said that the organization would arrange for feasibility reports, conclude agreements with consultants and prepare and submit schemes pertaining to those industries to the National Economic Council for approval. The Board would also work out the requirements of the public and private sectors in each industry and then formulate suitable plans. He emphasized that the new arrangement was in the best interests of the industrialists, because it would ensure the operation of private and public sectors as complementary organs rather than competitors or rivals.

He said the machine tool scheme of the West Pakistan Industrial Development Corporation was already in progress and land for it had been acquired near Karachi. The requirement of machinery for the factory were being finally scrutinised and orders for supply would be placed within the next three months.

In the field of mechanical heavy industry, negotiations were going on with firms in West Germany and Japan.

He said the German, British and Japanese firms were due to give feasibility reports by the middle of November about the heavy electrical complex.

(*Dawn*, Karachi)

[Prev. ref. 4471:PAK:B]

D. Review Of Economic Activity In 1963-64—Federation Of Chambers Of Commerce And Industry's Annual Report: Mr. Gul Mohammed, President of the Pakistan Federation of Chambers of Commerce and Industry, said on September 30 that the economy had made definite progress during 1963-64 and the year had generally wit-

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nessed buoyant conditions and a high level of economic activity.

Presenting the annual report at the fourth annual general meeting of the Federation in Karachi he, however, warned that the tasks of economic development lying ahead were still arduous and greater efforts and struggle would be needed for the economy to reach the taking-off stage.

He emphasized that the general trend of expansion and progress in the economy was a result of some years of political stability in the country.

He noted that the gross national product had risen by more than six per cent, agricultural production went up by six per cent in 1963-64 and the industrial production by 17 per cent over the average level of 1962-63.

Regarding the progress in import trade, he said that as a result of greater diversification in foreign trade the exports estimated at Rs. 222.50 crores registered an increase over the preceding year. Due to the Bonus Scheme the contributions of manufactured goods to this performance had been encouraging. The import trade underwent further liberalization which was fully utilized for large industrial production.

Speaking about the role of private enterprise, he said that private enterprise had played a decisive role in achieving these targets and it was certain that the targets in the Second Five-Year Plan in the private sector would be surpassed by June, 1965. In certain spheres they had already been surpassed.

He, however, pointed out that the economy had not been without stresses and strains during the year under review.

He complained that the new industrial investment had suffered some set-back as a result of a rigorous tax policy. It was only towards the end of the year that the policy was amended and "made less restrictive from the point of view of capital formation and investment and re-investment". This had raised the hope that in 1964-65 there may be a high level of new industrial investment in the private sector, "although the tax policy leaves much to be desired".

He said that the tax policy in 1963-64 had also created depressing conditions in the stock exchange which had, however, now recovered from those effects with the announcement of the Central Budget for the year 1964-65.

The situation regarding local taxation continued to be a source of worry and anxiety to trade and industry.

He described the credit situation as more or less satisfactory, but added that the "middle and small business sections continued to face a paucity of credit facilities". He noted that the State Bank in its annual report had emphasized that it was the Government and not the private sector which exercised influence on money supply.

Referring to the labour situation, he regretted that the labour situation was a source of worry to industry, particularly in the East Wing of the country, "where illegal strikes in the cotton textile, jute as well as in the match manufacturing industries caused considerable fall in production and loss of foreign exchange and revenue".

Speaking about the public sector, he said that the pace of progress in the public sector remained "as usual rather slow".

The private enterprise in East Pakistan continued to face difficulties in regard to the transport and communication facilities.

While admitting that foreign aids and loans had greatly contributed to a high level of commercial and industrial activity, he pointed out that the country was still heavily dependent on foreign assistance and was also far from achieving self-sufficiency in food.

Regarding the agricultural sector, he said that agricultural production as a whole went up in 1963-64, but this was mainly due to favourable weather conditions. The main contribution to the rise was that of rice whose output rose by 18.6 per cent compared to 1962-63.

He warned that in the current year it was feared that there might be a substantial fall in agricultural production due to floods, particularly in commercial crops such as raw jute and cotton.

He emphasized that there is no doubt that on a long-term basis agricultural production was lagging behind industrial development.

(*Dawn*, Karachi)

[Prev. ref. 6073:PAK:B]

E. Balance Of Payments Position: Information released in Karachi on September 27 said that Pakistan's balance of payments for the quarter ended March, 1964 showed a current account deficit of Rs. 14.29 crores.

Compared to the previous quarter, receipts at Rs. 104.23 crores increased by Rs. 7.49 crores and payments at Rs. 118.56 crores decreased by Rs. 9.43 crores. The relative improvement of Rs. 16.91 crores was, therefore, attributable both to increase in receipts and decrease in payments.

Export receipts at Rs. 68.75 crores showed an increase of Rs. 17.34 crores and Rs. 4.30 crores compared to the previous quarter and the corresponding quarter of 1963.

Imports (excluding aid-financed) at Rs. 76.84 crores showed an increase of Rs. 1.08 crores from Rs. 74.96 crores in the preceding quarter. Aid-financed imports at Rs. 19.10 crores during the quarter were lower by Rs. 11.83 crores than the previous quarter.

Invisible Account (excluding official donations) continued to be in deficit. The deficit in this quarter had narrowed to Rs. 6.20 crores from Rs. 7.65 crores in the preceding quarter.

Official donations representing utilization of foreign aids and credits at Rs. 20.65 crores were lower by Rs. 11.28 crores than the previous quarter.

On the Capital Account "Direct Foreign Investment" (cash only) amounted to Rs. 0.42 crore as compared to Rs. 0.08 crore in the previous quarter and Rs. 0.05 crore in the corresponding quarter of 1963.

"Loans and Long-Term Obligations" at Rs. 32.80 crores were higher than the previous quarter (Rs. 27.90 crores). "Contractual Repayments" at Rs. 2.94 crores during the quarter compared with Rs. 1.06 crores in the preceding quarter and Rs. 2.20 crores in the corresponding quarter of last year.

During the quarter, Pakistan recorded surpluses of Rs. 11.53 crores with other sterling area countries (Middle East, Far East and elsewhere), Rs. 1.01 crores with Latin America and Rs. 15.18 crores with other countries.

There were deficits of Rs. 16.82 crores with USA, Rs. 8.39 crores with UK, Rs. 9.46 crores with Western Europe and Rs. 7.34 crores with Japan.

In aggregate, the surplus with sterling area was Rs. 2.60 crores and deficit with non-sterling area of the order of Rs. 16.89 crores.

(*Dawn*, Karachi)

[Prev. ref. 6073:PAK:B]

F. Export Quota For Tea: The following Press Note on export quota for tea was issued in Rawalpindi on September 18:

"When the tea policy for the year 1964-65 was announced by the Government in June last, no export quota was fixed because an accurate estimate of the crop could not be made before August and it was decided that the position would be reviewed by the end of August, and, if a clear surplus was available after meeting all internal requirements, an export quota would be announced in September.

"This review has now been made. Production of tea in the current year up to the end of August was five million lbs more than in the corresponding period last year and two million lbs more than in 1961 when the total output amounted to 59 million lbs, the highest production since Independence.

"Due to favourable weather conditions in the tea growing areas, it is expected that there will be a new record crop of 61 million lbs or more during the current season, which will leave an ample surplus for export after meeting all domestic requirements.

"However, to enable the existing carry-over stocks of the tea in the country to be increased further, the Government has decided to fix a conservative export quota of four million lbs only for the current season. This tea will be exported through separate export auctions to be held at Chittagong except one million lbs which the producers will be allowed to export on consignment basis."

(*Dawn*, Karachi)

[Prev. ref. 5947:PAK:C]

G. Supreme Court Sets Aside Notification On Jamaat-i-Islami: The Supreme Court, by a majority judgment on September 25, held the notification declaring the Jamaat-i-Islami an unlawful organization as "illegal and void".

The Court ordered the cancellation and withdrawal of the notification banning the Jamaat-i-Islami. The Court allowed the appeal of Syed Abdul A. Maudoodi against the judgment of the West Pakistan High Court and dismissed the appeal of the East Pakistan Government against the judgment of the East Pakistan High Court.

The Governor of West Pakistan on September 28 withdrew the notification issued on January 6 declaring the Jamaat-i-Islami an unlawful association.

A Gazette (Extraordinary) said: "The Governor of West Pakistan is pleased to cancel and withdraw with immediate effect Home Department Notification No. S. O. SPL-2(2)/64 dated January 6, 1964, issued under the provisions of Section 16(1) and 17-A(1) of the Criminal Law Amendment Act, 1908 declaring: (1) the Jamaat-i-Islami as an unlawful association; (2) notifying certain places as being used for the purposes of the said Jamaat-i-Islami."

(*Dawn*, Karachi)

[Prev. ref. 6001:PAK:C]

H. Student Unrest In East Pakistan: The police fired tear-gas shells in Dacca on September 17 to disperse students when they brought out a procession in observance of "Education Day".

Earlier, the students had assembled at Dacca University campus to hold a meeting in support of their 22-point demand.

The procession was taken out after the meeting. When it reached Dacca Medical College Hospital gate at about noon, steel-helmeted police obstructed them and asked the processionists to disperse.

The police then fired tear-gas shells on the processionists and dispersed them. The students took shelter in the nearby Hospital and the Arts building of the University.

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In observance of Education Day the students boycotted their classes. They wore black badges and hoisted black flags on all educational institutions in remembrance of September 17, 1962, when two students lost their lives in police firing during demonstrations against the Education Reforms Commission Report.

After the incident the police rounded up some students as well as members of the public. Steel-helmeted police were also deputed to some strategic points, including the University campus and educational institutions.

In the evening, however, the situation improved and no untoward incident took place anywhere in the town.

Education Day was also observed in Jessore. All educational institutions and colleges remained closed and a procession was taken out by students who paraded through the main roads of the city.

A **hartal** was observed in Khulna as part of the Province-wide Education Day to press their 22-point programme. Students boycotted their classes and brought out a peaceful procession which paraded through the main streets of the town shouting slogans in favour of their programme.

Later in the evening a public meeting was held at the local municipal park jointly by the students and leaders of the local Opposition group.

In Chittagong also students of some educational institutions went on strike in observance of Education Day. They wore black badges and came out in processions. They also held a meeting at Jinnah Park under the presidentship of Mr. Abdul Mannan, President of the East Pakistan Students' League.

The meeting passed a resolution demanding release of students under detention. In another resolution, full support was extended to the 22-point "charter of demand" of the students.

Student demonstrations were also held in Kushtia, Rangpur, Faridpur and other towns.

Another Clash In Dacca:

At least 46 students were injured as a result of exchange of lathi-charge and brickbatting between the police and the striking students in Dacca on September 19.

On the third consecutive day the students clashed with the police. The injured students were later removed to the Dacca Medical College Hospital.

A group of students reportedly cut the railway signal lines and attempted to remove railway sleepers. A goods train was brickbatted, damaged partially and held up for a long time, with the result that train services between Dacca and rest of the Province remained disrupted.

A large crowd of people also joined the students in brickbatting and shouting slogans.

The police fired many tear-gas shells, trained hoses of coloured water on them from a riot-van and resorted to lathi-charge on the mixed crowd in an effort to disperse them. The crowd also attacked the police many times with stones.

The exchange of brickbatting and tear-gas shells continued for a considerable time in front of the Dacca University, Medical College, and at Nazimuddin Road.

The situation, however, became normal in the evening following the withdrawal of police from the important points in and around the University campus.

The train service between Dacca and rest of the Province was resumed in the afternoon after more than five hours' interruption. The goods train which was stopped at a point near the University by the students was taken to Dacca station under police guard.

(*Dawn*, Karachi)

[Prev. ref. 6074:PAK:C]

I. **Karachi Students' "Demands Day" Demonstrations:** Karachi students on September 17 observed "Demands Day" by holding meetings at various colleges and urged the Government to fulfil their long-standing demands.

Speakers at these meetings paid homage to the student martyrs who had died in East Pakistan two years ago in the nation-wide struggle for the repeal of the three-year degree course.

In various resolutions passed at the meetings they reminded the authorities that City students had remained peaceful in the past and expressed the hope that the Government would take a realistic approach and accept their genuine demands.

The main gatherings were held at the Islamia College and the Government College, Nazimabad.

In a resolution passed at the Islamia College the students urged the Government to release the arrested students and withdraw expulsion, rustication and arrest orders in East Pakistan. They also demanded repeal of the University Ordinance and restoration of "autonomy" of educational institutions.

At the other meeting held at Government College, Nazimabad, they asked the authorities to solve the problem of Karachi students by opening a new medical college, allowing M.A. and M.Sc. classes in colleges and establishing an Engineering University. They pledged to continue the struggle till their demands had been met.

An appeal for the acceptance of East Pakistan students' demands was made in a joint statement issued by five city student representatives.

Section 144 Enforced In Karachi District —Opposition's Criticism:

The District Magistrate of Karachi on September 27 imposed Section 144 of the Criminal Procedure Code in the District of Karachi for two months.

An official handout said: "The District Magistrate of Karachi, Mr. Amjad Ahad Sheikh, has imposed Section 144 Cr P.C., with immediate effect in the Karachi District for a period of two months, thereby prohibiting the holding of any meeting, the assembly of five or more persons for any purpose, or taking out of any procession in any public place, or the forming, joining or being a member of any procession or demonstration or carrying of fire-arms within the limits of the District of Karachi, except with the written permission of the District Magistrate of Karachi.

"This action has been taken because of student unrest. A situation has arisen within the District of Karachi which is likely to endanger human life and disturb public peace and tranquillity.

"This order shall remain in force for a period of two months unless rescinded or modified earlier, and shall not apply to bona fide religious functions, weddings and funeral processions. The order shall also not apply to police, military personnel and civilian officers detailed on duty."

A meeting of the workers of the combined Opposition parties in a resolution on September 27 expressed "surprise and shock" over the imposition of Section 144 in the City.

The meeting, which was presided over by Mr. Z. H. Lari, appealed to the people of Karachi to observe peacefully the Protest Day on September 29.

The meeting felt that the party in power was using all possible means and methods to discourage political activity of the people and not to let them utilise the constitutional method of change in the Government through the election campaign.

The resolution impressed that there was no such law and order situation prevailing in the City.

(*Dawn*, Karachi and *The Times of India*, Bombay)

[Prev. ref. 4879:PAK:E]

SYRIA

A. **Ex-President Adib Shishakli Shot Dead In Brazil:** A former President of Syria, Mr. Adib Shishakli, was shot dead in a street in Ceres Goiaias State in Brazil on September 28 by a dark-haired youth who had lunched with him earlier in the day.

The Brazilian news agency Meridional reported that a State-wide manhunt had been launched for the killer, who had been described by the police as a stranger to the district. It was believed that the killing was for political motives.

Mr. Shishakli had been living in Brazil for several years. He seized power in Syria in 1951, but was ousted by a coup d'etat in February, 1954. He went into exile and a year later, in 1955, was sentenced in his absence to 20 years' rigorous imprisonment on a charge of torturing a Syrian Army sergeant to death.

In February, 1957 and again a year later he was tried—in his absence—with others by a military court in Damascus on a charge of plotting to overthrow the Syrian regime and both times was sentenced to life imprisonment.

Sudanese security police detained ex-President Shishakli on his arrival at Khartoum airport in November, 1960, shortly after President Nasser of the United Arab Republic flew in on a 10-day visit. They held the former Syrian leader overnight until he took off for Rome.

He was reported then to be on his way to Brazil.

(*Dawn*, Karachi)

THAILAND

A. **Foreign Assistance:** Foreign aid is playing a major part in Thailand's economic development.

Earlier loans were not inter-Government arrangements, but credits obtained by the Thai Government in the private international capital market. Recent loans have been entirely Government-to-Government or from international agencies.

Proceeds of the earlier loans were not restricted to specific projects and could be used for general revenue purposes. Recent loans and grants have financed specific projects and have not been available for general Government use.

The "great depression" put an end to the flow of private investment into Government bonds to help finance public utilities and transport systems. It also stopped private companies' investments in public utility systems in most less-developed countries, although this type of investment was never very important in Thailand, the Deputy Minister of National

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Development, Mr. Nai Burchana Atthakor, said a few years ago. (It must be borne in mind that, while loans from the World Bank are not classified as private investment, private enterprise does subscribe to Bank loans.) Thailand has, therefore, since World War II, received all capital imports for power, transport, and other economic infrastructure investments through loans and grants from other Governments and from international agencies.

It also means that most of the assistance has been in the form of specific projects, and that the lenders have had to be convinced of the soundness of each project before the assistance has actually been made available.

The fact that the World Bank, for example, cites the limited number of adequate project proposals as the major factor limiting its lending rate, indicates that potential borrowers have not been making the kind of thorough analysis needed to ensure that the proposals were really sound. As a result, the application of economic criteria by the lenders on a project-by-project basis took the place of economic planning, which began in Thailand only very recently.

Limitation of foreign assistance to specific projects, therefore, benefits Thailand by ensuring that her investments are sound.

The list of sources and amounts of aid adds up to an impressive total. Yet in some ways, this assistance is less important than at first appears since it goes into specific projects. All the same, it has been a valuable factor in the recent development of the country. This apparent contradiction has been explained by the Minister as follows:

"The list of capital projects completed and under construction which have been financed with foreign assistance includes: major improvements in power, irrigation, and transport facilities—the Chainat Dam, the Yanhee project, the Mae Moh lignite mine and power plant, the railway rehabilitation and improvement programme, the Makasan repair shop, power installations in Bangkok, the Friendship and East-West Highways, 1,000 bridges in the bridge replacement programme, the water tanks in the north-east, Bangkok port facilities, the tele-communications system, aeronautical installations, and airport improvement.

"These projects have provided important elements in the nation's economic infrastructure, contributing to increased production, for example, by putting water on the land, and providing the means to transport the resulting increased production to market.

"In addition, we have had numerous technical assistance projects covering almost every aspect of the economy—projects in agricultural experimentation; livestock disease control; malaria eradication; village sanitation; vocational, general, and university-level education; irrigation, groundwater and mineral exploration; economic planning; Government fiscal management; and industrial surveys. Last, and certainly not least, the studies of the development of the Mekong, a project that may well be the most international development endeavour yet launched anywhere in the world, considering the large number of nations that are contributing experts and material for the study of this great river basin.

"This long list of projects of every conceivable type implies that foreign assistance has been a critical element in our recent development. Yet the fact is that in 1959—to take a year when we received considerable assistance—it amounted to only one-fourth of one per cent of our gross national product. The physical investment financed by this aid amounted to roughly 15 per cent of total investment expenditures in the economy, as estimated by the Office of National Income."

(*Far East Trade*, London)

[Prev. ref. 5805:THI:C]

TURKEY

A. Pardon For Four Members Of Menderes Regime: President Cemal Gursel pardoned on September 22 four prominent members of the deposed Menderes *regime* who had been in prison since the *coup d'etat* of May, 1960.

President Gursel used the powers he holds under the Constitution to pardon the men on grounds of ill-health.

The four were: Mr. Refik Koraltan, former Chairman of the Grand National Assembly; General Rustu Erdelhun, Chief of Staff at the time of the Menderes Government; Mr. Nedim Okmen, a former Minister of Agriculture; and Mr. Selim Yatagan, a former deputy. All were sentenced in September, 1961 to life imprisonment, except Mr. Okmen, who was sentenced to 20 years.

Another 63 leaders of the deposed regime are still in prison at Kayseri, central Turkey, including Mr. Celal Bayar, the former President of the Republic, who is over 80 years of age.

The possibility of release of all the remaining political prisoners of the former regime was officially indicated in August It was expected that the release would take the form of an administrative act, thus obviating the need for an Amnesty Bill which the Army would probably reject.

(*The Times*, London)

[Prev. ref. 5313:TUR:A]

VIET-NAM (DR)

A. Another Clash In Gulf Of Tonkin: Another clash between American and North Viet-Nam ships in the Gulf of Tonkin was announced on September 18 by the US Secretary of Defence, Mr. Robert McNamara.

He said that the incident took place at night, and according to preliminary reports there had been no damage or loss among American ships and crews.

Unofficial news of the incident was available some time before the official announcement, which was apparently delayed because of distorted signals from the naval commander. It was said that the American ship, or ships, had clashed with North Viet-Nam motor torpedo boats during bad weather in the general area where US destroyers were attacked in August.

The Defence Department said that all reports were being investigated and that nothing more would be said until the investigation was completed. However, it was afterwards made known at the Department that the American ships opened fire on unidentified craft assumed to be North Viet-Nam torpedo boats. The fire was radar-directed because of fog and poor visibility. It was not disclosed whether the American vessels had been under actual attack.

Earlier clashes in the Gulf took place on August 2 and 4 (see page 6032). In retaliation President Johnson ordered naval air strikes against four torpedo-boat bases and an oil storage depot.

President Johnson won Congressional support for his determination to repel further attacks, and he is now in a position to retaliate immediately should he so decide. Substantial Army, Navy and Air Force re-inforcements were also sent to South-East Asia, where they presumably remain.

A statement by the North Viet-Nam Foreign Ministry said that at 22 hours on September 18, as two US destroyers sailed to a point near Nghe An, heavy explosions were heard and flashes of light and aircraft circling over the spot were seen from the shore".

The statement, the text of which was broadcast by the New China news agency, did not mention North Viet-Namese units involved.

The Foreign Ministry also denied earlier American reports that its patrol boats had again attacked US warships in the Tonkin Gulf. It claimed USA was seeking a new pretext to attack North Viet-Nam and appealed to all world Governments to check what it called a US "plot".

On September 19, North Viet-Nam demanded an immediate meeting of the International Truce Supervisory Commission (ITSC) and charged that American reports of an attack on US warships in the Gulf of Tonkin were false.

Col. Ha Van Lau, head of the Army high command's liaison mission, made the demand in an urgent message to the Chairman of ITSC.

He accused USA of acts of provocation and demanded that the Commission take measures to check "the extremely dangerous new US military adventures".

According to **The New York Times**, "the two destroyers were said to have been somewhat closer to land than the 42 miles they recorded at the time of the presumed attack."

The newspaper said: "Inconclusive reports of the daylight search of the area reached the Defence Department during the night and were said to have been reviewed by the Joint Chiefs of Staff yesterday morning."

There were, however, no further clashes in the Gulf.

(*The New York Times* and *The Times*, London)

[Prev. ref. 6032:VND:A]

B. Demand For Withdrawal Of US Seventh Fleet: North Viet-Nam demanded on September 25 the immediate withdrawal of the US Seventh Fleet from the Gulf of Tonkin.

The demand was made in a memorandum issued by the Foreign Ministry in Hanoi.

It said: "The US Government absolutely has no right to send its fleet to patrol in the Tonkin Gulf close to the Democratic Republic of Viet-Nam.

"This is an extremely crude violation of the 1954 Geneva Agreements on Indo-China and poses a grave menace to peace in South-East Asia."

It repeated the claim that eight US aircraft had been shot down during the raid on North Viet-Namese naval bases on August 5.

USA had admitted the loss of two planes.

It also repeated Hanoi's claim that the second North Viet-Namese PT boat attacks on US destroyers on August 4 as reported by Washington never took place and the news was "an impudent fabrication."

It charged that North Viet-Namese territory had been subject to air and sea bombings since July 30.

The statement said that the presence of American ships off North Viet-Nam was an abuse of the right of navigation on the high seas, in an attempt to intimidate North Viet-Nam.

The statement, challenging President Johnson's chronology of the movements of American warships in the Gulf of Tonkin, said that on July 31 and August 1 the US destroyer **Maddox** repeatedly intruded into Viet-Namese waters, and threatened and harassed fishing boats in the area."

On August 2 while sailing between Hon

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Me island and Lach Truong, about eight miles off the coast, "the Maddox encountered and fired on Viet-Namese patrol boats which were thus compelled to take a defensive action to drive the intruder from Viet-Namese waters."

Marshal Chen Yi's Warning:

On September 26, the Chinese Foreign Minister, Marshal Chen Yi, warned USA that it was "frivolously playing with fire" in the Gulf of Tonkin and declared that unless it ceased doing so it would "pay dearly for its dangerous attempt."

The Chinese warning was contained in a reply from the Marshal to a message received from the Foreign Minister of North Viet-Nam.

In his letter Marshal Chen Yi re-iterated the now familiar Chinese-North Viet-Namese line that actually there had been no incidents in the Gulf of Tonkin and that the United States was merely concocting stories as a pretext to attack North Viet-Nam.

Marshal Chen Yi's letter was timed to coincide with the statement of North Viet-Nam Foreign Ministry that the United States aircraft were continually intruding into the air-space of North Viet-Nam.

Meanwhile, Washington reports said that American planes were authorised to pursue attacking Chinese or North Viet-Namese planes into their borders and that the US warships had similar authority over their attackers beyond the 12-mile territorial limit claimed by the Communists.

(*The New York Times* and *The Hindu*, Madras)

[*Prev. ref. 6019:VND:A*]

C. **State Of Economy—Mr. Pham Van Dong's Report To National Assembly:** The Prime Minister, Mr. Pham Van Dong, has submitted to the National Assembly a report on the state of economy of the country.

According to the report, changes in the agricultural sector had shown "further consolidation of socialist economy." At present, there were 15,000 agricultural co-operatives engaged in the movement for "higher crop yield, more subsidiary crops, better animal husbandry and increase in industrial crops."

On the basis of the successful transformation of the relations of production and the development of productive forces, he said, the peasants' life had been clearly improved. The peasants' housing and dieting had been better than in the past. They had not been haunted by the horror of famine and misery like in the past. Almost all villages had their own schools, infant classes and maternity homes. Numerous villages had libraries and club houses.

Dealing with the building of industries over the past years, the Premier in his report quoted President Ho Chi-Minh as reporting at the special political conference in March that North Viet-Nam had now 1,000 factories including 250 big factories, as against 40 in 1964. Thus in the past ten years a factory had sprung up every three days.

He said: "A number of industrial centres such as Hanoi, Haiphong, Nam Dink, Hong-Quang, Thai-Nguyen, Viet-Tri, etc. ..., have taken shape and are playing a leading role in different regions of the country."...

"Along with the coming into existence and the development of industrial centres, the working class has grown up. The contingent of the workers has now increased to nearly half-a-million. Their ideological, political and professional standards have been raised with every passing day.

"The army of scientific and technical workers now totals 70,000—20,000 graduated from higher education establishments and 50,000 from intermediate professional schools' as against 100 when peace was restored in 1964."

Reviewing the implementation of the State plan for the first half of this year, he said an all-round increase had been registered in the recent Winter-Spring production. In industry, almost all major plants and those processing basic products had fulfilled their plans. Efforts had been focussed on the building of key projects, a number of which had been put into commission, contributing new production bases to the national economy.

To fulfil the 1964 State Plan in the second half of this year, he said, it was necessary to step up the emulation movement for "higher yield, more subsidiary crops, good animal husbandry and increase in industrial crops" in agriculture and the emulation movement for "higher labour productivity, better quality and economisation" in industry, and the movements in other branches with the spirit of "redoubling one's efforts" for the building of socialism.

Dealing with socialist industrialization, he said: "Socialist industrialization reflects the aspirations of the people who, under the leadership of the Workers' Party, are relying on the people's democratic State to carry out the historic task of proletarian dictatorship, and are determined to achieve a socialist revolution. It reflects the spirit of mainly relying on the people's own efforts to build an independent economy. It constitutes the immediate and long-term target of struggle and a source of enthusiasm for all strata of the people, because it will make our country prosperous and our people stronger. Socialist industrialization will strengthen North Viet-Nam in every field and make it a basis for the struggle for the peaceful reunification of Viet-Nam, on the path of building a peaceful, unified, independent, democratic, strong and prosperous Viet-Nam."

(*Consulate-General of the Democratic Republic of Viet-Nam*, New Delhi)

[Prev. ref. 5823:VND:B; 6002:VND:A]

ASIA OUTSIDE ASIA

A. **Geneva Disarmament Conference Resumed:** The 17-nation Disarmament Conference was resumed in Geneva on June 9 after a six-week recess.

The Brazilian delegate, who was in the chair, called on the Conference to agree to an immediate ban on underground nuclear tests powerful enough to be detected without an international control system. (The Moscow Partial Test Ban Treaty signed in 1963 did not ban underground nuclear tests as no agreement could be reached on methods of verification).

The US delegate, Mr. William Foster, said he had received special instructions from President Lyndon Johnson to make every effort for an early agreement to end the arms race.

He said USA did not seek inspection for inspection's sake but wanted it only to be certain that commitments were fulfilled. "We fully recognize that many nations have facilities which cannot be opened to inspection at this time. Certainly my Government has sensitive facilities of this kind, but this does not mean we cannot find a way to reconcile this need with the need for verification. Indeed, that should be one of our primary tasks."

In a message to the representatives of the 17 nations taking part in the Conference, President Lyndon Johnson said that the first steps down the road to disarmament had already been taken and added: "We must redouble our efforts until the journey is completed."

Tribute To Mr. Nehru:

Before the formal proceedings of the Conference began, delegates paid tribute to the late Indian Prime Minister, Mr. Nehru.

The US delegate, Mr. Foster, said that with the passing away of Mr. Nehru the world would miss a source of inspiration in the disarmament field. Mankind, he added, had suffered a great loss. The ideal of Mr. Nehru remained their goal.

The British and Soviet delegates joined in the tribute.

Agreement On Agenda:

On June 18, the Conference adopted an agenda for the next five weeks dealing with "collateral" disarmament measures designed to promote an international *detente*.

The items on the agenda were those upon which East-West views have a number of points in common: (1) reduced military budgets; (2) a halt to the production of fissionable materials for military use; and (3) the non-dissemination of nuclear weapons. Two other topics, to be chosen respectively by USA and USSR, would be added later.

A **communique** announcing the agreement on the agenda said that after the planned five-week period, the two co-Chairmen of the Conference could make new proposals to the Conference for a working schedule, concerning both complete and general disarmament and collateral measures.

Reduction In Military Budgets—Soviet Proposal:

The Soviet delegate, Mr. V. Zorin, said on June 25 that the Soviet Union considered the reduction of national military budgets "one of the most important problems."

He re-iterated his country's proposals of January 28 to cut overall military expenses by 10 to 15 per cent. Smaller States with lower military budgets need not come under such a heavy reduction.

On the other hand, the Soviet Union wanted part of the money saved by reducing military budgets to flow into the developing countries.

In case some big nations should find it difficult to reduce their military expense to such an extent now, the Soviet Union would be satisfied with a restricted "first step" in that direction.

He suggested as a first move a declaration by all the 17 nations at the Conference stating their general consent to cut military spendings, combined with an appeal to all other nations to follow suit. That would be his country's minimum demand.

The Rumanian delegate, Mr. Dumuresco, renewed his call for the conclusion of a non-aggression pact between "the NATO and Warsaw Pact groups as an interim measure with a view to suppressing all military blocs."

He also supported the Soviet suggestion for a reduction of military budgets.

The United States delegate suggested measures to verify and inspect a cut-off in nuclear explosives output and found immediate support from Britain and Canada. (The USA, the Soviet Union and Britain have already accepted in principle the idea of a cut-off in the production of fissionable material for military purposes).

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Nuclear Vehicles' Freeze—US Proposal:

The US delegate, Mr. Clare Timberlake, said on July 9 that his proposal to freeze the production of strategic nuclear vehicles "offers genuine opportunity to halt the arms race, and the best possible foundation for further progress towards disarmament".

He said: "It would enable us to begin the actual reduction of armaments from their present levels, rather than from ever higher levels."

He explained that a freeze would also maintain the existing rough balance of power by holding quantities of missiles held by the East and West at constant levels and prevent the development and deployment of new types of such vehicles.

As proposal by USA, the freeze would cover surface-to-surface missiles of a range over 1,000 kilometres with their associated launching facilities; strategic bombers having an empty weight of 25,000 kg or greater, with associated air-to-surface missiles having a range of 100 km or greater; sea-based surface-to-surface missiles having a range of 100 km or greater (including the Polaris), together with their associated launchers; and strategic anti-missile systems.

Under the freeze, production of all such types of armaments would be halted, except as specifically agreed to provide for loss by accident, training firings and for outer space programmes.

Mr. Timberlake said the verification provisions for the freeze would be less "onerous" than for a production freeze on the entire range of armaments under general and complete disarmament. He said a verification system "can be made effective without being burdensome, and efficient without being intrusive." Details of the verification system would be spelled out at subsequent meetings.

The freeze proposal was one of five points contained in President L. B. Johnson's January 21 message to the Conference. They were:

(1) An agreement prohibiting the threat or use of force in territorial disputes;

(2) Verified freeze on the numbers and characteristics of strategic nuclear offensive and defensive vehicles;

(3) A verified agreement to stop production of fissionable materials for weapons;

(4) Establishment of observation posts to reduce the danger of war by accident, miscalculation or surprise attack; and

(5) Measures designed to prevent the dissemination of nuclear weapons to nations not in possession of them.

Nuclear Arms Cut-Off—Soviet Rejection Of US Plan:

Hopes of an early East-West agreement on cutting off the production of nuclear explosives for military use received a setback on August 13 when the Soviet delegate, Mr. S. Tsarapkin, said that the inspection provisions envisaged by USA were not acceptable to the Soviet Union outside the context of general and complete disarmament.

The verification proposed in the US working paper on a cut-off would, he said, lay open a country's most intimate defence secrets, such as type and volume of fissile material production and stockpiles—information from which its weapons output could easily be deduced.

Inspectors themselves would be equally objectionable if a cut-off were projected as a collateral measure to precede the first stage of a disarmament plan. Furthermore, once a State had acquired information under such a cut-off agreement, it could withdraw from the treaty to apply the knowledge in a manner having nothing to do with the maintenance of peace.

In advocating a cut-off accord, Mr. C. H. Timberlake (United States) had emphasized that the inspection system proposed was designed solely to provide a high degree of assurance that no significant increase in nuclear stockpiles could result from violations of the agreement. The nuclear Powers were approaching—if they had not already attained—a degree of balance and mutuality of interest which made such an agreement a logical move if action were to be taken to halt the nuclear arms race.

Russian Offer To Outlaw Nuclear Arms:

Mr. S. Tsarapkin (USSR) told the Conference on September 3 that his country was ready to sign a convention outlawing nuclear weapons immediately, if the other nuclear Powers would do the same.

He criticized the Western Powers' position on a convention banning nuclear weapons and said that agreements such as the one in 1925 banning chemical and bacteriological warfare had been respected. Consequently, he said, Western reticence on the nuclear ban was unfounded.

He re-iterated that the creation of the NATO multilateral force was the chief obstacle to an agreement on non-dissemination of nuclear weapons. "The Western Powers must stop their double game which consists of making a show of supporting an agreement on non-dissemination while supporting the creation of a multilateral force within the frame-work of NATO."

The delegates were discussing a draft convention banning nuclear weapons.

The US delegate, Mr. William Foster, warned the Conference that a general declaration of renunciation of the utilization of nuclear weapons would "move us no closer to disarmament."

He said USA rejected the proposal for such a declaration, put forward by several non-aligned countries attending the Conference, and said that the US Government would refuse to attend a special conference to outlaw nuclear weapons.

He praised India for her decision to renounce making any attempt to acquire nuclear capabilities for military purposes. The Indian decision "should be acclaimed by all of us". It was "an immense contribution to the efforts to prevent the spread of nuclear weapons to nations which do not have them."

President L. B. Johnson's Appeal:

On September 16, President Lyndon Johnson of USA urged the Conference to take additional steps for a lasting peace.

In a message marking a recess in the disarmament talks, he said war in the nuclear age was "senseless" and added: "I pledge the best efforts of which my country is capable to prevent such a war."

He expressed satisfaction with the steps taken since the current Disarmament Conference opened in 1962 and said the world was somewhat safer because of the partial nuclear test ban Agreement.

But he called on the Conference to reach agreement on other proposals including steps to prevent the spread of nuclear weapons, to lessen the danger of war by accident or surprise attack and to freeze the numbers and characteristics of strategic delivery systems.

Conference Adjourns:

The Conference adjourned for a five-month recess on September 17 after unanimously adopting a draft report on the session.

The report, to be submitted to the UN Disarmament Commission and the General Assembly, said that generally the questions before the Conference were discussed in "a thorough and concrete manner."

The report noted that the Conference had not reached any specific agreement on questions of general and complete disarmament or on measures aimed at the lessening of international tensions.

It expressed the hope that the useful discussions and exchange of views during the session would facilitate agreement in the future.

(*The Times*, London, *The New York Times*, *The Hindu*, Madras and *The Times of India*, Bombay)

[Prev. ref. 5925:AOA:A]

B. USSR Launches "Cosmos" Satellites: Another artificial satellite, *Cosmos XXXXV*, was launched by the Soviet Union on September 13.

The sputnik carried scientific apparatus for continuing the programme of space research announced by Tass on March 16, 1962.

The orbital elements were: initial period of revolution—89.69 minutes; maximal distance from the surface of the Earth (apogee)—327 kilometres; minimal distance from the surface of the Earth (perigee) —206 kilometres; inclination of the orbit to the equatorial plane—64 degrees 54 minutes.

Besides scientific instruments, the sputnik carried a radio system for precise measurement of the orbital elements, a radio-telemetric system for transmitting to Earth data on the functioning of the instruments and scientific apparatus.

The apparatus on board the sputnik was functioning normally and the co-ordinating computing centre in the Soviet Union was processing the incoming information.

The Soviet Union launched on September 24 *Cosmos XXXXVI*.

One more satellite in the series initiated in 1962—*Cosmos XXXXVII* —was launched on October 6.

(*Tass*)

[Prev. ref. 6050:AOA:F]

C. Yugoslavia Joins COMECON: On September 17, Yugoslavia joined COMECON, the giant Soviet-led Eastern bloc trading group, in a move to cement relations between Belgrade and Moscow on a cordial level of mutual assistance.

The Agreement on Yugoslavia's participation in the work of some COMECON organs was concluded in Moscow.

It was noted in the course of the talks on the conclusion of the Agreement that the experience of bilateral economic co-operation between COMECON member-States and Yugoslavia showed the need of a further development and strengthening of economic ties between these countries on a multilateral basis on questions of mutual interest.

The Agreement envisages that Yugoslavia will co-operate within the frame-work of COMECON on the basis of equality and mutual advantage with the socialist countries in the field of foreign trade, currency and financial relations, ferrous and non-ferrous metallurgy, engineering, chemical industry and the co-ordination of scientific-technical research. The representatives of Yugoslavia will take part in the work of the permanent commissions and

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other COMECON organs which will study these questions.

Besides active co-operation on concrete questions in these fields, the representatives of Yugoslavia can attend the meetings of the other permanent commissions of the COMECON and the Council's organs to acquaint themselves with the questions of economic and scientific-technical co-operation studied at these meetings.

The COMECON organs and Yugoslavia will regularly exchange information and documents on questions of economy, science and technology.

The Agreement will be temporarily in force from September 17, 1964, pending its approval by the session of the Council of Mutual Economic Assistance and the Government of Yugoslavia.

(*Tass*)

[Prev. ref. 5626:AOA:R]

D. FAO Commodity Review For 1964: The UN Food and Agriculture Organization (FAO) in its commodity review for 1964, released on September 13, reported record production of several commodities in 1963-64. It said that Russia had become the world's largest importer of wheat.

It said output, despite increases, had remained insufficient "to offset the growth in world population".

The review listed a record world production of rice, meat, fats and oils, eggs, cocoa, tobacco, cotton, wool and hard fibres. But it said the rice harvest increased by only 3 per cent.

A record fish catch of 50 million tons was reported.

The review, however, added that the world production of wheat was 6 per cent lower than in 1962-63. Dairy and meat production also decreased.

"Milk production failed to advance for the first time in the post-War period, with consequent adverse effects on butter production, "and the increase in output of fats and oils was slight".

The review noted that the output of man-made fibres increased faster than natural fibre production and that the natural rubber output fell while synthetic rubber production went up.

Prices of most agricultural commodities increased during the year.

The review carried the following comments on the outlook for various commodities:

Wheat: Coarse grain production in 1964-65 was not expected to reach the 1963-64 level.

Rice: Assuming growing conditions in Asia were better, "larger crops can be expected". A good harvest was in prospect in USA. The world demand for rice was expected to remain substantial.

Sugar: Evidence pointed to a substantial increase in world sugar production in 1964-65, given average weather conditions. Cane crop increases were expected, especially in Latin America.

Tea: The "present close balance of supply and consumption can be disturbed by a reversal of the decline in Indonesian production or by the re-entry of China into the world market as a substantial producer". The effect would be to depress world prices.

Cotton: It was probable that world stocks would remain at a high level in the coming year.

Jute and other fibres: Production forecasts were favourable.

(*The Hindustan Times*, New Delhi and *UN Newsletter*)

[Prev. ref. 5973:AOA:B]

E. World Youth Forum: The World Youth Forum opened in Moscow on September 16.

As the Forum opened, slogans in honour of the solidarity of the youth of the world resounded through the conference hall, slogans such as: "Long live unity"; "We are with you, fighting Africa!"; "We are with you, people of Asia and Latin America, fighting against the dictatorship of the imperialists!"

The Forum received thousands of greetings, including greetings from the UN Secretary-General, U Thant.

The Soviet Prime Minister, Mr. N. Khruschev, was insulted by the Chinese delegates on the opening day. They sat solidly in their seats as more than 6,000 delegates and guests rose to give the Soviet leader a five-minute standing ovation.

Earlier, the Moscow paper Pravda warned delegates from more than 100 countries to beware of Chinese attempts to wreck the week-long Forum, called to discuss the "role of youth in combating imperialism and colonialism."

Chinese Attack On Russia And India:

During the session on September 20, delegates exchanged jeers and boos when a Chinese speaker accused Mr. Khruschev of making a "repulsive" attack on Peking.

The Forum broke into uproar when the Chinese demanded the rostrum. There was pandemonium for some time as rival speakers tried to make themselves heard against a hubbub of shouts, catcalls and whistles.

The Chinese delegate, Mr. Liang Keng, protested that a Kremlin reception for 1,000 Forum delegates had been used to attack China. The Chinese apparently objected to Mr. Khruschev's criticism of Communist "visionaries"—a reference generally taken to apply to China.

Mr. Liang without mentioning Mr. Khruschev by name said that "anti-Chinese remarks" had been made and it was "repulsive that even a reception was used to attack China."

He raced for the rostrum immediately after the Indian delegation leader, Mr. Buran Singh Azad, condemned China for its 1962 border aggression.

He also attacked the Indian delegation, saying the Forum should spend its time in serious discussion on anti-imperialist solidarity. It was regrettable that the Sino-Indian border dispute had been raised. China had been slandered, China had been a victim of aggression, attacked by India "with the connivance of the American imperialists." The Chinese Government always adhered to the principle that border disputes should be settled through negotiations, he said.

He then launched a bitter attack on the Russians. He said the 40-strong Chinese delegation had shown great patience in listening to "distortions and attacks by the Soviet delegation and others." Some delegations had been prevented "inadmissibly" from making their views known. Soviet newspapers containing anti-Chinese material had been distributed among the delegates and some delegations had indulged in "deliberate and preconceived anti-China activity."

Declaration:

The Forum ended on September 24 with the adoption of a Declaration.

The Forum listened to the reports of all the five commissions and adopted them with an overwhelming majority. The discussion of the reports and numerous resolutions—some 100—was very animated.

After the Declaration was adopted, a representative of China, which had not taken part in the vote, took the floor. He spoke of his draft declaration. This was the last attempt by the Chinese delegation to frustrate the spirit of unity and cohesion which had been established.

In the Declaration, the participants in the Forum solemnly pledged to fight on a still broader scale against all forms of national and racial oppression, against the forces of imperialism and war, for the assertion of relations of complete equality and brotherhood among nations. "We resolutely support the principles of peaceful co-existence which create for the oppressed peoples new favourable conditions in their struggle for national liberation". It pointed out that peaceful co-existence also stimulated the working class movement and the democratic forces in the capitalist countries in their struggle for progress.

The participants in the Forum appealed to the world youth to spare no efforts in the struggle to bridle the atom-maniacs and militarists, for new international agreements directed towards the relaxation of tension and prevention of the war threat.

The Declaration emphasized the outstanding contribution of the youth of the socialist countries to the struggle against imperialism, for peace, democracy and the happiness of the peoples. "We firmly believe in the might of the united forces of the peoples of the socialist and young independent States, the peoples fighting for their liberation, the working class and democratic movements of the capitalist countries, the working people and all the progressive forces of the world".

Expressing the will of youth and students of all countries, the Declaration demanded immediate independence for all the colonies and dependent countries.

The Forum solemnly proclaimed its complete solidarity with and boundless support to "the courageous fighters of South Viet-Nam, North Kalimantan, the Arabian Peninsula, the south of Yemen, Congo, Angola, Mozambique, Cameroun, and the so-called Portuguese Guinea—all those whom the armed aggression of imperialism and its bloody crimes compelled to take up arms and launch a decisive battle for freedom and independence."

The delegates of the Forum supported the five points put forward by Dr. Fidel Castro as a basis which guaranteed peace in the Caribbean zone.

They condemned the setting up of the "puppet State of Malaysia," an instrument of "British and American imperialism".

The Declaration expressed support for the just demand of the Chinese People's Republic to be granted lawful rights in United Nations and also for its struggle to return Formosa.

It demanded the earliest possible satisfaction of the "just demands of the Palestine people suffering great privations and the return of the Palestinian refugees to their country."

"We," the Declaration added, "are appealing to you, the young men and women of the whole world—regardless of your nationality, race or continent—strengthen the militant unity of the democratic youth and student movement!"

(*Tass*)

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ASIAN RECORDER

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CEYLON

A. UNP Annual Session: The annual session of the United National Party (UNP) was held in Galle on October 3.

In his presidential address, the Leader of the Opposition, Mr. Dudley Senanayake, bitterly assailed the policies of the Government.

He described the proposed Press Bill as a "monstrosity" and said that the Bill was "an endeavour to shield the wrong-doers guilty of bribery, corruption and nepotism, and to prevent knowledge of these shameful acts seeping through to the people".

He asked: "Why this tremendous haste in ramming down the throats of the people this monstrous bit of legislation? This haste seems to have coincided significantly with such exposures as the Giridara Mill affair and the Prime Minister's daughter's departure for Oxford."

[The Giridara Mill affair relates to a motion before Parliament by a number of Opposition members that a select committee of the House of Representatives should investigate whether Dr. N. M. Perera, the Finance Minister, has any financial interest in a rubber-rice mill at Giridara, an outstation town. Both rubber and rice are purchased by the Government, and the allegation which the Opposition wants investigated is whether Dr. Perera through direct or indirect ownership of the mill enjoys the benefit of a contract with the Government, in which case he would be disqualified from being a Minister. Dr. Perera had challenged the Opposition leaders to take up the matter in the law courts, but the Opposition insists that Parliament is the proper forum to discuss the matter.]

(*The Times of Ceylon*, Colombo and *The Hindu*, Madras)

[Prev. ref. 5966:CEY:C]

CHINA

A. National Day Celebrations: The 15th anniversary of the People's Republic of China was celebrated throughout the country on October 1.

Themes of economic self-reliance, uncompromising opposition to USA and the "struggle against modern revisionist ideology of the Soviet Union" predominated at festive ceremonies.

The New China news agency said that more than 700,000 people took part in the anniversary demonstration in Peking, which was staged on a more impressive scale than in previous years. Mr. Mao Tse-tung, the Chinese Communist Party Chairman, reviewed the parade in Tien An Men Square. He mounted the rostrum to join other Peking leaders and distinguished guests among the 3,000 foreign visitors to the ceremonies as thousands sang: "The East is Red."

In the main speech Mr. Peng Chen, Mayor of Peking and member of the Politburo, called for a united front against the United States. He asserted: "United States imperialists must get out of Taiwan; out of South Viet-Nam, South Korea, Japan, the Philippines, Thailand, the Congo (Leopoldville), and west Berlin; out of Asia, Africa, Europe and Latin America, and out of all places they have invaded."

Among foreign guests were President Modibo Keita of Mali, President Alphonse Massemba-Debat of Congo (Brazzaville), and Prince Norodom Sihanouk, Head of State of Cambodia.

Mr. Peng and other speakers were more discreet in their attacks on the Soviet Union, possibly out of deference to the presence of a Soviet delegation and East European communist delegates.

The Soviet Union sent a message of greetings to Chinese leaders on the occasion. In their message Soviet leaders expressed the conviction "that no force can break the ties of fraternal friendship" between both countries.

The Soviet delegation to the celebrations was headed by Mr. V. V. Grishin who is both a party and Government official. Mr. Grishin heads the All-Union Central Council of Trade Unions and is a candidate member of the Presidium of the Soviet Communist Party's Central Committee.

An earlier statement by Tass said that the decision to send a delegation had been taken "in accordance with the principles of proletarian internationalism and interests of consolidating unity between our peoples."

It added: "Our party, the Soviet Government, and all Soviet people have the sentiment of sincere fraternal friendship for the great Chinese people and highly appreciate their struggle for victory and development of the Chinese revolution."

In any case, the form in which the invitation was put made it difficult to refuse.

According to Tass, the Chinese had invited the Soviet Union to send "a party-government delegation, a Government delegation, or a public delegation, or not send a delegation at all". As Chairman of the Central Council of the Soviet Trade Unions, Mr. Grishin is a "public" figure, but he is also a candidate member of the presidium of the Party's Central Committee and in a sufficiently senior position to use this occasion verbally to press his party's views on his hosts.

(*The Times*, London and *The New York Times*)

[Prev. ref. 5513:CHI:C]

B. Efforts To Explode Nuclear Bomb: The US Secretary of State, Mr. Dean Rusk, in a statement in Washington on September 29, said that USA expected China to conduct atmospheric nuclear tests in the near future.

He said that if such an explosion took place, USA would know about it and would make the information public.

He recalled that since the 1950s the Chinese had been approaching the point at which they could detonate a first nuclear device. He said that China had not only failed to sign the Moscow nuclear test ban Treaty but had strongly opposed it, and he pointed out that the detonation of a nuclear device did not mean possession of a stockpile of weapons or a modern delivery system.

"The United States", he said, "has fully anticipated the possibility of Peking's entry into the nuclear weapons field and has taken it into full account in determining our military posture and our own nuclear weapons programme. We would deplore atmospheric testing in the face of serious efforts made by almost all other nations to protect the atmosphere from further contamination and to begin to put limitations upon a spiralling arms race."

Speculation about the imminence of China's explosion of a nuclear device had been going on for several years. When asked themselves—usually on the occasions when Marshal Chen Yi, the Foreign Minister, received a visiting journalist—the Chinese admitted that they were at work on a nuclear weapons programme. In October 1963, Marshal Chen Yi told Japanese correspondents that China expected to explode a device within "several years" but that it would be many years after that before production of weapons could begin (see page 5521).

[The determination of the Chinese to have a deterrent of their own certainly dates from the Korean War, but concentration on their own efforts to achieve it must date from early 1958, when their hopes of getting any aid at all from the Russians were finally disappointed. At that time—making a virtue out of necessity—their military strategy emphasized ideology and man-power rather than weapons. In the following three years the collapse of the "Great Leap Forward" led to sharp reductions in Chinese industry and it seems unlikely that the Chinese could have made much exception for their nuclear programme alone. In later exchanges with the Russians at the end of 1962 and in June, 1963, the Chinese angrily denounced the nuclear test ban Treaty and urged the Russians "not to infringe on China's sovereign rights and act for China in assuming an obligation to refrain from manufacturing nuclear weapons".]

The latest statement on Chinese capacity, also from Marshal Chen Yi, came in August, 1964, when he said that Chinese industry had reached a point where it was capable of "releasing a nuclear fission"—a statement that could be variously interpreted.

However, while achievements of Chinese scientists were extolled expansively during the National Day celebrations, there was no hint in speeches or Press articles that Peking was about to detonate its first nuclear device.

Mr. Lal Bahadur Shastri's Appeal At Cairo Conference:

Addressing the Conference of non-aligned Powers in Cairo on October 7, India's Prime Minister, Mr. Lal Bahadur Shastri, said the non-aligned Powers must bring their full moral force to bear for those countries which still refused to subscribe to the partial nuclear test ban Treaty. The Conference should consider recent "disturbing indications"

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that China was about to explode a nuclear device.

He proposed that a mission should be sent to China not because India and China had their differences at present; "these differences must sooner or later be resolved". The threat to humanity from one more country having nuclear weapons was a far more serious matter.

India stood committed to use atomic energy only for peaceful purposes, even though in a purely technical and scientific sense she was capable of developing nuclear weapons. "Despite all our differences may I venture to take this opportunity to appeal through this Conference to China to accept a similar discipline."

He introduced nuclear disarmament as one of five points in a programme for peace. The other four were: the peaceful settlement of border disputes; freedom from foreign domination and racial discrimination; the acceleration of economic development through international co-operation; and full support for United Nations.

Mr. N. Khruschev's View:

The Tokyo newspaper, *Asahi Shimbun*, reported on October 5 that Mr. N. Khruschev had stated it was possible that China might explode a nuclear device at any time.

But, according to the newspaper, Mr. Khruschev said the testing of China's first nuclear device "will not be a threat since it will take several years before the Chinese can develop an effective system capable of delivery".

Asahi was quoting Japanese Foreign Ministry sources. (Mr. Khruschev made the statement to the former Japanese Foreign Minister, Mr. Aiichiro Fujiyama, when he visited the Kremlin on October 3.)

Concern In Eastern Europe:

Press reports also spoke of considerable concern in East European countries at the prospect of a nuclear explosion by China.

They fear, as evinced in an article in **Rud Pravo** of Prague, that the Chinese would exploit the test particularly among developing countries as making them the one non-white Power capable of producing nuclear weapons.

Newspapers in other East European capitals, notably in Warsaw were concerned lest the increase in the number of nuclear Powers should lead to tests by Powers not yet in possession of an atomic bomb but having considerable technical nuclear knowledge.

A Chinese test, observed one Warsaw newspaper, would make for greater danger in West Asia and maybe further east in Asia.

A further reaction was that a Chinese test would so irritate opinion in USA that it might swing the Presidential election in favour of Senator Goldwater. The Senator's election would in Communist opinion materially increase international tension.

(*The New York Times* and *The Statesman*, Calcutta)

[Prev. ref. 5488:AOA:A]

C. Purchase Of Cargo Ships From France: *The New China* news agency reported on September 29 the conclusion of an Agreement between China and France under which China would order ocean-going cargo ships from France.

The deal had arisen out of negotiations between the China National Machinery Import and Export Corporation and Ateliers et Chantiers de Dunkerque et Bordeaux (France-Gironde) and Societe des Forges et Chantiers de la Mediterranee.

It said the Agreement was signed by Mr. Chen Yang, deputy manager of the Chinese Corporation, and Mr. Jean Forgeot, president of the French Shipbuilders' Export Association.

(*The Times*, London)

[Prev. ref. 5844:CHI:B]

D. Trade And Finance Agreements With Algeria: Mr. Bashir Boumaza, Algerian Minister for National Economy, said on September 25 on his return from a Far-East tour that he had signed three important Trade and Finance Agreements with China.

One Agreement set out ways of using a 250-million-dinar interest-free loan (about £18 million) granted by China in October, 1963, which will entail a Chinese mission coming to Algeria to survey possible projects.

The other two cover technical co-operation and trade exchanges set at 50 million dinars (about £3,600,000) a year.

(*The Statesman*, Calcutta)

INDIA

SUMMARY: Dr. S. Radhakrishnan's Visits To USSR And Ireland; Chinese Statement On Colombo Proposals; Foreign Participation In Industrial Ventures; Floods.

A. Dr. S. Radhakrishnan's Visit To Soviet Union: The President, Dr. S. Radhakrishnan, arrived in Moscow on September 11.

As Dr. Radhakrishnan alighted from his plane, the Soviet President, Mr. Mikoyan and the Premier, Mr. Khruschev received him, the latter with a warm hug. A 21-gun salute was fired and there was a guard of honour.

A mixed crowd of Indians and Russians welcomed Dr. Radhakrishnan with slogans affirming Indo-Soviet friendship. Soon after, he drove to the city through a 15-mile route. Unfortunately airport formalities prevented the visiting Indian correspondents from joining the procession but traffic jams on the way, and welcome mottos and crowds at several points, spoke of the Muscovites' enthusiasm.

Dr. Radhakrishnan was accompanied by the Minister of State for External Affairs, Mrs. Lakshmi Menon.

State Dinner:

The Presidium of the Supreme Soviet and the USSR Government gave a dinner that night (September 11) for Dr. Radhakrishnan at the Kremlin Palace.

Welcoming Dr. Radhakrishnan, President Mikoyan said: "The Soviet people receive you with great warmth and receive you as an old friend of ours.

"The Soviet people have feelings of respect towards the great Indian people. We respect the people of India for their past unique history and regard with sympathy and understanding the desire of the Indian people and Government to strengthen their economy.

"Both the Soviet Union and India stand for peace and friendship of all nations and for liberation of all peoples from colonial oppression."

Replying, Dr. Radhakrishnan said: "I am delighted to be here again and every time I come here I notice significant changes taking place in the Soviet land.

"Chairman Khruschev is a friend of all men and he has done his best to consolidate peace in this world.

"The test ban Treaty, the proposal for renouncing force in the settlement of international disputes and his proposal for a world police force—all these are indications of his desire for peace.

"Peace is attainable and war is not inevitable. If all men realize these goals, they will be nearer his (Mr. Khruschev's) ideal.

"Like all liberated nations, we are for developing a socialist pattern of society inside and opposing imperialism outside.

"Anti-capitalism within, anti-imperialism without, are the governing principles of the liberated nations. We stand for peace and peaceful co-operation of all nations of the world."

He added: "Not only peaceful co-existence but extending fruitful co-operation to all nations of the world—this is our goal."

Speaking of growing Indo-Soviet friendship, he said the Indian Institute of Technology at Bombay, the Bhilai Steel Plant and the Neyveli projects were all fruits of this friendship.

He referred to the visits of the late Jawaharlal Nehru to the Soviet Union and said: "Mr. Nehru was a great star illumining with his brilliance the Indian sky in the world firmament. His ideals were peace, non-alignment and socialist pattern of society in India. These are the great ideals that Mr. Nehru has left behind. We are trying our best to achieve these ideals.

"It is my earnest hope that the cordial friendship between our two great nations will become stronger and will be a major contribution to peace in the world."

Luncheon In Honour Of President Mikoyan And Mr. N. Khruschev:

Dr. S. Radhakrishnan gave a luncheon in honour of President Mikoyan and Mr. N. S. Khruschev on September 12.

Speaking at the luncheon, Dr. Radhakrishnan said that so much bound India and the Soviet Union both nationally and internationally that he was sure the two countries would co-operate to work for peace and for the happiness of humanity.

He thanked the Soviet leaders for their assistance to India in building up her economy and said: "We have received considerable assistance in our industrial and cultural development from you. This is shown by the continued effective assistance which you have extended to us industrially, scientifically and culturally. We are grateful to you for this help and your assurances about its further continuance."

Referring to the problems of peace, he said: "The problem facing us in this nuclear age is one of survival through happiness and friendliness. The only alternative is annihilation through nuclear destruction. Even at considerable discomfort, to ourselves, we must try to build up a world which will be a home for happy living of the entire humanity. Our two countries are committed to this. Both of us are interested in preserving peace and seeing a world where people will be happy. This can be achieved as there are all possibilities and resources for it so long as we take a human approach to problems facing human beings."

President Mikoyan acknowledged the Soviet Government's pleasure at learning once again that the Government of India would continue to follow the line laid down by Jawaharlal Nehru, namely, non-alignment and international socialist development everywhere.

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He made special mention of the efforts towards disarmament as one sphere where India and the Soviet Union should co-operate.

Talks With Mr. N. Khruschev:

Mr. N. Khruschev displayed special interest in India's border dispute with China in talks with Dr. Radhakrishnan on September 12.

Informed sources said that the Soviet leader, faced with the Sino-Soviet border dispute which had recently come into the open, was eager to learn of India's experience.

An Indian spokesman said the talks were "very friendly, useful and frank."

Soon after the talks, Dr. Radhakrishnan visited the Lenin Mausoleum and laid a wreath there.

In Leningrad:

The city of Leningrad gave Dr. Radhakrishnan a warm welcome on his arrival on September 13 by special train from Moscow.

Welcoming the President, Mayor Isayev said: "Together with all Soviet people, the people of Leningrad have heard with great satisfaction of your visit to the Soviet Union. Today we have the opportunity of greeting you in the city of great Lenin.

"Your visit brings joy to the Soviet people because it means further strengthening and development of friendly ties between our nations and peoples. Friendship between our peoples is ages old but it is true only in recent times it developed fully because it is based on common struggle of our people for peace."

Dr. Radhakrishnan, in reply, said that this was his second visit to Leningrad. "As you said, our ties are age-old but they are becoming firmer today on account of our common interests in the struggle for peace." He said that the Soviet orientalists had contributed a great deal to the understanding of Indian classics. Petersburg Sanskrit dictionary was well-known throughout the world.

Paying a tribute to the bravery of the citizens of Leningrad during the last War, he said: "We are conscious of the great deeds of valour which your people put forth at a time when this city was blockaded. Your exploits remind us of the battle of Thermopilae and things like that."

Dr. Radhakrishnan then drove through Nevsky project and was cheered by Leningraders lining both sides of it. Later in the day he visited Peskorevski cemetery and placed a wreath there to the memory of the people who died in defence of Leningrad during the 900-day blockade of the city by the Nazi forces during the Second World War.

Among other places he visited were Yerevan, the Armenian capital, Simferopol and Yalta.

Later, he returned to Moscow.

Honorary Degree Conferred By Moscow University:

On September 17, Moscow University honoured Dr. Radhakrishnan by conferring on him the degree of Doctor of Philosophy.

The convocation was held in a glittering hall of the University building.

Dr. Radhakrishnan who closed his brief address with the slogan "Russi Hindi bhai bhai," to the tumultuous applause of students, described the University as a centre which clung to the past and those of learning in the city known for its progress and the Capital of the world's mighty Power.

Visit To Lumumba Friendship University:

After a final round of talks in the Kremlin on September 18, Dr. Radhakrishnan paid a visit to Patrice Lumumba Friendship University, established in memory of the murdered first Prime Minister of Congo (Leopoldville).

In this University, there are over 3,000 students from 83 countries, including 100 from India.

In his address to the students, Dr. Radhakrishnan said that nationality should be a bond and not a barrier between nations and the aim of education was to obliterate hatred and enmity.

He paid a tribute to Mr. Khruschev for establishing the University in the name of friendship and in many other ways helping nations which are on their way to progress. Mr. Khruschev did not want any country to change its social or political structure as a condition for aid. His ideals were development within the country and peace outside.

The Vice-Rector of the University, Dr. Erzhin, pinned a medal on Dr. Radhakrishnan who, in turn, presented to the University a set of books on Indian literature and philosophy.

Friendship Rally:

Dr. Radhakrishnan told a friendship rally in Moscow on September 18 that if man wanted to survive, there was no alternative to co-operation and peaceful co-existence.

He stressed the great contribution made by Mr. Khruschev to the implementation of this policy. He also expressed his confidence that Mr. Khruschev would continue to do his utmost for a peaceful solution of all problems.

He added: "We have arrived at the conclusion that disputes must be settled behind the conference table...."

The meeting was also attended by Mr. Khruschev, President Anastas Mikoyan and other Soviet leaders.

They were warmly acclaimed by those present at the meeting—representatives of the workers and social organizations of Moscow.

The meeting was opened by Mr. Vladimir Promyslov, the Mayor of Moscow. It was also addressed by Mr. Mikoyan, who said the friendship which the Soviet Union had developed with India as well as with the other countries of Asia and Africa had many sources. "The identity of interests in a number of cardinal international questions is one of such sources."

Address On TV:

In a television appearance on September 18, Dr. Radhakrishnan made a plea for ensuring peace in the world and said: "India and the Soviet Union are united in the pursuit of peace."

He condemned perverse chauvinistic nationalism which made one look upon one's neighbours as aliens and said that such an outlook had no justification. He praised Lenin for giving purpose to the Soviet Union after the 1917 revolution when foreign interventionists had failed in their bid to strangle the Soviet revolution.

He said: "Dear friends, I am delighted to be here again, thanks to the kind invitation of the Soviet authorities, President Mikoyan and Chairman Khruschev. Members of my party and myself have had a very warm reception wherever we went in this country. We had very frequent talks with Soviet leaders, especially President Mikoyan and Chairman Khruschev. And we ourselves have profited from these discussions. The discussions were sincere, friendly and frank.

"Change is the characteristic of all living societies and your society has had many changes in its long history, especially in the last 40 odd years. In retrospect it looks as if there was an inevitability about it. At that time here the Government was absolutist, church corrupt, widespread misery, defeat and devastation in the First World War—all these things brought about disruptive changes in your society.

"At such a time Lenin appeared on the scene and gave purpose to your life. But your affairs were not smooth even then. You had a civil war, an intervention by foreign nations which tried to strangle the new State at its very birth and then came the attack in 1941. There is not a family which did not lose a husband, a father or a son. Naturally your people were anxious for peace and wished to avoid war.

"Your anxiety for peace and your proposal for disarmament have had the backing of your great leaders. In a series of articles 'Can Europe Disarm?' Engels wrote (it was written some 70 years ago) 'that all Europe has been arming on an unprecedented scale. Each Great Power endeavours to outstrip the other in military might and preparedness for war. Germany, France and Russia did most to surpass one another. Is it not stupid to talk of disarmament under such circumstances,' he asks. 'I maintain disarmament, and thereby a guarantee for peace, is possible.' That is what Engels said 70 years ago.

"Lenin, as far back as 1918, pointed out that a world war, in which mighty achievements of technology are used with such great energy (resulting in) mass extermination of human life, apart from being a major crime can also lead to the undermining of the very foundations of human life. All this was said at a time when nuclear weapons were not a part of military technology.

"There were occasions when we praised war and said that participation in war was an ennobling experience. Today scientists tell us that any thermo-nuclear war would destroy all human civilization.

"If by chance any people are left behind they will be subject to such dreadful diseases that they would rather be dead than alive.

"In these circumstances war is sheer madness. Many sensible leaders of the world recognize this fact and are trying their very best to prevent war. Suspicions here of Western nations caused by their intervention in early years of revolution gradually ceased by greater knowledge and experience of these nations."

He referred to the signing of the Treaty for partial ban of nuclear weapon tests and said: "The last day of last year Mr. Khruschev proposed that we should renounce war and not resort to arms in the settlement of border disputes. He has recently proposed a new universal peace force.

"The two greatest obstacles to peace in this world happen to be colonialism and racialism. And Mr. Khruschev in the United Nations Assembly proposed that all colonialism should be abolished as soon as possible. The United Nations has condemned every attempt at racial discrimination. If we want to have a world without arms, a world of peace, a fellowship of nations, it can only be on the basis of three fundamental principles of political freedom for all, economic opportunity for all and creative freedom for all. The nations are here to help one another."

The Joint Communique:

The following is the text of a joint *communique* issued in Moscow on September 19 at the end of Dr. Radhakrishnan's visit to USSR:

"At the invitation of the Presidium of the USSR Supreme Soviet, the President of the Republic of India, Dr. Sarvepalli Radhakrishnan, visited the Soviet Union from September 11 to 19, 1964.

"The President of India was accompanied by the Minister of State in the Ministry of External Affairs, Mrs. Lakshmi Menon, the Secretary to the President,

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Mr. S. Dutt and the Director of the Historical Division in the Ministry of External Affairs, Dr. Gopal.

"During their stay in the Soviet Union, the President of India and his party visited, apart from Moscow, the Capital of the USSR, the cities of Leningrad, Yerevan and Yalta and saw a number of scientific and cultural establishments. They studied various aspects of the life of the great Soviet people and their work and achievements in the fields of economy, science, culture, health and the arts.

"In Moscow and other cities of the Soviet Union the President of India and his Party met and talked with workers, scientists and other intellectuals. Everywhere they went, they received a most cordial welcome and hospitality and expressions of the sincere friendship and warmth of the Soviet people towards the great Indian people.

"The President of India attended a mass rally of Soviet-Indian friendship in the Kremlin and the rally, which was addressed by the Chairman of the Presidium of the USSR Supreme Soviet, Mr. A. I. Mikoyan, and the President of India was a striking demonstration of Soviet-Indian friendship.

"During his stay in the Soviet Union, the President of India had full and friendly talks with the Chairman of the USSR Council of Ministers, Mr. N. S. Khruschev. There were also talks with Mr. Mikoyan.

"During the talks which took place in an atmosphere of mutual friendship and cordiality, there was an exchange of views on various important international issues and on matters pertaining to further development of Soviet-Indian relations and mutually advantageous co-operation.

"The two sides affirmed with satisfaction that in spite of local conflicts in various parts of the world, there had been a general relaxation of tension in international relations because of the influence of the forces of peace and democracy. They welcomed in this context the Moscow Treaty banning the testing of nuclear weapons in the atmosphere, in outer space and under water, the achievement of agreement between the Government of USSR and the United States not to place in orbit objects carrying nuclear weapons and the agreed decision to reduce the production of fissionable materials for military purposes.

"The two sides felt that the implementation of these measures would facilitate the further improvement of relations between States on the basis of the principles of peaceful co-existence. They agreed that there exists now a real possibility for the solution of international disputes by peaceful means through negotiation.

"The talks affirmed that the Soviet Union and India held a similar position on the many basic problems facing the world. The development of Soviet-Indian relations on the basis of the principles of equality and mutual benefit and respect for territorial sovereignty, is a striking example of the successful implementation of the policy of peaceful co-existence of States with different political and social systems.

"Aware of the pressing need for an active effort for the radical improvement of the international situation and the consolidation of peace, the two sides expressed their firm resolve to spare no effort in the quest for ways to achieve a prompt solution of international issues, eliminate the peril of thermo-nuclear war and ensure a stable peace.

"In this connexion the President of India expressed the high appreciation by the Government and the people of India of the assiduous efforts of the Soviet Government and Mr. N. S. Khruschev, in the struggle for the maintenance and consolidation of peace and in particular of the outstanding role of the Soviet Union in the conclusion of the Moscow Treaty partially banning the testing of nuclear weapons.

"The two sides re-affirmed their conviction that territorial disputes between States should be solved by peaceful methods. The Indian side welcomed the proposal of Mr. Khruschev of December 31, 1963, for the conclusion of an international agreement that States should refrain from the use of force in the solution of their territorial and border disputes and should pay due regard to historically formed boundaries.

"The two sides re-affirmed their unshakeable conviction that the policy of peaceful co-existence of States with different political and social systems is today the sole alternative to a devastating thermo-nuclear war. Both sides welcomed the growing recognition in the world of the policy of non-alignment with military blocs pursued by most of the developing nations in Asia and Africa. They also welcomed the conference of non-aligned countries which is to be held shortly in the expectation that it would help in promoting peaceful and friendly co-operation among nations and in facilitating the settlement of international problems.

"The two sides gave their support to the forthcoming Afro-Asian Conference and hoped that it would lead to strengthening the unity and solidarity of the African and Asian countries in the struggle for peace and for the liquidation of colonialism.

"The two sides expressed concern over the fact that such fundamental questions as the problem of general and complete disarmament, a peaceful settlement of the German problem and the problem of the final elimination of the remnants of the colonial system, still remain unresolved. The solution of these problems requires the persistent efforts of all peace-loving States and peoples.

"An identity of views was re-affirmed by the two sides on the need to implement general and complete disarmament under strict and effective international control. The two sides declared, in particular, that as members of the 18-nation committee for disarmament, the Governments of India and the Soviet Union will spare no effort to promote in the discussions at Geneva the elaboration of concrete measures which would enable a start to be made on the implementation of disarmament and the release of funds for peaceful construction, including economic aid to the developing nations.

"The two sides attach importance to partial agreements which would facilitate and draw nearer the achievement of the paramount goal of general and complete disarmament. There would be, in the first instance, such measures as the withdrawal or at least a considerable reduction of foreign troops on territories of other countries, the dismantling of foreign military bases, the promotion of denuclearized zones in various parts of the world and the achievement of agreements banning underground nuclear tests and on the non-proliferation of nuclear weapons.

"Sincerely striving towards a peaceful settlement of all acute international issues and towards the betterment on that basis of relations between States, the Soviet Union and India believe that in the interests of a stable peace there is a particular need for growing efforts aimed at eliminating the vestiges of the Second World War by the attainment of a peaceful settlement of the German problem. The Soviet side believed that the signing of a German Peace Treaty and the transformation on that basis of West Berlin into a demilitarized free city could, under present conditions, be a turning point in the improvement of the entire international situation. The Indian side re-iterated the statement of the late Prime Minister Jawaharlal Nehru in the joint communique issued at Moscow on September 11, 1961 that while at present the fact of the existence of two German States could not be ignored and any attempt to change the frontiers would have dangerous consequences, there was an imperative need for finding a peaceful solution of the German problem by negotiation among all parties concerned.

"The two sides agreed that United Nations has an important role to play in promoting international co-operation. They re-affirmed the determination of their two countries to continue their efforts for the further strengthening of United Nations with the fuller participation in all its organs of all the countries, particularly of Asia and Africa.

"The two sides re-affirmed their loyalty to the decisions of the United Nations and other international organizations which envisage the need to eliminate the vestiges of colonialism and imperialism and to grant independence to all countries and peoples under foreign domination with a view to achieving their liberation from all forms of colonialism and imperialism. They expressed their full support for the just struggles for freedom in all parts of the world, particularly in Asia and Africa, and they demand freedom and independence without delay from the peoples of all countries under foreign domination.

"The two sides condemned the policy of racial discrimination which is being pursued by the Government of the Republic of South Africa and regard the policy of apartheid as a crime against humanity. This policy is in complete contradiction of the United Nations Charter and the Declaration of Human Rights. The two sides call upon the States that have not yet implemented the United Nations decision with regard to the Republic of South Africa to cease their co-operation with the Government of South Africa in order to compel it to grant legitimate rights to the whole population of that country.

"The two sides gave particular consideration to recent developments in South-East Asia. They expressed concern at the aggravation of the situation in this area and hoped that the problems of South-East Asia would be resolved peacefully in the interest of the peoples of these areas.

"The two sides agreed that there should be no interference by foreign Powers in the internal affairs of Congo.

"The Soviet side declared its full support of the struggle of the Cuban people for strengthening the independence and sovereignty of their Motherland.

"The Soviet side expressed its high appreciation of the desire of the Indian people for peace and of their policy of peaceful co-existence and non-alignment to which the outstanding statesman of our times, the late Prime Minister of India, Jawaharlal Nehru, dedicated so much effort and energy. The Soviet side noted with gratification that India was the first country, after the three initial signatories, to sign the Moscow Treaty partially banning the testing of nuclear weapons. The Soviet side welcomed the fact that the new Government of India continued to pursue the policy of Jawaharlal Nehru, which is the policy of non-alignment and friendship with the Soviet Union and other peace-loving countries.

"Both sides were happy to note the steady development of friendly relations and the many ties between India and the Soviet Union in economic, cultural, scientific and technical matters, which have greatly benefited the peoples of the two countries and the cause of the consolidation of peace. Economic and technical co-operation between India and the Soviet Union, which will complete a decade in 1965 is a matter of particular satisfaction to both sides.

"The President of India emphasized the great significance of the comprehensive co-operation of the Soviet Union in the development of the national economy and the building of a new India. The Soviet side declared its intention to continue and develop Soviet-Indian co-operation and confirmed its readiness to assist in the construction of the Bokaro metallurgical plant.

"The two sides re-affirmed that meetings and personal contacts between statesmen

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and public figures are of great importance for the development of friendly relations between India and the Soviet Union. The present visit of the President of India had proved very important in this connexion. The Soviet side states that it looked forward greatly to the visit of the Prime Minister of India, Mr. Lal Bahadur Shastri.

"The President of India expressed his high appreciation of the friendly reception accorded to him and his party in the Soviet Union and stated that he, the Government and the people of India, would welcome a visit to their country by Mr. Mikoyan and Mr. Khruschev. Mr. Mikoyan and Mr. Khruschev accepted the invitation and promised to visit India at a convenient date."

Russia Waives Visa Fees:

It was announced in Moscow on September 17 that India and the Soviet Union had decided to abolish visa fees from October 1.

This had been done as a sign of growing friendship between the two countries which was further strengthened as a result of Dr. S. Radhakrishnan's visit to the Soviet Union.

Visas will have to be taken by intending visitors, but they will have to pay no fees.

In Ireland:

Dr. Radhakrishnan arrived in Dublin on September 21 on a State visit to Ireland.

State dignitaries, members of diplomatic corps and a large number of people were at the airport to welcome Dr. Radhakrishnan. President De Valera could not be present at the airport as he had been medically advised not to make the journey to the airport owing to a recent operation.

On his six-mile drive from the airport, Dr. Radhakrishnan was cheered by a large number of people gathered especially in the centre of the town.

Later at an informal meeting at the presidential palace, President De Valera recounted to Dr. Radhakrishnan his association with India and said in 1917 the leaders of the Indian "Ghadar Revolutionary Movement" had presented him with a ceremonial sword and a flag in California. He had handed the flag to an Indian organization in Birmingham but kept the sword.

Later the two Presidents had a private lunch after which Dr. Radhakrishnan visited the city's historic museums and library, famous for its collection of oriental literature, including Sanskrit literature.

[Ireland, like India, is non-aligned and has an identity of views on most world problems. Some misunderstanding arose in 1960 over the Irish attitude to the Kashmir issue, but Irish spokesmen say that they have no intention of taking sides and their only desire is to see India and Pakistan settle their problems peacefully.]

Talks With Mr. Sean Lemass:

Dr. Radhakrishnan had an hour's discussion on September 22 with the Irish Prime Minister, Mr. Sean Lemass.

The talks were of a general nature, but in the course of it the Kashmir question was explained.

Dr. Radhakrishnan then drove to Ireland's national memorial at Arbour Hill where the 14 Irish leaders executed by the British in 1966 are buried. It commemorates a famous episode in the Irish independence struggle. Led by Padraig Pearse and James Connolly, a citizen army in that year occupied the main buildings in Dublin and fought bitterly till they were defeated by British troops. They proclaimed the first Irish Republic, but it lasted only five days when the leaders were summarily executed and buried in a mass grave.

Dr. Radhakrishnan, who was accompanied by Mr. Lemass, laid a wreath on the grave after a moving ceremonial drill by Irish troops. Only two other Heads of State had paid homage there—President Kennedy and President Ayub Khan.

Address To UN Association:

Dr. Radhakrishnan addressed the United Nations Association in Dublin on September 23.

In it, Dr. Radhakrishnan referred to the introductory remarks spoken in three languages—Sanskrit, Irish and English—by the Chairman of the meeting, the Chief Justice of Ireland, Mr. Cearbhall O'Dalaigh, and said that this gesture showed the universality of man.

He described United Nations as the symbol of the "aspiration of people telling us to stand together and understand each other".

Stating that the "duty of everyone is to work for peace", he added: "The greatest obstacle for peace is found in human nature itself. We have to change this attitude, discard prejudice, national bias and faith in force."

Mr. Sean Lemass' Statement On Kashmir Issue:

The Irish Prime Minister, Mr. Sean Lemass, told Indian correspondents in Dublin on September 23 that his impression after talks with Dr. Radhakrishnan was that prospects now existed of India and Pakistan getting together to solve the Kashmir question peacefully.

Dr. Radhakrishnan, he said, had explained the problem fully and his appreciation of it was now much better.

He removed what he called "misunderstandings" about the Irish attitude about Kashmir.

He said that Ireland did not recognize the right of a minority to vote itself out of the nation it belonged to.

Ireland was not committed to any particular solution of the Kashmir problem and there had not been any mention of self-determination as being the Irish attitude in the communique issued after Pakistan President Ayub Khan's visit to Ireland in July, 1964. Ireland only wished, as all other friends of India, to see the matter settled peacefully between the two countries so that energies could be diverted to the great tasks of economic development.

Ireland, he said, was a reluctant member of the Security Council in 1960, when it voted for a compromise resolution.

He explained Ireland's stand on the Kashmir issue on which the Irish representative sponsored a resolution in the Security Council in 1962.

[The Irish sponsorship of the resolution then had caused disappointment in India. In July, 1964, President Ayub Khan had visited Dublin to "thank" the Irish Government for the interest it had taken on Kashmir and the joint communique issued at the conclusion of the Pakistan President's visit strengthened the impression that Ireland supported the right of self-determination by the Kashmiris as a solution to the dispute.]

The Irish Government, Mr. Lemass said, did not think the proposal for an independent Kashmir made any sense. An independent Kashmir would not be a viable State. Apart from anything else, Ireland was also firmly opposed to giving any national minority the right to opt out of the nation.

In many ways, he said, he had sympathized with the Indian view-point on the issue. "I certainly understood a great deal better the issues involved in the dispute after my talks with the President."

He confessed that he had not appreciated that Kashmir was not a purely territorial discord between the two countries but had deeper ramifications also.

The Joint Communique:

The accent on direct Indo-Pakistan negotiations to settle the Kashmir issue was contained in a joint *communique* issued on September 24 at the end of Dr. Radhakrishnan's visit.

The following is the text of the communique:

"At the invitation of the President of Ireland, the President of the Republic of India, Dr. S. Radhakrishnan, accompanied by Mrs. Lakshmi N. Menon, Minister of State for External Affairs and officials of the Government of India paid a State visit to Ireland from September 21 to 25, 1964. Dr. Radhakrishnan was the guest of the President and Mrs. De Valera during his stay in Dublin.

"The President of Ireland warmly welcomed President Radhakrishnan not only as head of the great Indian people but as a great philosopher and scholar and as one of the closest associates of Mahatma Gandhi and Jawaharlal Nehru in India's great struggle for freedom.

"He expressed the sympathy of the Irish people with the people of India in their sorrow at the passing away of Mr. Nehru.

"The President of India expressed his great pleasure at meeting President De Valera whose services in the cause of freedom have become legendary throughout the world and who is a cherished figure in India.

"During his stay in Ireland the President of India had discussions on international problems with the Prime Minister, Mr. Sean Lemass, and the Minister for External Affairs, Mr. Frank Aiken, of Ireland. They welcomed the Agreement partially banning the testing of nuclear weapons signed by both India and Ireland and considered it to be the first step towards bringing about international control of nuclear weapons.

"They expressed support for the role of United Nations in the maintenance of world peace and recalled with satisfaction the close co-operation between Indian and Irish contingents in the UN Operations in Congo under extremely difficult and trying circumstances.

"The President of India expressed his appreciation to the Government and people of Ireland for the spontaneous expression of sympathy and support to India at the time of the aggression by China against India in 1962.

"In the course of their broad review of the international situation, the leaders touched upon the problem of Indo-Pakistan relations. They welcomed the prospect of direct talks and negotiations at various levels between the representatives of India and Pakistan which are aimed at seeking solution of their problems and promoting friendly and neighbourly relations.

"The Prime Minister of Ireland expressed the hope that Indo-Pakistan differences including those on Kashmir would be solved through direct negotiations between India and Pakistan.

"Adverting to the recent appointment of Ambassador Warnock as Ireland's first Ambassador to India, it was agreed that the closest possible relations would be maintained and developed between the two countries. In particular it was agreed that trade and cultural relations should be pursued with all possible vigour.

"It was emphasized that the two coun-

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tries had a vital interest in co-operating in their common objective of keeping peace in the world and in developing the resources of mankind for the welfare of all peoples. This co-operation springs naturally from the common memories of both countries and their dedication to democracy and the rights of man.

"The President of India expressed his appreciation of the warm and cordial reception accorded to him and his party. He extended invitations to the President and Mrs. De Valera, the Prime Minister and Mrs. Lemass, and the Minister for External Affairs and Mrs. Aiken, to visit India. The invitations were accepted and the President, the Prime Minister and the Minister of External Affairs of Ireland agreed to visit India at a time suitable to both Governments."

Returns Home:

Dr. Radhakrishnan returned to New Delhi on September 27.

Talking to newsmen at the airport, he said he was well received in both Ireland and the Soviet Union. "Though they belong to different systems they are making good and great progress. They are passionately patriotic and anxious to build new homes, new schools, new dispensaries and we should also do that, forgetting little things."

(*Tass, The Times of India* and *The Indian Express*, Bombay and *The Hindustan Times*, New Delhi)

[Prev. ref. 4380:INI:A]

B. Colombo Proposals On Border Dispute—Chinese Statement: In a statement on October 9, China declared that she was ready "to start negotiations at any time and at any place with the Colombo proposals as a basis," if India "really wishes to hold them."

At the same time, the Chinese Government categorically stated that it would not agree to withdraw its seven posts from the demilitarized zone in Ladakh as a pre-condition for negotiations. It claimed that the area in which the posts were located had always been Chinese territory.

The statement began with a reference to statements in Cairo by the Prime Minister, Mr. Lal Bahadur Shastri, and the External Affairs Minister, Sardar Swaran Singh, on the Sino-Indian border problem and it expressed regret that "the Indian leaders should have taken advantage of the Conference of non-aligned countries to make anti-Chinese clamours."

The Chinese Government dismissed the Indian demand for the acceptance of the Colombo proposals in toto in these terms: "In continuously calling for the acceptance of the Colombo proposals in toto, China's withdrawal from the seven civilian posts, etc. the Indian Government aims solely at opposing China, so as to divert the attention of the people at home, seek US and Soviet military aid, and pursue its policy of double alignment under the cover of non-alignment."

This offer to hold negotiations without changing its stand on the Colombo proposals was marked by a hardened attitude towards the Colombo Powers. The Chinese Government demanded that any substantive discussion among the Colombo countries about the Sino-Indian boundary question must be held with China present. It said: "Any mediation or any proposal made without the agreement and not in the presence of China will be unacceptable to the Chinese Government."

China re-iterated its stand that any proposal put forward by mediators could only be a recommendation and not an award, and added: "At present, exploiting the opportunity of his participation in the conference of non-aligned countries in Cairo, the Indian Prime Minister is making distortions and slanders about China over the Sino-Indian boundary question and is doing his utmost to make use of the Colombo Conference nations to bring pressure to bear upon China. Moreover, the Indian Prime Minister is in Cairo while the Chinese Premier is not. The Chinese Government holds that in these circumstances to motivate consultations among the Colombo Conference nations behind China's back is unfair and therefore the Chinese Government cannot agree."

The statement said that the Indian Government knew well that "China will never submit to any international pressure".

Denying that it wanted to benefit from aggression, the Chinese Government made the allegation that it was India which was "still illegally occupying more than 90,000 square kilometres of Chinese territory south of the so-called MacMahon Line, whereas China has never occupied a single inch of India's territory."

After asserting that China would not withdraw from any of the seven posts in Ladakh, the Chinese Government said that on the contrary China had every right to ask India to withdraw from this territory of more than 90,000 square kilometres. With a show of generosity it added that in order to seek a peaceful settlement through negotiations, it "has up to now not raised" such a demand as a precondition for negotiations. Observers wondered if the qualifying words "up to now" were meant to convey a dark hint.

Indian Comment:

The official comment in New Delhi on the Chinese statement was that it was no more than a re-iteration of China's oft-repeated stand.

A spokesman of the Ministry of External Affairs said: "China's constant re-iteration of the demand to negotiate without preconditions on the basis of the Colombo proposals only means that China wants to negotiate cease-fire arrangements according to the terms dictated by her. This will be a direct negation of the Colombo proposals."

The text of the spokesman's comment was:

"The acceptance of the Colombo proposals by both sides provide for agreed cease-fire arrangements between India and China to resolve the state of undeclared war between the two countries since China's massive aggression of October-November, 1962. The so-called Chinese declaration of unilateral cease-fire and withdrawal and the various conditions stipulated therein do not constitute an agreed cease-fire arrangement between India and China.

"India had declined to accept the Chinese conditions of cease-fire as this was a unilateral attempt by China to dictate to India on the basis of a military action taken by China.

"If the atmosphere of conflict and the undeclared war which now exists is to be terminated with a view to creating the necessary conditions in which the boundary differences can be resolved by direct peaceful talks and discussions, acceptance of the Colombo proposals is the first step. India has taken this step in accordance with her policy of settling disputes by peaceful means.

"If China similarly accepts the Colombo proposals as the agreed basis of cease-fire arrangements officials can meet and take steps to implement these agreed arrangements. Thereafter, as the Colombo proposals recommend, the main differences on the boundary between the two countries could be discussed bilaterally.

"It is obvious that China does not want to promote these processes of peaceful settlement. Its constant re-iteration of the demand to negotiate without preconditions on the basis of the Colombo proposals only means that China wants to negotiate cease-fire arrangements according to the terms dictated by her. This will be a direct negation of the Colombo proposals.

"If, on the other hand, China wants negotiations to settle the main question, that is, the differences on the border, without accepting the Colombo proposals, it can only mean that China wants to dictate terms for the settlement of the boundary differences on the basis of its declaration of unilateral cease-fire and withdrawal wthout any attempt to correct the crisis of confidence created by China's massive attack in 1962. India cannot submit to such dictates supported by threats or the actual use of force."

Chinese Intrusions In Ladakh And N-EFA—Indian Protest:

In a second Note, also handed to the Chinese Embassy on October 7, the Indian Government protested against the intrusion by Chinese military personnel into the demilitarized zone in Ladakh and against several other land intrusions and air-space violations in N-EFA and Ladakh in April, May and June this year.

India had sent its first protest Note against these violations on July 20, but the Chinese Government rejected the Note by characterizing the charges as "lies." Curiously, the Chinese Note of September 1 also sought to justify the presence of Chinese troops in these areas by claiming them to be within the Chinese "line of actual control of 1959."

The Indian Note of October 7 characterized the Chinese argument as "expansionist logic," and said "this fictitious line of actual control is actually the line of aggression reached by the Chinese forces in their massive invasion of India during October-November, 1962."

No Scientific And Cultural Collaboration With China:

India told the Chinese Government in another Note handed to the Chinese Embassy in New Delhi on October 7 that there could be no scientific and cultural collaboration between the two countries so long as the Chinese Government advocated the use of nuclear science for war-like purposes.

The Note related to Peking's invitation to the Government of India (on April 20) to send Indian scientists to a Peking symposium on science. India had earlier (on May 4) turned down the invitation by saying that no delegation could be sent in view of the 1962 Chinese aggression and China's forcible occupation of 14,500 square miles of Indian territory.

But the Chinese Government made an issue of the Indian rejection in a Note on July 8 and accused India of obstructing the advancement of friendly relations by scientific and cultural exchanges between the "one thousand million people of China and India."

India's strong resentment at Peking's undignified accusation was reflected in the Note handed to the Chinese Embassy on October 7. "It is clear," the Note said, "that the Chinese Government are trying feverishly to harness the forces of science, not for the peaceful purpose of improving the living standards of the 650 million people of China, but for serving the chauvinistic, expansionist, Big-Power dreams of the Chinese Government."

(*The Times of India* and *The Hindustan Times*, New Delhi)

[Prev. ref. 6066:INI:A]

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C. Foreign Participation In Industrial Ventures: According to an official survey, released in New Delhi on October 12, Britain continued to be the chief participant in joint industrial ventures in India, with the United States as a close second. West Germany and Japan take the third and fourth places.

The three Western countries, Britain, America and West Germany, among themselves, account for about 65 per cent of collaboration agreements, relating to both technical collaboration and equity participation.

Among the communist countries, East Germany and Czechoslovakia have a fair number of collaboration agreements with Indian entrepreneurs, though they do not come anywhere near the Western nations.

During the four-year period 1960-63, for which the survey relates, the number of approved collaboration agreements was 1,473. Of these, 296 cases related to participation in equity capital of new companies without technical collaboration.

The total number of collaboration agreements with Britain during the four-year period was 431, with USA 306, East Germany 234, Japan 126, Switzerland 78, France 56, Italy 41, East Germany 28 and Czechoslovakia 18.

There was a slight decline in the number of collaboration agreements which India entered into with other countries in 1963, as compared to the preceding years. The number of agreements approved in 1960 was 381. In 1961 the number rose to 402. In 1962 it dropped to 389, and in 1963 it further went down to 301.

Foreign investment in Indian industries, however, rose from Rs. 456.1 crores in 1955 to Rs. 690.5 crores in 1960, according to a Reserve Bank survey.

The Finance Ministry has compiled statistics of foreign equity investment in existing and new companies during the period 1961 to the middle of 1964. According to these statistics the total equity investment comes to Rs. 110.98 crores.

Though manufacturing industries account for the heaviest investment, the biggest single item of investment is oil. The next highest single investment is in plantations. The services—covering the broad range of activity from trading to financing—account for a fair measure of investment. Foreign investment in mining is comparatively modest.

During the six years covered by the Reserve Bank survey, foreign investments steadily rose under almost all heads. In oil they rose from Rs. 104 crores to Rs. 152.4 crores, in manufacturing industries from Rs. 131.8 crores to Rs. 289.4 crores, in services from Rs. 123.5 crores to Rs. 135.5 crores and in plantations from Rs. 87.2 crores to Rs. 99.5 crores.

Similarly equity participation rose from Rs. 32.75 crores in 1961 to Rs. 34.46 crores in 1963. It stood at Rs. 14.21 crores during the first six months of 1964.

The steady growth in foreign participation in Indian industries was attributed to special concessions and incentives, including income-tax rebate given to foreign companies and personnel.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5702:INI:K]

D. Pakistani Firm Takes Over Indian Factories: The Indian-owned Dalmia and Dandot cement factories in West Pakistan were taken over on September 30 by a Pakistani firm.

The deal for the take-over was finalized on October 1, while the possession of the plants was given to the new management by "the Indian owners" on September 30.

A spokesman of the new management, Pakistan Progressive Cement Industries Ltd., said that an ambitious plan to modernize the two factories, set up 27 years ago, had already been drawn up.

(*The Indian Express*, Bombay)

[Prev. ref. 4761:INI:E]

E. Excise Duty On Petroleum Products Raised: The rates of additional duties of excise and customs on major petroleum products were increased from October 6.

As in the past, the increase will be borne wholly by the oil companies and will not result in any rise in the wholesale or retail prices of these petroleum products.

The increase in rates is to facilitate appropriation of a further sum of nearly Rs. 5 crores which had accumulated with the oil companies since April, 1962 in favour of the Government.

The effective rates were notified in a Government of India Gazette Extraordinary.

The existing rates of additional duties were fixed in April, 1962 in the light of the price structure recommended by the Oil Pricing Committee and had been in force from October 1, 1961.

Additional duties on major petroleum products are levied under the Mineral Oils (Additional Duties of Excise and Customs) Act, 1958.

(*The Times of India*, New Delhi)

[Prev. ref. 4251:INI:I]

F. Andhra Pradesh "Leftist" Communists Adopt Party's Draft Programme: The Executive Committee of the "Leftist" Communists of Andhra Pradesh, at a Convention in Vijayawada on October 9, adopted the party's draft programme with an amendment on foreign policy.

The amendment was carried by 184 to 143 votes. Thirty delegates abstained.

A draft programme adopted by the Convention characterized the Government of India's foreign policy as "leaning more and more towards the camp of imperialism."

The Committee, which began a five-day session on October 7, discussed the party's constitution earlier in the day. Three major amendments recommended by the central sub-committee were adopted.

The first sought to substitute a two-tier party set-up—a committee and a secretariat—for the present council, executive and secretariat.

According to a second amendment, there will be no chairman but only a general secretary assisted by additional secretaries at State and Central levels.

The third provides for the formation of the basic units of the party, each consisting of not more than 11 members.

A party spokesman explained that this was the set-up of party organization before the Amritsar congress. The amended constitution would be placed before the Calcutta party congress.

[The Leftist faction of the Communists in Andhra Pradesh claims a membership of 28,312.]

The Convention ended on October 11 after electing a new provincial committee with Mr. Sundarayya as secretary and Mr. Moturi Hanumantha Rao as assistant secretary.

It also elected a 20-member secretariat which included among others Mr. T. Nagi Reddy, Mr. Nanduri Prasad Rao and Mr. D. Venkateswara Rao.

The political and organizational report which was inconclusively discussed was referred to the new committee which has been authorized to incorporate amendments and finalize it.

The Convention adopted resolutions on the food situation, wastelands, agricultural labour wages and release of detenus and on firings at Guntakal and Markapuram.

Defections From Official CPI:

According to an assessment made by the official CPI headquarters in New Delhi, the recent split in the CPI, as reflected among members of State Legislatures, shows that over two-thirds of them continue to owe their allegiance to the official party.

Roughly a third of the members of the Party's National Council had walked out to form the rival CPI-Marxist Leninist Party.

The assessment indicated that of a total of 170 Communist legislators only 49 had gone over to the rival party, while nine had taken a neutral or centrist position.

The largest number of defections from the official CPI had taken place in Andhra, where 23 members had been lost to it. In West Bengal it had now 12 members, against 13 belonging to the rival party and six centrists.

The Communist legislators in Bihar (12), Uttar Pradesh (14), Orissa (4) and Madhya Pradesh (2) had stood solidly behind the official CPI.

(*The Hindu*, Madras and *The Hindustan Times*, New Delhi)

[Prev. ref. 5952:INI:B]

G. Floods In Andhra Pradesh: Floods in various parts of Andhra Pradesh took a toll of 200 lives in Macherla, in Guntur district, as the roaring waters from a breached irrigation tank rushed into the town on the night of September 29.

Thousands were reported to have lost their homes and 30,000 persons marooned in Macherla. The town itself was cut off from the rest of the State.

Eleven spans of the new bridge near the Nagarjunasagar Dam, called Vijayapuri, had given way (the bridge, opened for traffic in 1958, has 32 spans). The Dam itself was not damaged. Due to the havoc caused by the floods in the Kushira, Budameru, Nagaleru and Tammeleru rivers, the entire Krishna-Lanka area in the Vijayawada region was submerged. Vijayawada, the second largest city in the State, was cut off from the rest of the country. Train services between Vijayawada and Hyderabad were suspended on account of breaches in the railway track. Road communications between Vijayawada and Waltair as well as between Vijayawada and Visakhapatnam were also paralysed. Wanaparthy town, about 90 miles from Hyderabad, was flooded because of breaches in about 12 irrigation tanks near the town following heavy rains for the past 36 hours.

On October 1, the State Government airlifted medical personnel, medical supplies and rice to Macherla. Two IAF Dakotas with medical personnel, foodgrains and other supplies took off for Nagarjunasagar airstrip.

The Chief Minister, Mr. K. Brahmananda Reddi, told newsmen in Hyderabad on October 1 that he feared the damage to crops and property might run into crores of rupees. Lakhs of acres of paddy fields in the rice-rich districts of West Godavari, Krishna and Guntur had been submerged and standing crops severely damaged.

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The floods were said to be the worst since 50 years.

(*The Hindu*, Madras and *The Times of India*, New Delhi)

[Prev. ref. 6069: INI:K]

H. **"Jeewanu" Theory Confirmed By British Scientist:** The "Jeewanu" Theory, propounded by an Allahabad University professor in May, 1963, has once again been confirmed by an eminent British scientist, Dr. Michael H. Briggs.

In an interview in Allahabad on October 9, Dr. Krishan Bahadur, Assistant Professor of Chemistry in Allahabad University, said that in the recent international congress on photo-biology held at Oxford, Dr. Briggs had presented another scientific paper confirming his and his colleagues' work on "Jeewanu"—the photo-synthetically prepared particles with properties of living systems—and reported the presence of about a dozen natural amino-acids in "Jeewanu" in the form of peptides and protein-like materials.

The presence of purines as adenine and guanine, sugars as glucose, fructose, ribose and desoyribose, materials with esterase and phosphatase activities, urea and organic acids were also found in "Jeewanu."

Dr. Bahadur said that the British scientist had stated in his paper that "Jeewanu" had considerable internal architectures—vanuoles, spherical solid inclusions and apparent wall structures. Some "Jeewanu" fluoresceine in ultra-violet and these micro-structures were stainable with biological dyes such as acidic carmine, azure carmine, azure II, eosine, haematoxylin-eosine, janus green B, methylene blue, neutral red, ninhydrin, saphranin and toluidine blue.

According to Dr. Bahadur and his fellow researchers, materials necessary for the formation of the protocells in pre-biological era were synthesized in the primary oceans containing organic substances and inorganic catalysts when sunlight fell on them and the strong sources of energy such as electric discharge and high temperature heat were unnecessary.

A few months earlier, Dr. Briggs had confirmed the work on "Jeewanu" in the British Inter-planetary Society. He had then suggested that it was entirely probable that such micro-structures were the immediate precursors of cellular life.

(*National Herald*, Lucknow and *The Statesman*, New Delhi)

I. **Ruins Of Koliya Capital Discovered:** According to a despatch from Gorakhpur on October 10, an exploration party of Gorakhpur University's Department of Ancient History, Archaeology and Culture claims to have discovered Ramagram, flourishing capital of the Koliyas in the sixth century BC at Maniyarabhar, three miles west of Nichlaul in the Maharajganj tehsil of Gorakhpur district.

According to the party, a stupa was erected there by the Koliyas on the relics of the Buddha. It was the only stupa which had not been touched by Ashoka. The other seven stupas were opened by him with a view to erecting new stupas over them.

The description of Ramagram given by the Chinese travellers, Fa Hien and Hiuen Tsang, tallies with its geographical position, according to the party. Pali literature, Chinese accounts, local tradition, and archaeology prove that the site is the ancient town of Ramagram.

The discovery will be brought to the notice of the next session of the Indian History Congress at Ranchi by Mr. Shivaji Singh, who is in charge of the exploration work.

(*The Statesman*, New Delhi)

[Prev. ref. 6042: INI:K]

INDONESIA

A. **Dr. A. Sukarno's Visit To USSR:** The President, Dr. A Sukarno, arrived in Moscow on September 29 on a brief visit.

He was met at the airport by, among others, President A. Mikoyan and the Premier, Mr. N. Khruschev.

Moscow reports suggested that Dr. Sukarno's discussions with Soviet leaders centred on military and economic aid. This view was supported by the presence in Moscow of the Defence Minister, Gen. A. H. Nasution, the Minister for National Development, Mr. Suharto, and Mr. Yusuf Muda of the Central Bank.

On October 2 a Joint Statement was issued in Moscow on the talks between Mr. Khruschev and Dr. Sukarno. According to the Statement, Indonesia would buy more arms from the Soviet Union.

The Statement said the Soviet Union and Indonesia "hold very closely a similar position on the fundamental problems of our time."

The two leaders gave special attention to the worsening of the situation in South-East Asia as a result of "interference" by imperialist Powers.

"The Soviet side re-affirmed that it backs the liberation struggle of the peoples of North Kalimantan (North Borneo). In common with the Indonesian and other peoples, the Soviet peoples are coming out against neo-colonialist plans for Malaysia and against other neo-colonialist plans on the territory of Asia and Africa."

Meanwhile, the Indonesian Air Force was strengthened on September 29 with six Soviet-made Antonov-12 transport aircraft.

Mr. V. N. Kuznetsov, the Soviet Charge d'Affaires in Djakarta, handed over the aircraft to the Indonesian Air Force Chief-of-Staff, Vice-Marshal Omar Dani, at the Husain air base near Bandung.

Marshal Omar Dani said that Indonesian Air Force had also bought MIG-21 fighters, IL-28 and TU-16 bombers and guided missiles from Russia.

Djakarta Radio said the Antonov-12 could carry 100 parachute troops and 15 tons of cargo and was equipped with a 20-millimetre cannon.

(*The Times*, London)

[Prev. ref. 5992: IND:A]

JAPAN

A. **Soviet Offer On Islands Issue:** The Soviet Union has offered to return to Japan the islands of Habomai and Shikotan as soon as USA returns Okinawa to Japan.

The offer, according to Press reports, was conveyed to a Diet delegation by the Soviet Premier, Mr. N. Khruschev, in the last week of September.

The Japanese Foreign Minister, Mr. Etsusaburo Shiina, told the House of Representatives Foreign Affairs Committee that Mr. Khruschev's statement had injected a new element into the Russo-Japanese dispute over Habomai and Shikotan and that it conflicted with the Japan-USSR Joint Declaration in 1956. The Declaration stipulated that the two islands would be returned to Japan after the conclusion of a Peace Treaty between the two countries.

In January, 1961 the Soviet Government delivered to Japan a memorandum which, in effect, said that the two islands would not be returned unless "all foreign troops" (American forces) were withdrawn and a Peace Treaty concluded. This had not been either confirmed or denied.

The major Opposition party, the Socialist Party, has agreed with the Government position, rejecting Mr. Khruschev's offer as running counter to the agreed terms for the return of the islands.

Observers in Tokyo expressed surprise at the party's reluctance to involve USA in the issue in spite of its known position on Okinawa. They pointed out that the Joint Declaration of 1956, which terminated the state of war between the two countries and which made the initial reference to the two islands, took the place of a Peace Treaty because the two parties had failed to agree on the disposition of the islands in question. That is to say, a settlement of the islands issue had to precede the signing of a Peace Treaty.

Later developments suggested that no territorial settlement would be possible so long as the Peace Treaty remained unsigned. Now the return of Okinawa seems to have replaced the Peace Treaty as a condition for the return of the islands to Japan.

According to observers, such a Soviet approach has long been anticipated. Okinawa is the biggest US base in the Far East against the Soviet Union and China.

In fact, Okinawa, where 45,000 American troops, possibly equipped with nuclear potential, are stationed, has always been the Achilles' heel in Japan-US relations.

Recently, Japanese national sentiment was aroused when US soldiers showed disrespect to the Japanese national flag even though prompt American apologies were accepted by the Japanese Government and the matter was officially closed without serious development.

The incident was, indeed, symbolic of the position of Okinawa where progressive transfer of civil administration to the local population from military control has long been an outstanding political issue between USA and Japan.

A sense of frustration at the denial of what is considered the rightful position persists in Okinawa's political and social life. It is believed to be largely because of such a political atmosphere that the major policy of the new US High Commissioner, Lt-Gen. Albert Watson II, appears to be directed towards appeasing the local population even though the basic US policy of holding the fortress "as long as the international tension continues" does not seem to be ready for revision.

The prompt offer of apologies for what could have developed into an explosive anti-American campaign not only in Okinawa but in Japan proper, observers said, should be construed as a tangible example of the American policy of appeasement.

The Soviet offer came while the flag incident had not been completely forgotten.

(*The Times of India*, Bombay)

[Prev. ref. 5910: JAP:A]

B. **Royal Wedding:** Prince Yoshi, second son of Emperor Hirohito and third in the line of succession to the throne, was married on September 29 to Miss Hanako Tsugaru, the daughter of a former Count, at a Shinto ceremony in the

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tiny Kashiko Dokoro shrine within the palace grounds.

The ceremony was televised for the nation and for the bridegroom's parents, for by tradition the Emperor does not attend functions at which he is not the principal figure. It was a brief but impressive glimpse of ancient imperial Japan, and, now that all the eligible children are married, the last for a generation. The couple have been given the family name of Hitachi by the Emperor.

The Prince, kneeling slightly ahead of his bride, wore the black sokutai robe and the stiffened suiei no kammuri headdress; the bride had a flowing lacquered wig in osuberakashi style, and the multi-coloured, many-folded kimono juuni ritoe after court dress in the Heian period. The Prince alone prayed for the protection of the gods for his future family. They became man and wife in drinking sake from a ceremonial cup proffered by a priest.

Attending the ceremony were 140 guests, led by the bridegroom's elder brother, Crown Prince Akihito, and including the Prime Minister, Mr. Hayato Ikeda, who briefly left the clinic where he was being treated for a throat ailment. In the afternoon the couple, in formal western dress, called on the Emperor to give official notification of the marriage, and afterwards drove through the city cheered by crowds.

Miss Tsugaru, who is 24, and the 28-year-old Prince were first introduced by the Imperial Household Agency in February. Although both graduated from the Gakushuin University—she in English literature and he in zoology—they had not met before. After the Emperor's approval had been given, the prospective bride was schooled in history, brush calligraphy, poetry, and other courtly subjects fitting for a princess.

(*The Japan Times*, Tokyo and *The Times*, London)

[Prev. ref. 2641:JAP:A]

B. Assistance To Asian Highway Project: Japan has decided to co-operate in the construction of the Asian Highway envisioned by the Economic Commission for Asia and the Far East (ECAFE).

As a first step in this direction, an Asian Highway Committee has been established within the Construction Ministry.

As envisaged by ECAFE, the Asian Highway will run from the Turkish border in the west to Saigon on one route and Singapore and Indonesia on the second.

Japan's decision to co-operate in the project was in response to requests from ECAFE.

(*The Times of India*, Bombay)

[Prev. ref. 5494:AOA:I]

MALAYSIA

A. Aid Co-ordinating Machinery Proposed: Britain, Australia, New Zealand and Canada have agreed to set up co-ordinating machinery to study further steps to grant financial and military aid to Malaysia.

The proposal to appoint the co-ordinating machinery was stated in Singapore on September 21 by the Finance Minister, Mr. Tan Siew Sin, on his return from the joint conference of the World Bank and the International Monetary Fund in Tokyo.

Mr. Tan said agreement to set up this machinery had been reached in Tokyo during talks with the Finance Ministers of the four Commonwealth countries, but the terms and arrangements had not been completed and further discussions would take place in Kuala Lumpur later.

While in Tokyo he also had talks with Mr. Douglas Dillon, United States Secretary of Treasury, who "agreed to carry our request for increased assistance to his Government and President".

The Prime Minister, Tengku Abdul Rehman, said on September 21 that he would welcome any Afro-Asian action to help achieve peace between Malaysia and Indonesia.

Replying to journalists' questions, he said at the airport: "I welcome any Afro-Asian action to achieve peace, but it is no use President Sukarno dragging me to talks every time he feels he wants a holiday."

The Defence Ministry in Kuala Lumpur said that several more Indonesian parachute troops—understood in other quarters to number three—had been captured in the Labis area of south-central Malaya.

A British military official in Singapore denied a claim by Antara news agency in Djakarta that Indonesian troops had in eight months killed 64 Gurkhas, shot down three British helicopters and seized a quantity of arms in Borneo. The official said that 17 Gurkhas had been killed and 42 wounded in Borneo since the Brunei revolt broke out in December, 1962.

In Djakarta, the Indonesian Deputy Minister for Air Force, Air Vice-Marshal Srimulijono Herlambang, challenged Britain to try and attack Indonesian military bases if she dared.

Australian Support:

The Australian Minister for External Affairs, Mr. Hasluck, said in the House of Representatives in Canberra on September 30 that Australia wanted to make it clear to President Sukarno of Indonesia that unprovoked aggression on the territory of Malaya must be countered, and would be countered.

He associated Mr. Calwell, Leader of the Opposition, with this view, and Mr. Calwell, across the table, did not demur.

Mr. Hasluck had refused to answer specifically a question from Mr. Calwell, who wanted to know whether the Australian Government had refused to support the suggestion of a British air strike against an Indonesian naval base earlier in the month.

Mr. Calwell had also asked how complete or incomplete was the co-ordination of policy between Britain, Australia and New Zealand when they considered the defence of Malaysia. Was Australian policy designed to avoid commitment of Australian forces for as long as possible "because of the defencelessness of Australia"?

Mr. Hasluck said that the commitment of Australian forces to the defence of Malaysia was clear and precise in the terms explained by the Prime Minister. Sir Robert Menzies, Premier of Australia had therefore been in continuous consultation with the British Government. It would not, however, be in the interest of Australia or any of her allies "if I were to make a breach of confidence and expose any of the course of that consultation, but it has been close, constant and effective and has served Australia's interests".

On October 6, the Australian Department of External Affairs said that Indonesia had refused military flights over her territory by Australian and New Zealand aircraft.

The Department said the refusal came about two weeks earlier and satisfactory alternative routes were made available for Australian aircraft.

The Indonesian Embassy in Canberra, however, denied any ban on flights.

(*The Times*, London and *The Straits Times*, Singapore)

[Prev. ref. 6072:MAL:B]

B. Use Of English: The Chief Minister of Sabah, Mr. Donald Stephens, said in the Legislative Assembly in Jesselton on September 21 that English could be used in the Assembly for 10 years from Malaysia Day and thereafter until the State Legislature provided otherwise.

A member had asked Mr. Stephens when the national language, Malay, would be used in the Assembly.

[It was officially announced in May that Malay would become the official language on the Malay peninsula in 1967. Singapore and other Malaysian territories do not have to decide until 1973.]

(*The Times*, London)

NEPAL

A. Irrigation Project On Sunkosi River—Survey Agreement With UN: The UN Special Fund and the Nepal Government entered into an Agreement in Khatmandu on October 12 providing for a preliminary survey of the Sunkosi River in eastern Nepal Terai to ascertain the technical feasibility of launching a power and irrigation project.

The Special Fund will, according to the Agreement, provide $120,000 of the $165,000 required for the survey. Nepal will give $18,000 in cash and equipment of $27,000 in kind.

The survey will be completed within a year by Special Fund technicians.

The Sunkosi project envisages the construction of a 40-mile-long canal and generation of power that could be utilized in neighbouring north Bihar.

The Agreement was signed by Mr. John Kesselstatt, Resident Representative of the Technical Assistance Board and Director of the Special Fund Programme and Mr. Bekh Bahadur Thapa, Secretary to the Nepal Government.

(*The Times of India*, New Delhi)

[Prev. ref. 5225:NEP:B]

B. Moscow Test Ban Treaty Ratified: *Nepal Radio* broadcast on October 8 that King Mahendra had ratified the Moscow nuclear test ban Treaty.

Nepalese Ambassadors to USA, the Soviet Union and the UK had signed the Treaty early this year. The Instruments of Ratification were deposited in Washington, Moscow and London in September.

(*The Times of India*, New Delhi)

[Prev. ref. 5486:AOA:A]

C. Indian Gift Of X-ray Plant: A Rs. 30,000 x-ray plant was presented on October 5 to the ex-servicemen's hospital at Pokhara in central Nepal by Maj-Gen. Budh Singh, chief of the Indian military liaison group in Nepal.

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The plant, a gift from the Chief of the Indian Army Staff, Gen. J. N. Chaudhuri, and all ranks of the Indian Army, was received on behalf of the hospital by Mr. Giri Prasad Budhathoki, Nepal's Assistant Minister for Health.

The 50-bed hospital was set up with Indian assistance by the Ex-Servicemen Board for the benefit of retired Gurkha soldiers and their families who have settled down in the area.

Speaking on the occasion, Mr. Budhathoki thanked the Indian Government for the gift which was promised for the hospital during Gen. Chaudhuri's visit to Nepal in 1963.

(*The Hindustan Times*, New Delhi)

PAKISTAN

A. Ban On Export Trade With South Africa: On October 7, Pakistan banned all export trade with South Africa.

The decision was taken by the Central Cabinet, presided over by President Ayub Khan.

The official announcement said the decision to ban exports to South Africa had been taken in pursuance of the UN resolution passed by the General Assembly in 1962 calling upon the member-States to break off diplomatic relations with the South African Republic, close their ports to all vessels flying South African flags, prohibit entry of their ships into South African ports, refrain from exporting goods including arms and ammunition to South Africa, boycott all South African goods and refuse landing and passage facilities to South African aircraft.

(*Dawn*, Karachi)

[Prev. ref. 5574:AOA:A, 5671:AOA:A]

SYRIA

A. New Cabinet: Lt-Gen. Amin Al-Hafez has formed a 22-man coalition Cabinet to replace the five-month-old Government of Mr. Salah Eddin Bitar, which resigned on October 3.

The new Cabinet is the fifth since the Baath Socialist Party came to power after the March 8, 1963 revolution.

It includes eight Ministers of the outgoing Government and 12 "political unknowns" who hold ministerial posts for the first time. It also comprises Baathist and independent unionists.

The decree accepting the resignation of the former Cabinet gave no reason for the change.

Under another decree, Maj-Gen. Salahal-Jadid, Army Chief of Staff, and Dr. Youssef Zeayen, Ambassador-designate to London and former Agrarian Reform Minister, have been appointed to the Presidency Council. They succeed Mr. Bitar and Mr. Mansour Al-Atrash, who have resigned.

Reports said the reason behind the surprise Government crisis appeared to be the discord between military leaders and the Baath Party over the attitude of the Syrian delegation in their talks with President Nasser of UAR.

President Nasser had made it clear that he regarded such a Syrian move as prerequisite for a normalization of Cairo-Damascus relations.

(*The Times of India*, Bombay)

[Prev. ref. 5571:SYR:A]

TURKEY

A. Plan For Euphrates Dam—Ankara Discussions On Foreign Aid: Representatives of seven countries, the International Bank and the European Investment Bank met in Ankara on September 28 for talks to consider the international financing of the Keban Dam on the Euphrates.

The proposed Dam will be situated at Keban, 30 miles north-west of the town of Elazig, in east Turkey, at the point of confluence of the eastern and western branches of the River Euphrates.

It will be 670 feet high from the rock foundation, will create a lake about 70 miles long and its estimated cost will be at least £125 million. Its purpose is twofold—to meet the increasing power needs in north and north-west Turkey, and to lay the power basis for the creation of heavy industry in east Turkey.

It is hoped that the project, which figures in the Turkish Five-Year Plan, will be one of the most important elements in rectifying the economic unbalance between the advanced western regions and the still under-developed east and south-east.

The Ankara talks were preliminary as none of the countries taking part in the "Keban Consortium" had yet committed itself to financial assistance. The representatives were from the United States, Britain, West Germany, France, Austria, Switzerland and Italy. Britain had three observers but did not send a full delegation as the British Government did not intend to take part in the financing of the project at present.

Technical feasibility studies had been carried out by an American firm and were understood to be positive, but there was believed to be reserve on the part of America and some other countries of the Consortium on whether the Dam should be given so high a priority in the Turkish Five-Year Plan. They were also said to feel that the question of the riparian rights of other countries, such as Syria and Iraq, should be settled before so large a scheme was embarked on.

A Turkish planning official said that if sufficient foreign aid was not forthcoming Turkey would try to finance the project from her own resources. Technical discussions took place this Summer in Ankara between Turkish, Syrian and Iraq delegations; Syria was particularly concerned because she cannot get on with her own construction of a dam at Tabqa, which West Germany is helping to finance, until details of the Keban project are fully known.

The Turks were understood to have assured both Syria and Iraq that the construction of the Keban Dam would not adversely affect the flow of the Euphrates in either country. Further meetings would be held between Turkey, Iraq and Syria to apportion the Euphrates waters.

(*The Times*, London)

[Prev. ref. 5683:TUR:A]

VIET-NAM (RVN)

A. Opening Of National Council: The National Council which is supposed to lead the country back to civilian rule was formally opened in Saigon on September 26 by the Chief of State, Gen. Duong Van Minh.

The 17-member Council, composed of civilians only, is charged with drawing up a provisional Constitution and naming a National Convention which will draft a permanent national charter and act as a legislative body during the interim period.

The Council represents religious and political groups but has no one directly representing peasants or labour.

Gen. Minh told the group: "The provisional leadership committee as well as the entire people place all their hopes in the High National Council.

"...The political situation in Viet-Nam has been in a constant state of turmoil and recent events bear witness that if we let this situation drag on, our beloved homeland will be annihilated."

Later, the Council elected Mr. Phan Khac Suu as Chairman of the Council. Other officials elected were: Dr. Nguyen Xuan Chu, Vice-Chairman; Mr. Tran Van Van, Secretary-General; and Mr. Nguyen Van Luc, Deputy Secretary-General.

End Of Armed Revolt In Central Highlands:

On September 28, the Prime Minister, Major-General Nguyen Khanh, attended a flag-raising ceremony marking what may be the end of an armed uprising by tribesmen in the central highlands.

The South Viet-Nam flag flew again over Bom Sar Pa jungle training camp, where mercenary troops of the Rhade tribe eight days earlier had killed their Viet-Namese instructors and revolted. A Government spokesman said that "the rebellion is considered finished."

The revolt was the outcome of traditional resentment of Viet-Namese authority by the mountain tribes—of which the Rhades are the most advanced.

The Government spokesman said that some of the demands of the tribesmen had already been agreed to, but complete autonomy over an area comprising three or four provinces could not be granted.

In Saigon the same day (September 28), nearly 200 students, mainly Roman Catholics, declared that they would demand that the Government purge political elements among teachers and students. Three people were killed and 16 wounded in clashes between demonstrators and security forces near the city of Qui Nhon on September 26.

Major-Gen. Khanh said in Saigon on September 29 it was likely that he would hand over the Premiership to a civilian before 28.

(*The Times of India*, Bombay and *The Times*, London)

[Prev. ref. 6083:RVN:A]

ASIA OUTSIDE ASIA

A. WHO Drive Against Small-pox In South-East Asia: The World Health Organization's (WHO) Regional Office in New Delhi in a Press release late in September gave details of a drive to eradicate small-pox in South-East Asia.

The release said that "the main reservoirs of small-pox in the world today are found in Asia. Effective means of protecting people against small-pox have been known since the end of the 18th century and yet this painful, disfiguring and often fatal disease still takes a toll of thousands of deaths."

In 1963 there were about 93,000 cases and 24,500 deaths reported throughout the world. Of these, 75,500 cases and 23,000 deaths were in Asia. India reported the majority—60,900 cases and 19,500 deaths.

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Nevertheless, progress had been made. During the last 10 years the reported number of cases in the world had dropped from about 500,000 to less than 100,000, and since in 1958 the World Health Assembly resolved that a concentrated effort should be made to achieve global eradication of small-pox, countries such as Argentina, Bolivia, Cambodia, Ceylon and Thailand had succeeded in controlling the disease.

Australia, Canada, the whole of Europe, New Zealand, the United States of America and some countries in South America became free from the disease in the first half of the present century, and in many other countries it was extremely rare. This did not mean, however, that these countries were altogether free from danger. Recent outbreaks in Europe, totalling 124 cases and 11 deaths between January 1, 1963 and April 24, 1964, had shown that no country was safe until worldwide eradication had been achieved.

Progress in small-pox eradication in other South-East Asian countries has recently been reported to WHO as follows:

Afghanistan: The WHO-assisted small-pox control pilot project started at the end of 1962 in Kabul has been successfully completed, and the Government has started a nation-wide eradication drive. A WHO medical officer has been assigned to the project, and freeze-dried vaccine is provided by the Organization.

Burma: A national long-term eradication programme was launched early this year. Freeze-dried vaccine is being supplied by the Soviet Union and WHO, and WHO and UNICEF are assisting the Government in starting the production of freeze-dried vaccine.

Ceylon: Small-pox has been eradicated, and immunization is being maintained by the general health services.

Indonesia: Emergency vaccination programmes are undertaken to control outbreaks of small-pox. A WHO consultant has recommended additional equipment for an expanded production of freeze-dried vaccine in the country.

Mongolia: Small-pox is not endemic.

Nepal: A small-pox control pilot project has been started, and vaccination activities in the Valley of Khatmandu were intensified with health education to overcome prejudices against vaccination. A WHO small-pox control officer is assigned to the project, and freeze-dried vaccine has been supplied by the Organization.

Thailand: The country-wide vaccination campaign is being maintained. No cases of small-pox were reported in 1963. The production of freeze-dried vaccine with WHO and UNICEF assistance continues.

(*WHO*, New Delhi)

[Prev. ref. 5095:AOA:E]

B. **World Tourism During 1963:** Sir William Hildred, Director-General of the International Air Transport Association (IATA), told the annual Conference of the Association in Bogota (Colombia) on September 14 that 1963 had been a dynamic year for world tourism.

He said: "International tourism poured an impressive $8,255 million into the stream of world trade in 1963—9.5 per cent more than the $7,516 million spent in 1962."

He said 1964 was expected to be even more prosperous from the tourist industry, and expenditure should reach $9,000 million.

The report said that in 1963 the total traffic on regular services of member-companies increased by 12.2 per cent compared with the previous year to reach a total of 16,900 million kilometres flown. The member-companies carried 135 million passengers; that was 13 million (or 11.6 per cent) more than in 1962.

This passenger traffic represented 147,000 million passenger kilometres, an increase of 13.1 per cent.

The amount of cargo carried was also higher, at 2,280 ton kilometres. Air mail carried amounted to 860 million ton kilometres, an increase of 7.5 per cent.

The proportion of seats filled on each flight was 53.6 per cent—0.2 per cent more than in 1962.

International flights continued to increase at a much greater rate than domestic flights. The increase on the North Atlantic routes was 9.6 per cent for scheduled flights and 31 per cent for charter flights.

On the financial side, operations revenue for 1962 (the last year for which complete figures were available) was $6,750 million and expenditure $6,473 million, showing a profit of $17 million as opposed to a loss of $118 million in 1961, a particularly bad year.

These figures concerned the exploitation of the lines only and did not represent net figures. The net figures showed losses of $27 million, to which should be added various subsidies amounting to $168 million, representing a total net deficit of $195 million.

Preliminary figures available for 1963 showed an improvement in the situation with an estimated operating profit of $165 million for the airlines.

As far as aircraft were concerned, the report showed that international airlines continued to increase the numbers of their jet aircraft while reducing the number of planes with other types of engines. This had the effect of slightly lowering the total number of aircraft in use.

At the end of 1963, the overall number of aircraft operated by IATA members was 3,075, of which 789 were jets, 614 turbo-prop aircraft, 1,643 piston-engined aircraft and 29 helicopters, an overall reduction of 3 per cent.

In closing, the report noted that the age of the supersonic aircraft was not far off (the Anglo-French Concord and an equivalent American aircraft being in the construction stage).

The report suggested that the airlines should study the question of operating these aircraft both from a technical and an economic point of view since the aircraft could be expected to go into service towards 1971, or 1972.

(*The Statesman*, Calcutta)

[Prev. ref. 3281:AOA:A]

C. **Commission's Report On Kennedy's Assassination:** The Warren Commission's report on the assassination of President J. F. Kennedy was released on September 28. It found that Lee Harvey Oswald, acting alone and not as "part of any conspiracy, domestic or foreign", assassinated President Kennedy on November 22, 1963.

Looking into Oswald's motives, the Commission could make no definite determination, but noted various factors, such as his resentment of all authority, his urge to find a place in history, his capacity for violence, and his expressed antagonism to the United States.

The Commission, headed by Mr. Earl Warren, Chief Justice of the United States, also found that Oswald had murdered the Dallas policeman, J. D. Tippit, when the latter approached him 45 minutes after the shooting of Mr. Kennedy.

In a further "reasoned judgment", the Commission found that Jack Ruby "acted independently" when he shot and killed Oswald, whom he did not know, in the Dallas police station two days after the President's death.

The Commission made its report to President Lyndon Johnson on September 25, and the White House released the voluminous study in the early hours of September 28.

The report was sharply critical of laxness on the part of the Federal Bureau of Investigation, the Secret Service and the Dallas police, and called for improvements in measures to protect American Presidents.

The Commission's investigation was as thorough, painstaking and objective as any in history. More than 25,000 persons were interviewed, and nearly 4,000 special reports covering tens of thousands of pages were studied.

In the end, the Commission found that Oswald had not known either Ruby or Tippit and that those two had not known each other.

The following are the 12 conclusions listed by the Commission in its report:

(1) The shots which killed President Kennedy and wounded Texas Governor John B. Connally were fired from the sixth floor window at the south-east corner of the Texas School Book Depository Building.

(2) The weight of the evidence indicated that there were three shots fired. One of the three missed, but the Commission was not sure which one this was.

(3) There was "very persuasive evidence" from the experts to indicate that the same bullet which pierced the President's neck also caused Governor Connally's wounds. This was the first of two bullets to strike the President.

(4) The shots which killed President Kennedy and wounded Governor Connally were fired by Lee Harvey Oswald.

(5) Oswald killed Dallas police patrolman J. D. Tippit approximately 45 minutes after the assassination.

(6) Within 80 minutes after the assassination and 35 minutes of the Tippit killing, Oswald resisted arrest at a Dallas theatre by attempting to shoot another Dallas police officer.

(7) Oswald was not subjected to physical coercion by police, although force was required to effect his arrest. He was subjected to "harassment" by the "uninhibited access" which newsmen were permitted to the area through which he had to pass when being moved from his cell to other portions of the building. The numerous statements, "sometimes erroneous," by police after his arrest would have presented "serious obstacles" to the obtaining of a fair trial for Oswald.

(8) Jack Ruby killed Lee Harvey Oswald. There was no evidence that he was assisted by any law enforcement officer. Dallas police were at fault in trying to transfer Oswald to the county jail "in full public view."

(9) The Commission found no evidence that either Lee Harvey Oswald or Jack Ruby was part of any conspiracy, domestic or foreign, to assassinate President Kennedy. Furthermore, the Commission "found no evidence to show that Oswald was employed, persuaded, or encouraged by any foreign Government."

(10) In its entire investigation the Commission found no evidence of conspiracy, subversion, or disloyalty to the US Government by any Federal, state or local official.

(11) Oswald acted alone. As for his motives, the report offered definite determination, but noted various factors, such as his resentment of all authority, his urge to find a place in history, his capacity for violence, and his expressed antagonism to the United States.

(12) Improvements were needed in measures to protect the President.

The Commission was appointed in November 29, 1963 by President L. B. Johnson to seek out and report the facts "on the

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assassination of President Kennedy and the slaying of Lee Oswald and report them "to the American people, and to the world."

When the Commission made its report to President Johnson, he noted that the panel had been guided by a "determination to find and to tell the whole truth of these terrible events." "This is our obligation, to the good name of the United States of America and to all men everywhere who respect our nation—and above all to the memory of President Kennedy."

In a summary section of the massive report, the Commission said its conclusions were based on all the available evidence with no limitations placed on the inquiry.

Seven distinguished Americans constituted the Commission, which was headed by Chief Justice Earl Warren.

The other members of the Commission were: four members of Congress from both major political parties—Senators Richard Russel and John Sherman Cooper, and Representatives Geral Ford and Hale Boggs—and Mr. Allen W. Dulles, former Director of Central Intelligence Agency, and Mr. John J. McCloy, financier, Government official and diplomat, who was US Ambassador in West Germany.

(*USIS*, New Delhi and *The New York Times*)

[Prev. ref. 5600:AOA:A, 5828:AOA:F]

D. 13th Pugwash Conference: The President of the Czechoslovak Academy of Sciences, Academician F. Sorm, opened on September 13 the 13th Pugwash Conference in Karlovy Vary.

The Conference ended on September 19.

The scientists and scholars taking part in the Conference proposed a Non-aggression Pact between NATO and the Warsaw Pact countries as well as a "nuclear freeze" in Europe.

The proposals, described as "desirable to avoid nuclear proliferation," were published by a committee of the Pugwash Conference:

The proposals included:

Germany: Nations concerned with the German problem "should promptly recognize and guarantee the existing frontiers of Germany."

NATO: The idea of a multilateral force should be abandoned, a nuclear freeze in Europe "deserves urgent consideration" and a non-aggression treaty between NATO and Warsaw Pact countries "would be most valuable."

The programme was based on discussions among the 86 countries and scholars from 19 countries attending the Conference.

(*The Times*, London and *The Hindu*, Madras)

[Prev. ref. 5665:INI:B]

E. UN Committee On Trade Set Up: The UN Secretary-General, U Thant, announced on September 22 the names of 12 members of a Special Committee set up by the recent UN Conference on Trade and Development (see page 5954.)

The Committee will try to set up conciliation machinery for problems arising from the Conference.

The aim of new arrangements will be to promote international trade and, in particular, the rate of economic growth in developing countries.

The Committee members are: Mr. D. S. Joshi (India); Syed Amjad Ali (Pakistan); Mr. Gabriel d'Arboussier (Senegal); Mr. A. P. Fleming (Australia); Mr. Placido Garcia Reynoso (Mexico); Mr. Richard N. Gardner (USA); Mr. J. Lacarte Muro (Uruguay); Mr. Manfred Iachs (Poland); Mr. V. V. Mordvinov (USSR); Sir Keith Unwin (U.K.), and Mr. Maurice Viaud (France).

Terms Of Reference:

A UN Press release on October 9 noted the terms of reference of the Special Committee.

They are:

"(a) The task of the Committee shall be to prepare proposals for procedures within the continuing machinery designed to establish a process of conciliation to take place before voting and to provide an adequate basis for the adoption of recommendations with regard to proposals of a specific nature for action substantially affecting the economic or financial interests of particular countries;

"(b) Such conciliation may be carried out through a system of conciliation committees, the good offices of the Secretary-General of the Conference, or any other means within the frame-work of United Nations;

"(c) In devising the procedures referred to above, the Committee shall take into consideration that the interested States may wish to place on record and to publicize their views. It shall also take into account the desirability of issuing reports at appropriate times which would state the areas of agreement and disagreement and the explanation of positions as regards, in particular, the implementation of proposed recommendations;

"(d) The Committee should also consider the desirability of applying appropriate procedures to proposals involving changes in the fundamental provisions of this resolution; and

"(e) Any Government participating in this Conference may submit to the Special Committee such proposals and recommendations as it considers relevant to subsection (a) above provided they do not imply any amendment to the Charter of United Nations or any departure from the principle that each country has one vote. The Special Committee shall include a study of such proposals and recommendations in its report to the General Assembly."

In accordance with the recommendations of the UN Conference on Trade and Development, the members of the Committee are representatives of the main interests and trends of opinion involved in the matter, and have been selected by U Thant on an equitable geographical basis, after consultation with their respective Governments.

The Committee began its work at UN Headquarters from September 28 to October 23.

The over-all purpose of the new institutional arrangements is to promote international trade, especially with a view to accelerating the economic growth of developing countries. Another goal is the co-ordination of the activities of other institutions within the UN systems in the field of international trade and related problems of economic development.

(*UN Newsletter*)

[Prev. ref. 5954:AOA:A]

F. Richest Nations In The World: The two richest nations in the world in 1962 in proportion to their population were Kuwait and Qatar, in the Middle Eastern oil belt, according to an article on September 2 in The *Financial Times*. The two countries also held the leading positions in 1953.

The paper assessed the relative economic standing of the 15 nations mentioned in the article by calculating the gross national product per head in dollars for each country.

It admitted this was crude as so many important factors were omitted, but it said it provided a rough guide.

The third and fourth in the table were USA and Canada, occupying the same position as they did in 1953, but Sweden rose from eighth place to fifth while Switzerland dropped from fifth to sixth.

Australia rose one place, from ninth to eighth. New Zealand dropped from sixth to ninth.

West Germany at the bottom of the table in 1953, occupied 11th place in 1962 while Britain dropped from 10th place to 13th.

The Soviet Union was placed just outside the first 15 with Venezuela following, then Czechoslovakia, East Germany, Poland, Hungary, Rumania and Bulgaria.

(*The Times*, London)

SPORT

A. Asian Table Tennis Championship: Japanese table tennis players won all the 11 titles at the seventh Asian Table Tennis Championship which ended in Seoul on October 4.

Ninety-eight players from Formosa, India, South Korea, Japan, the Philippines, Singapore, Thailand and South Viet-Nam participated in the seven-day tournament.

The South Koreans put up the best display against the Japanese, reaching the final in the four team events and in the boys and girls individual events.

Formosa's participation in the Championship caused some complications, but the Table Tennis Federation of Asia decided at a Congress held during the Championship that further complications would be averted by supporting Formosa's application for membership to the International Table Tennis Federation.

Mr. T. D. Ranga Ramanujam, the newly elected President of the TTFA said he was satisfied with the running of this year's Championships.

The following are the results:

Men's singles: Kohji Kimura beat Ken Konaka 21-18, 13-21, 21-15, 21-18.

Men's doubles: Kohji Kimura and Ken Konaka beat Hiroshi Takahashi and Hiroaki Hashi 23-21, 21-11, 21-15.

Women's singles: Miss Masako Seki beat Miss Sunao Isomura 21-11, 21-18, 22-20.

Women's doubles: Miss Masako Seki and Miss Naoko Fukazu beat Miss Mosako Ohta, and Miss Sunao Isomura 21-9, 21-16, 20-22, 16-21, 21-7.

(*The Hindu*, Madras)

[Prev. ref. 5470:SPO:A]

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CAMBODIA

A. Diplomatic Ties With Portugal And South Africa Severed: The Head of State, Prince Norodom Sihanouk, announced in Pnom Penh on October 13 that Cambodia had decided to break off diplomatic relations with Portugal and South Africa.

He said the decision was made as a gesture of solidarity with the African countries of the Cairo Non-aligned Conference whose final resolution he termed as "a precious contribution to the cause of justice and liberation of peoples".

He was in Peking during the Cairo Conference and returned to Pnom Penh after talks in Peking both with Chinese leaders and the North Viet-Nam Premier, Mr. Pham Van Dong.

He said China and "some of the divided countries" should be admitted to United Nations. China's admission was a logical step and "it would be dangerous to deny this much longer". Admission to UN of divided States (meaning Korea and Viet-Nam) would be not to sanction their division but to give equal chances to both northern and southern parts of these countries being heard.

He was happy with the talks he had with the North Viet-Nam leader, who he said had assured him that "Viet-Nam of tomorrow would never again touch Cambodia." The Prince added that "if China is given better treatment she will prove more conciliatory".

(*The Hindu*, Madras)

CEYLON

A. Final Report Of Press Commission: The Press Commission, in its final report made public on October 13, said that it regarded the setting up of an independent Press Council as a pre-requisite for a take-over of the Lake House group of newspapers, the largest in the country. [For background see pages 6015 and 6087].

It said that the Press Council should "be completely immune from any political or other pressure". It added: "The scheme we devised for the break-up of the monopoly was necessarily dependent on the existence of a Press Council", as recommended in the Commission's interim report in June.

"In the absence of such a Press Council we certainly would not have envisaged the formation of a public corporation to take over the Lake House Press", the Commission said. "The monopolistic ownership of the Lake House group of newspapers must, however, be terminated in any event."

If a Press Council were not set up—"we would definitely refrain from recommending the take-over of the Lake House group of newspapers, but instead would recommend that ownership be diffused in the hands of a public company as set out in the interim report".

It said it was the duty of a Press Council to see that all political parties were treated equally without fear or favour by newspapers. "From evidence placed before us we are satisfied that existing newspapers did not hesitate to fabricate, suppress, slant or distort news and views whenever it suited them. They have been further guilty of anti-Buddhist and anti-national activities which have been far more serious than the earlier mentioned lapses on their part."

It alleged that English language newspapers in Ceylon were less patriotic than their counterparts in India in their attitude to the problem of the people of Indian origin in Ceylon. The Indian Press had consistently advocated the cause of the Indians resident in Ceylon. "It would appear that the Ceylon High Commission in New Delhi finds it difficult to get Ceylon's point of view published in the leading Indian newspapers. They are too patriotic to give publicity to views which are not in consonance with those of their own Government.

"However, the English language newspapers of Ceylon do not evince the same interest in matters affecting this country in regard to the vexed question of citizenship.

"Senior officials of the External Affairs Ministry gave evidence before the Commission. It is, therefore, significant that the Commission has taken the trouble to give what is the Government's stand on the Indo-Ceylon issue."

The Commission observed that the Press in Ceylon "almost as a whole" had not conformed to the general principles of journalism followed in democratic countries.

It said: "The Indo-Ceylon citizenship question is one of utmost importance to this country. It affects 800,000 to 1,000,000 Indians who are descendants of Indian immigrants, most of whom were brought to the Island by the British planters to open up vast areas and grow tea and rubber.

"Nearly 150,000 of this class have obtained citizenship rights but as many as 800,000 more are aliens.

"According to the Ceylon point of view they are Indian citizens although the Indian Government attempts to make out that they are Stateless persons and the responsibility in respect of them lies on Ceylon."

The Commission went on to say that "this Island is comparatively a small one and it is one of the most densely populated areas in the world. That being so the question of granting citizenship to 800,000 or more Indians is going to affect not only the present-day nationals of this country but also the future generations of such nationals.

"Recently, the Indian Government, it would appear, agreed to take over considerable numbers of Indian citizens who had migrated to Burma and African countries which have obtained independence during the past few years."

The report said the people of this country were of the view that India should adopt the same liberal policy in regard to her people resident in Ceylon.

Bill Introduced:

The take-over by a State-owned corporation of the leading newspaper group in Ceylon (Associated Newspapers of Ceylon Limited), publishing five dailies and some other journals, is envisaged in a Bill presented in the House of Representatives on October 15.

The Bill also provides for the vesting in the corporation of the shares held by the company in the only news agency in Ceylon, Press Trust of Ceylon (PTC), which distributes Reuter and PTI news in the Island. The company holds a majority of shares in PTC.

The Bill will come up for its second reading in the House some time in November after the return of the Prime Minister, Mrs S. Bandaranaike, from abroad.

The Bill was presented in the House by the Parliamentary Secretary to the Minister of Justice, Mr. Daya Pasqual, amidst applause from the Government benches.

The Rs. 10-million corporation, which will be known as Newspaper Corporation of Ceylon, will have a five-member board of directors to be appointed by the Minister of Justice, including representatives of working journalists and workers.

The Bill, consisting of 78 clauses, provides for the payment of compensation in respect of property vested in the Corporation which will be determined by a compensation tribunal. The mode and manner of payment of compensation is to be determined by the Minister in consultation with the Minister of Finance.

The journals that will be taken over by the Corporation are: **Ceylon Daily News**, **Ceylon Observer** (daily and Sunday editions), **Ceylon News** (a weekly digest of news), **Dinamina** (Sinhalese daily), **Ferguson's Ceylon Directory**, **Janata** (Sinhalese daily), **Lanka Jana Potha** (Sinhalese version of the Directory), **Mihira** (children's paper), **Nava Yugaya** (monthly magazine), **Sarasaviya** (weekly), **Silumia** (Sunday edition of **Dinamina**) and **Thinakaran** (Tamil daily).

The Bill was brought forward following the failure of the Government to get the Press Council Bill passed expeditiously by Parliament.

A draft of the Bill was sent to Mrs. Bandaranaike, in Cairo for her approval. The Cabinet approved the Bill on October 14.

CPU Criticism:

In London, the Commonwealth Press Union (CPU) said that it was making "every effort" to dissuade the Ceylonese Government from nationalizing the largest newspaper group in the country.

Brig. Lionel Cross, CPU Secretary, told newsmen: "We feel very strongly about it. The CPU Chairman, Mr. Gavin Astor, is seeking an interview with Mrs. Sirimavo Bandaranaike, Ceylonese Prime Minister, who is now in London."

Brig. Lionel Cross, CPU Secretary, told Government "had been trying to impose repressive Press laws" for the last three years. The CPU had been fighting for the freedom of the Press in Ceylon and apparently the protests by newspapers had to a certain extent influenced the Government. "We are asking our member-newspapers all over the Commonwealth to comment in their editorials about the Ceylonese Government's sanctions".

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[The Press Union is a consultative organization of news media throughout the Commonwealth.]

(*The Hindu*, Madras and *The Statesman*, New Delhi)

[Prev. ref. 6087:CEY:A]

CHINA

A. Atomic Bomb Exploded: China exploded on October 16 her first atomic bomb, thus becoming the world's fifth nuclear Power, the others being USA, USSR, UK and France.

A statement on the explosion did not disclose details of the size or type of the bomb, but said the atomic bomb was still a "paper tiger."

The following is the text of the official statement on the explosion quoted by the New China news agency:

"China exploded an atom bomb at 1500 hours on October 16, 1964, and thereby conducted successfully its first nuclear test. This is a major achievement of the Chinese people in their struggle to increase their national defence capability and oppose the United States imperialist policy of nuclear blackmail and nuclear threats.

"To defend oneself is the inalienable right of every sovereign State, and to safeguard world peace is the common task of all peace-loving countries. China cannot remain idle and do nothing in the face of the ever-increasing nuclear threat posed by the United States. China is forced to conduct nuclear tests and develop nuclear weapons.

"The Chinese Government has consistently advocated the complete prohibition and thorough destruction of nuclear weapons. Should this have been realized, China need not develop the nuclear weapon. But this position of ours has met with stubborn resistance from the United States imperialists.

"The Chinese Government pointed out long ago that the Treaty on the partial halting of nuclear tests, signed by the United States, Britain, and the Soviet Union in Moscow in July, 1963, was a big fraud to fool the people of the world, that it tried to consolidate the nuclear monopoly held by the three nuclear Powers and tie up the hands and feet of all peace-loving countries, and that it not only did not decrease but had increased the nuclear threat of United States imperialism against the people of China and of the whole world.

"The United States Government declared undisguisedly even then that the conclusion of such a Treaty did not at all mean that the United States would not conduct underground tests, or would not use, manufacture, stockpile, export or proliferate nuclear weapons. The facts of the past year and more fully prove this point.

"During the past year and more the United States has not stopped manufacturing various nuclear weapons on the basis of the nuclear tests which it had already conducted. Furthermore, seeking for ever greater perfection, the United States has, during this same period, conducted several dozen underground nuclear tests, thereby more perfecting the nuclear weapons it manufactures.

"In stationing nuclear submarines in Japan the United States is posing a direct threat to the Japanese people, the Chinese people, and the peoples of all other Asian countries. The United States is now putting nuclear weapons into the hands of the West German revanchists through the so-called multilateral nuclear force and thereby threatening the security of the German Democratic Republic (East Germany) and the other East European socialist countries.

"United States submarines carrying Polaris missiles with nuclear warheads are prowling the Formosa Straits, the Tonkin Gulf, the Mediterranean Sea, the Pacific Ocean, the Indian Ocean, and the Atlantic Ocean, threatening everywhere peace-loving countries and all peoples who are fighting against imperialism, colonialism and neo-colonialism.

"Under such circumstances how can it be considered that the United States nuclear blackmail and nuclear threat against the people of the world no longer exist just because of the false impression created by the temporary halting of atmospheric tests by the United States?

"The atom bomb is a paper tiger. This famous saying by Chairman Mao Tse-tung is known to all. This was our view in the past and this is still our view at present. China is developing nuclear weapons not because we believe in the omnipotence of nuclear weapons and that China plans to use nuclear weapons. The truth is exactly to the contrary.

"In developing nuclear weapons China's aim is to break the nuclear monopoly of the nuclear Powers and to eliminate nuclear weapons. The Chinese Government is loyal to Marxism-Leninism and proletarian internationalism. We believe in the people. It is the people who decide the outcome of a war and not any weapon.

"The destiny of China is decided by the Chinese people, and the destiny of the world by the peoples of the world and not by the nuclear weapon. The development of nuclear weapons by China is for defence and for protecting the Chinese people from the danger of the United States launching a nuclear war.

"The Chinese Government hereby solemnly declares that China will never at any time and under any circumstances be the first to use nuclear weapons.

"The Chinese people firmly support the struggles for liberation waged by all oppressed nations and people of the world. We are convinced that by relying on their own struggles and also through mutual aid the peoples of the world will certainly win victory.

"The mastering of the nuclear weapons by China is a great encouragement to the revolutionary peoples of the world in their struggles and a great contribution to the cause of defending world peace. On the question of nuclear weapons, China will neither commit the error of adventurism nor the error of capitulationism. The Chinese people can be trusted.

"The Chinese Government fully understands the good wishes of peace-loving countries and people for the halting of all nuclear tests. But more and more countries are coming to realize that the more the United States imperialists and their partners hold on to their nuclear monopoly the more is there danger of a nuclear war breaking out. They have it and you do not, and so they are very haughty.

"But once those who oppose them also have it, they would no longer be so haughty, their policy of nuclear blackmail and nuclear threat would no longer be so effective, and the possibility for a complete prohibition and thorough destruction of nuclear weapons would increase.

"We sincerely hope that a nuclear war would never occur. We are convinced that so long as all peace-loving countries and people of the world make common efforts and persist in the struggle, a nuclear war can be prevented.

"The Chinese Government hereby formally proposes to the Governments of the world that a 'summit' conference of all the countries of the world be convened to discuss the question of the complete prohibition and thorough destruction of nuclear weapons, and that, as a first step, the summit conference should reach an agreement to the effect that the nuclear Powers and those countries which will soon become nuclear Powers, undertake not to use nuclear weapons, neither to use them against non-nuclear countries and nuclear-free zones nor against each other.

"If those countries in possession of huge quantities of nuclear weapons are not even willing to undertake not to use them, how can those countries not yet in possession of them be expected to believe in their sincerity for peace and not to adopt possible and necessary defensive measures?

"The Chinese Government will, as always, exert every effort to promote the realization of the noble aim of the complete prohibition and thorough destruction of nuclear weapons through international consultations. Before the advent of such a day, the Chinese Government and people will firmly and unswervingly march along their own road of strengthening their national defences, defending their Motherland and safeguarding world peace.

"We are convinced that nuclear weapons, which are after all created by man, certainly will be eliminated by man."

Western View:

According to experts in the West, China's first nuclear device would be technically primitive.

It was no doubt detonated, as were the first devices tested by the United States, Britain and France, at the top of a mast. It is not therefore certain that a version engineered for delivery from a bomber or rocket missile has yet been produced.

According, however, to a recent article in **The China Quarterly** by Mrs. Alice Langley Hsieh, the chief American expert on Chinese defence matters, Russia had before 1959 "shipped numerous rockets to China" and there were other reports that Moscow "had supplied Peking with short-range missiles" and "that the Chinese are testing missiles over ranges of five to seven hundred miles".

Expert opinion in the West was that it would take six months to proceed from a tower test to aircraft delivery, and probably somewhat longer for rocket delivery. Irrespective of means of delivery, it can be assumed that, as in the early stages of French development, supplies of plutonium for the production of atomic devices would be available at first only on a one-at-a-time basis.

Expansion of plutonium production would be a longer job, involving the construction of more nuclear reactors and plant for separating plutonium on a larger scale than a single test implies.

To design and build a plant for separating uranium 235—the fissile isotope of uranium—from natural uranium would be a bigger undertaking again. To develop fusion weapons could hardly, at the best, take less than the five years taken by Britain—and probably more, because of the smaller base from which China begins.

More advanced means of delivery—whether intercontinental missiles, nuclear armed submarines, or a heavily automated low-flying aircraft—would be more remote again, and equality with USA or Russia unattainable for practical purposes.

According to an earlier **New York Times** report, China has established two plants —one at Paotow in Inner Mongolia and the other at Lanchow in Kansu province —for production of fissionable material.

The report was based on an analysis of the results of several "detection" flights carried out over the Chinese mainland by the Formosan pilots using U-2 planes.

The report said the reactor at Paotow was capable of producing plutonium in sufficient quantities to explode "two low-yield atomic devices" a year. The plant at Lanchow is designed to produce another fissionable material, U-235, for atomic bombs.

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From the Western military point of view, The New York Times said, the mere explosion of a nuclear bomb by China was unlikely to add immediately to its military strength. It would take China many years to develop the planes capable of carrying nuclear bombs or missiles.

[The Russians have withdrawn all their technicians from China following the open ideological breach between the two Communist countries.]

In any case, China's explosion of a nuclear device could undermine the favourable atmosphere generated by the Moscow test ban Treaty which had been signed by some 100 countries, in addition to the chief signatories—the Soviet Union, and USA. Only France and China among the major Powers have not signed the Treaty.

Re-assessment Of Chinese Military Capabilities:

The *US News and World Report* said on October 13 that a searching intelligence re-assessment of China's military might led US officials to conclude the following:

(1) China's ground army is good enough to defend China successfully against any military force in the world, except the combined air, land and sea forces of either USA or Russia.

(2) For fighting beyond its borders, the Chinese army is not a first class military force capable of fighting a first class enemy. Inadequate transport and industrial facilities restrict the areas in which the Chinese could move an army and send it supplies.

The scrutiny was prompted by the news that the Chinese were ready to touch off their first atomic explosion.

It found the Chinese atomic capability would make very little difference in the military situation and "as is known it is essentially a political weapon to impress the neighbours. An initial blast will use up China's atomic fuel supply and it will be years—decades, more likely—before Peking bears any resemblance to a nuclear Power."

On the question whether China, in modern combat terms, was really a 'paper tiger' as its Communist leaders like to call USA, the report said: "The Chinese have a ground army of 2.5 million men—well-officered, well-trained and highly disciplined.

"Their air force consists of 2,000 to 2,500 planes—mostly old-type MIG fighters, but able to do vast damage.

"The military high command is rated as highly accomplished.

"Chinese handicaps are: a deteriorating industrial base; inadequate food production; inability to modernize the army in the way USA and Russia have done since World War II; an out-of-date air force, with no first class replacements in sight; and a weak navy that is no match for the US Seventh Fleet in the Pacific."

The US Secretary of State, Mr. Dean Rusk, had earlier announced on September 29 that China might detonate her first nuclear device in the near future and said USA had taken the possibility into full account in determining her military posture and the nuclear weapons programme (see page 6135).

World Reaction:

Leaders and the Press in several countries voiced concern at the Chinese atomic explosion.

India's reaction to the nuclear explosion by China was summed up by the Prime Minister, Mr. Lal Bahadur Shastri, when he described the Chinese action as a "menace to mankind" and "danger to the maintenance of peace".

He hoped that the voice of peace-loving people in all countries would be raised against the Chinese nuclear explosion and the world conscience would be awakened to "fight this aggression on peace and security."

"China", he said, "has been trying to build up a mighty war machine. The atom bomb is the latest type of weapon which cuts across the general desire of humanity to live in peace".

In Washington, President Johnson confirmed that China had exploded a "low-yield" nuclear test and declared: "Its military significance should not be overestimated."

In a broadcast, he asserted US readiness to respond to any call from the non-Communist countries of Asia for help against threats of aggression—thus offering them reassurance in the face of China's emergence as a nuclear Power.

At the same time, he declared that "the Chinese Communist nuclear weapons programme is a tragedy for the Chinese people because it diverts scarce resources needed in other fields of activity and it must increase their sense of insecurity."

He said the explosion gave "no reason to fear that it could lead to immediate danger of war." Even if China developed an "effective" nuclear weapons system, the strength of the "free world" would continue to be "enormously greater."

He added that he welcomed the assurances given by the Soviet Government that it would continue seeking "more solid peace."

In London, Britain's new Labour Government declared that China's test would not affect the military situation in Asia.

A special Government statement said: "No foreseeable development of nuclear capacity by the Chinese could significantly affect the balance of military power."

The statement, personally approved by Mr. Harold Wilson within 24 hours of his becoming Prime Minister, said the British Government's attitude to the Nuclear Test Ban Treaty remained unchanged, as also its determination to meet their defence commitments in South-East Asia. "Her Majesty's Government is, nevertheless, deeply disappointed that the Chinese should have decided to do so in face of world opinion and the hopes raised in the Test Ban Treaty."

The news of the Chinese explosion was received in United Nations with regret and concern.

Coming as it did over a hectic 24-hour period—deposing of Mr. Nikita Khruschev in Moscow and the defeat of the Conservatives in Britain—diplomats were generally far too numbed to make comment.

The general view, however, was one of regret that China should have exploded the atom bomb in defiance of the Moscow test ban Treaty which had been overwhelmingly accepted by the nations of the world. There was also regret at the Chinese defiance of an appeal by the Cairo Non-aligned Conference and the UN resolutions.

Several non-aligned countries felt that the Chinese explosion should act as a spur to bring China into UN and to accelerate disarmament negotiations and agreement.

The Secretary of the Asian Solidarity Conference said in Cairo that he was "shocked" when he heard that China had exploded a nuclear bomb. "At last they have done it", he added.

UAR officials privately said they were disappointed that China should have exploded an atom bomb within days of the appeal by the Cairo Non-aligned Conference that non-nuclear Powers should desist from testing nuclear weapons.

A chorus of dismayed protest went up in Japan.

The official Government reaction as expressed in a statement issued by the Chief Cabinet Secretary, Mr. Zenko Suzuki, was that the Chinese test coming at a time when international tension was easing was "in complete disregard of the earnest wishes of all mankind and most regrettable."

The statement registered a strong protest in the name of the Japanese people and expressed fears of radio-active ashes from the test falling over Japan. In fact the Central Meteorological Agency warned that radio-active dust might reach Japan within two days.

Excepting the pro-Peking Japan Communist Party, everyone else from Government to Gensuikyo (Council Against Atomic and Hydrogen Bombs) which is dominated by a pro-Peking rump expressed shock and regret. With their loyalties under strain, a good many on the Left, including Gensuikyo, professed sympathy with the circumstances that "forced" China to act, but clearly a good many illusions had been shattered.

A typical disillusioned remark was that China had "betrayed its conscience". Socialists and allied trade unions were even planning to stage protest rallies.

In Khatmandu, the Chairman of the Council of Ministers, Dr. Tulsi Giri, told newsmen that he did not expect any shift immediately in the balance of power in South or South-East Asia as a direct outcome of the atomic blast by China.

He said: "Everybody knows Nepal's stand on world peace and naturally we do not appreciate this test by the Chinese as it will not contribute to world peace."

He said that all Powers, including China, should sign the partial nuclear test ban Treaty.

The leading Yugoslav papers *Borba* and *Politika* sharply criticised the first atomic explosion in China.

The papers said that the Chinese nuclear test was harmful for the policy of peaceful co-existence and disarmament, and was directly against the Moscow test ban Treaty and the Cairo Declaration of non-aligned countries.

(*The Times*, London, *The New York Times*, *The Times of India*, Bombay and *The Statesman*, Calcutta)

[Prev. ref. 5521:CHI:B]

B. Trade Prospects With West: China's ideological dispute with Moscow is expected to divert an estimated $150 million in a two-way trade to non-Communist countries this year.

Drawn by economic necessity out of their ideological cocoon, Chinese officials are experimenting with trade practices and appearing in places previously shunned as capitalistic.

Commercial counsellors have joined the Chinese Embassies in London and Paris. Peking is sending more trade and technical delegations to such countries as Britain, Japan, France, the Netherlands and Switzerland.

Trade experts are looking for new markets in Africa, West Asia, Southern Asia, and Latin America to absorb the cheap wearing apparel and textiles that once were exported to Eastern Europe.

As Chinese trading habits change, businessmen of the non-Communist countries have been trooping in increasing numbers to Peking. Visa restrictions have been

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eased and tourist facilities improved to encourage the influx.

Britain was planning to display in Peking in November a large industrial exhibition. France and Japan will stage trade fairs again in 1965.

Amidst all these flirtations with the non-Communist countries, the most notable absentee is the United States, which has imposed a complete embargo on trade with China. For the USA, the economic loss in potential trade is insignificant. Although many Western businessmen continue to pursue what most economists regard as the myth of the vast China market, the foreseeable possibilities of trade with China remain unlimited. Peking lacks the foreign exchange or saleable goods to become a top world trading nation.

China does not publish extensive statistics, but the volume of trade in 1963 was reliably estimated at $2.7 billion. The relative magnitude of this volume, for a country with a population of 700 million, can be gauged by comparing it to the annual volume of $1 billion for prosperous Formosa, which has a population of about 10 million.

The volume of Peking's foreign trade is expected to increase by about 2 per cent in 1964, but the significant change for businessmen lies more in the shift in the pattern of trade. The $1.5 billion is likely to grow by about 10 per cent at the expense of the East European Communist countries.

Japanese businessmen have made the most impressive strides in trade with China. Japan, which did about $135 million in a two-way trade in 1963, increased the volume to $160 million in the first seven months of 1964 and was expected to reach the $250 million mark by the end of the year. The level will probably be $300 million in 1965.

Peking has found it convenient to deal with Japan because it can obtain sophisticated industrial products at freight rates less than those obtained in dealings with distant Western countries. However, after its disillusioning experience with the Soviet Union, Peking is making a point of diversifying its trade pattern and this will be a limiting factor for Japanese business.

The expansion of trade with Japan illustrates that China tends to do business where the most favourable economic terms are available rather than on a political basis. Japan has arranged a number of official and cultural exchanges with the Peking Government but withheld diplomatic recognition.

Chinese officials have told visiting delegations from West Germany, the Netherlands, Belgium and Japan that business prospects would be substantially improved if their Governments extended diplomatic recognition. However, businessmen of France, which recognized the Peking Government last January, have not reported any significant increase in their volume of trade.

(*The Times of India*, New Delhi)

[Prev. ref. 6088:CHI:C]

FORMOSA

A. Gen. Chiang Kai-shek Condemns Chinese Border Claims: The President, Generalissimo Chiang Kai-shek, on October 10 condemned Mr. Mao Tse-tung for claims outside the present borders of China.

He said Mr. Mao's "outpourings on 'border' issues are particularly preposterous."

He made the statement in a message on the 63rd anniversary of the 1911 Revolution which led to the fall of the Manchu dynasty and establishment of the Republic of China.

It recalled President Chiang's World War II assertion that his Government would seek no territory outside its own borders.

Although he said nothing to suggest a reconciliation with the Soviet Union, he might have intended to convey to Moscow that it would be better to have him and his Chinese Nationalists rule on the mainland and than the Chinese Communists.

He said: "The fact that the Communist regime is doomed illuminates our nation with a light brighter than ever.

"The Republic of China is a part of the free world and its fate is inseparable particularly from that of its Asian neighbours."

He repeated his long-standing contention that "the present problem of Asia centres on China and the Communist regime on the Chinese mainland is the source of all the troubles throughout Asia."

"Recently," he added, "the Chinese Communists have intensified their 'fight the United States and support Viet-Nam' campaign and are playing an increasingly active role in the Communist armed insurrections in South Viet-Nam and Laos.

"Their purpose is to Bolshevize and enslave all countries in Asia and to use these as tools for subjugating all mankind.

"This is a crucial moment for us Asians. We should close ranks and help one another in order to check the further spread of Communism. ... I would like to warn the free nations and people in Asia that nothing threatens us more than the Communists and our first concern is unity among ourselves."

(*The Hindustan Times*, New Delhi)

[Prev. ref. 6123:FOR:A]

INDIA

SUMMARY: Mr. Lal Bahadur Shastri's Talks With President Ayub Khan; Progress In Defence Preparedness; IAC Agreement With Air Ceylon.

A. Mr. Lal Bahadur Shastri's Talks With President Ayub Khan: A big welcome was given to the Prime Minister, Mr. Lal Bahadur Shastri, when he arrived in Karachi on October 12 from Cairo for talks with President Ayub Khan.

President Ayub Khan greeted Mr. Shastri with a warm hand-shake as the latter stepped out of the plane.

The entire diplomatic corps, headed by the Iraqi Ambassador, Mr. Gilani, the doyen of the diplomatic corps, including heads of about 50 foreign missions, were present to greet Mr. Shastri. The Chinese Ambassador was also present.

The Pakistan Foreign Minister, Mr. Z. A. Bhutto and leading Karachi citizens, headed by Mr. Habibullah, Vice-Chairman of the Karachi Corporation, and several members of the National and Provincial Assemblies were among those present.

Large crowds, including school-children, collected on the 10-mile route from the airport to the President's House and cheered Mr. Shastri as he drove with President Ayub Khan.

Communique:

A joint *communique* issued at the end of the talks said Mr. Shastri and President Ayub Khan had a general discussion on relations between the two countries.

It said: "The President of Pakistan and the Prime Minister of India met informally today (October 12) during the latter's stop-over at Karachi en route to New Delhi from Cairo.

"The two leaders have had general discussion on relations between the two countries. They were both firmly of the view that these relations needed to be improved and conducted to their mutual advantage as good neighbours.

"They agreed that to that end it was necessary to promote better understanding between the two countries and to settle outstanding problems and disputes on an honourable and equitable basis. They, however, agreed that discussions between the two Governments at appropriate levels should be held at the earliest possible moment so as to give effect to their common desire for friendly co-operation between the two countries.

"The opportunity to have this personal exchange of views was welcomed by the President and the Prime Minister, who will remain in touch to determine how these objectives could be best realized."

Returns Home:

On his return home on October 12, Mr. Shastri said that his 90-minute meeting with President Ayub Khan was a "good beginning" towards improving Indo-Pakistan relations and resolving mutual disputes.

To expect much more from a meeting of this nature, he said, would be unrealistic. But he was happy over the outcome, for it showed that both sides were prepared to approach the problems in a spirit of conciliation.

He said that President Ayub had been "pleasant and cordial" throughout the talks, and that he had a practical approach, not merely to Indo-Pakistan problems, but also to "national and international problems in general".

A concrete result of the Karachi discussions, he said, was that the meeting of the Home Ministers of India and Pakistan would now take place earlier than expected.

President Ayub Khan, he added, had agreed that the election campaign in Pakistan should not come in the way of the Home Ministers' meeting, which was now likely to be held either in the last week of October or the first week of November.

Mr. Shastri also indicated that as a result of his talks with President Ayub "something may be done" to reduce tension along the cease-fire line in Kashmir. But he would rather not speak on this subject in detail until the Home Ministers' meeting.

Issues not normally dealt with by the Home Ministers, he said, could possibly be considered at the Home Ministers' meeting by associating officials of other Ministries with it.

He indicated that a programme of further exchange of views between India and Pakistan would be evolved after the Home Ministers' conference. No discussion had taken place at Karachi about a second meeting between him and President Ayub, he said, but such a meeting need not be ruled out.

Asked if he had invited President Ayub Khan to Delhi, he replied that he had done so informally, especially because President Ayub had not seen Delhi for many years. But the Pakistan President had explained that because of the elections in his country it would not be possible for him to leave Pakistan for some months.

(*Dawn*, Karachi and *The Statesman*, Calcutta)

[Prev. ref. 5799:INI:G, 5870:INI:B, 6019:PAK:A, 6040:INI:A, 6067:INI:C, 6073:PAK:A]

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B. Mr. Lal Bahadur Shastri's Broadcast On National Solidarity Day: On the eve of National Solidarity Day on October 20, the Prime Minister, Mr. Lal Bahadur Shastri, in a broadcast to the nation underlined the challenges India faced internally and externally and urged the people to face them with determination and a sense of national unity.

Externally, he said, India was confronted with China's attempt to build a war machine to create a fear psychosis in Asia and become "a nuclear menace".

Even otherwise, he added, in recent days "we have seen events of greater significance happening in other parts of the world."

While India should be ready to deal with any eventuality, "we must not allow our faith in peace and peaceful methods to dim," because peace was of fundamental importance to a country like India which was trying to build itself up economically.

Turning to internal problems, he discussed the food situation, laying emphasis on both increased production and the need for radical changes in the distribution system.

It was essential, he pointed out, that officials in the districts and at other levels and the farmers worked hand in hand to produce better results. He hoped that farmers would come forward to sell their grain to the Government at the fixed prices.

He expressed his extreme dissatisfaction over the role of grain dealers. They did not seem to have fully realized the gravity of the situation. This had made it imperative for the Government to make some radical changes in the present system of distribution.

Proposals for such changes would be discussed with the Chief Ministers when they met in New Delhi in the last week of October.

But it had become essential to ensure "by all possible means" that every man got the necessary quantum of food at a reasonable price.

He emphasized the need for rational and scientific planning for economic development and said that industry and agriculture were equally important.

In a brief reference to irrigation, he laid greater emphasis on minor and medium projects than major ones and expressed himself in favour of legislation to ensure the deepening of old tanks and the digging of new ones.

In this context, he suggested the bifurcation of the Irrigation Department, one wing being entrusted with rural drainage and minor irrigation works.

(*The Statesman*, New Delhi)

[Prev. ref. 5526:INI:D]

C. Progress In Defence Preparedness: According to a review of the country's defence preparedness since October 20, 1962, when the Chinese attack was launched, India has reached a significant stage with its five-year defence plan, recruitment of men and officers and agreements with USA, the Soviet Union and UK for the modernization and equipment of the three Services.

The defence plan, which emphasizes the long-term nature of the plan for national preparedness against any renewed threat of aggression from any quarter, provides for a larger and more modern Army of 8,25,000 men and a 45-squadron modern Air Force. It also provides for replacement of the Indian Navy's over-aged ships, improvement of road communications in the border areas and other connected measures.

The programme of recruitment of men and officers for the Indian Army is now almost complete, except for some deficiencies in the medical and engineering branches. Nearly 3,00,000 men and more than 10,000 officers have been recruited, involving detailed screening of well over a million volunteers. Recruitment of Emergency Commission officers has been discontinued.

Side by side with increasing the size of the Army, the Army authorities have been concentrating on the expansion and modernization of training facilities. The introduction of new mountain divisions has meant specialised training to toughen up the soldier and give him greater mobility. Special steps have also been taken to enable the soldier to fight more effectively at high altitudes and in mountainous terrain.

Vigorous action has been taken to provide greater fire power to the troops by introducing new weapons such as self-loading rifles, lighter and longer-range mortars and lighter and better mountain guns. Attention has also been paid to improving communications, expanding the net-work of border roads and other connected facilities.

Various steps have been taken to achieve the target of a modern 45-squadron Air Force. These include the acquisition of additional aircraft from abroad, more intensive development of aircraft manufacture within the country, expansion of training facilities in all branches of the Air Force, construction of new airfields and renovation of the existing ones.

Installation of static radars along the country's northern border is likely to be completed by the end of this year.

While the Indian Navy has enjoyed a comparatively lower priority in the scheme of national defence, steps have been taken to increase its potential in the long run.

An Agreement signed recently between the Government of India and the United Kingdom will facilitate the production of frigates at the naval dockyard in Bombay.

A welcome addition to the fleet's air arm has been two Alouette helicopters purchased from France. For the first time in the maritime history of the country, an up-to-date modern hydrographic vessel, **INS Darshan** built by the Hindustan Shipyard at Visakhapatnam, will be commissioned into service with the Indian Navy.

The National Cadet Corps scheme now covers over 13,00,000 boys and girls in the senior and junior divisions—all able-bodied male college students have now to undergo a uniform three-year course of compulsory military training.

Development in the field of defence production during the past year has been more significant than during any previous year. The first of the four new ordnance factories proposed to be set up under the defence plan went into production in July this year to manufacture 7.62 mm ammunition urgently required for the semi-automatic Ishapore rifles and other arms. A 3-mm aircraft ammunition project went into production at Khamaria near Jabalpur in April this year. The first HF-24 supersonic Mach-I fighter aircraft were handed over to the Indian Air Force at Bangalore in May this year.

The past year also witnessed the conclusion of Agreements with USA and Russia for the supply of defence equipment in the coming years. The Agreement with the Soviet Government envisages the manufacture of MIG-21 aircraft in India.

(*The Times of India*, New Delhi)

[Prev. ref. 5773:INI:A]

D. IAC Agreement With Air Ceylon: Air Ceylon and Indian Airlines Corporation (IAC) have decided on October 14 an agreement covering the pooling of revenues of their existing air services.

A Ceylonese delegation arrived in New Delhi on October 13 to discuss the terms of the agreement with IAC. The discussions included ground handling of each other's services and technical collaboration.

Ceylon's delegation was led by Mr. J. P. Obeyesekera, Parliamentary Secretary to the Finance Ministry.

Air Ceylon, which has ordered an Avro-748, is likely to begin its service on the Colombo-Madras sector by the middle of November. IAC is already operating Viscount services on the route.

Air Ceylon is also planning to introduce a non-stop Colombo-Bombay service in February, 1965. IAC will begin Viscount services on this route in April, 1965.

(*The Hindustan Times*, New Delhi)

E. Envoy To Switzerland: According to an announcement by the External Affairs Ministry on October 19, Mr. Vishnuprasad Chunilal Trivedi, formerly Joint Secretary in the Ministry of External Affairs, has been appointed Ambassador of India to Switzerland.

He is expected to assume charge of his new assignment early in 1965.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 4214:INI:D]

F. Import Policy For July-December, 1964: According to the import policy for the period July-December, 1964, announced by the Commerce Ministry in New Delhi on October 14, established importers will be allowed to import the quotas already licensed to them under the annual licensing scheme without any cut.

So far their annual licences were subject to a half-yearly review and a cut in quotas, if necessary.

The Ministry of Commerce announcement also exempted established importers from the formality of getting their annual licences endorsed for the second half-year. Such licences are deemed to have been extended automatically.

While these are no major concessions to established importers, they undoubtedly help to remove hurdles in the way of expeditious import of goods and cut down red-tapism to the minimum in the import control organization.

In cases where fresh annual licences were yet to be issued, the Ministry made it clear that the annual licences would be issued for their total yearly entitlement. The licences would be suitably endorsed to permit the import of the goods in one lot within the validity period of the licence.

The import policy for the year 1964-65 as such was announced in April, 1964 itself. A separate announcement will, however, be made in due course in regard to changes, if any, in the policy to be followed in respect of actual users during the current half-year.

(*The Times of India*, New Delhi)

[Prev. ref. 5790:INI:H]

G. Prices Of Foodgrain For Producers Fixed: The Central Government announced on October 13 producers' prices for standard varieties of rice and wheat for the 1964-65 season. It also declared ranges of producers' prices for gram, jowar,

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bajra and maize within which State Governments would be authorized to fix the prices.

Under the new price system for paddy and rice, there are, first, producers support prices at which the Government will be prepared to buy all paddy offered at declared assembling points. Then there are maximum statutory prices of paddy which are higher by Re. 1 per quintal than the support prices. If paddy prices tend to rise above the maximum prices the Government will step in to requisition paddy at these prices.

Announcing the new prices, the Central Food and Agriculture Minister, Mr. C. Subramaniam, said that these would give the producer a substantially higher return than at the existing level or at the average level of the last three years except in the case of a few pockets where the prices became excessively distorted. At the retail level the rice prices would come down slightly.

For example, the consumers' price of the standard akkullu variety of rice in Andhra will be 71 paise a kilogram as against the present ruling price of 72 paise. In the case of Madras, the decrease will be 2 paise from the ruling 73 paise. In the case of Bangalore, the consumers' price of the standard variety of rice will come down from 78 paise to 71 paise. In Bombay, too, there will be a slight fall from the ruling price of 73 paise for the standard variety.

Mr. Subramaniam also pointed out that as a result of the new price structure, the wholesale index in regard to foodgrain should come down from the existing 146 to anywhere between 125 and 130.

He stressed the need to give wide publicity to these prices. There should be a mass movement to increase price consciousness. The Government would give every possible encouragement to the consumers' price resistance movement.

He said that in several cases the Government had fixed prices for producers at levels higher than those recommended by the Jha Committee. In the case of Maharashtra, a price of Rs. 39 per quintal of paddy had been recommended. The State Government had already fixed Rs. 41. This matter would be discussed with the Maharashtra Chief Minister.

The margin allowed to wholesalers ranges from 1.52 per cent to 2 per cent. For rice retailers the margin will range from 4 to 7 per cent, including the transport costs.

The Government has statutorily fixed ex-mill wholesale prices, wholesale prices at consuming centres and retail prices of rice. State Governments are being authorised to determine rice prices at the three stages for different varieties and at different places and enforce them along with paddy prices from appropriate dates, depending upon the arrival of the new crop.

(*The Times of India*, New Delhi)

[Prev. ref. 5979:INI:F]

INDONESIA

A. Text Of Indonesia-USSR Communique: The following is the text of the *communique* issued in Moscow on October 1 at the end of President Sukarno's visit to the Soviet Union:

[A brief account of the talks which Dr. Sukarno had with the then Soviet Prime Minister, Mr. N. Khruschev, and other Russian leaders appeared on page 6142.]

"During these talks, an exchange of views was held on matters pertaining to the development and further consolidation of ties of friendship and co-operation between the Republic of Indonesia and the Soviet Union. It was evident that Indonesian-Soviet relations which are based on the principles of equality, mutual benefit and mutual respect for each other's sovereignty are developing successfully for the common good of the peoples of both countries.

"The two sides also exchanged views on several international problems of current importance and this exchange showed that both Indonesia and the Soviet Union hold closely identical views on the majority problems of the present time.

"Both Indonesia and the Soviet Union confirmed that the principles of peaceful co-existence constitute the only correct and sound basis of which to develop the relations between States of different social and political systems as terms. These principles are fully in conformity with the interests of all nations, and serve the efforts to consolidate the peace and security of all States. Both sides emphasized that the principle of peaceful co-existence between States of different social, political systems do not imply the pacification of classes between the exploiter and the exploited, between the colonizer and the colonized.

"Both sides agreed that in the present situation there is no task more important than that of the struggle against imperialism, colonialism, and neo-colonialism to achieve a lasting and enduring world peace.

"The forces of peace-lover obviously are in need of new steps towards the elimination of the danger of nuclear war.

"Both sides are convinced that to achieve an enduring peace in the world, the implementation of general and complete disarmament will be of decisive importance. The attainment of solutions to the problem of disarmament will enable the diversion of the tremendous funds now being allocated for military purposes towards peaceful purposes which will benefit the elevation of the standards of living of peoples of all countries and especially the newly independent States.

"Both sides concurred that the Moscow Agreement on the prohibition of nuclear arms test in the atmosphere, the accord reached between the USSR Government and the Government of USA, and endorsed by the UN General Assembly on the prohibition to launch into orbit objects equipped with nuclear weapons, and the decision that has been agreed upon to reduce the production of nuclear products for military purposes has contributed to the general relaxation of tension in international relations.

"The Soviet Government highly appreciates the outstanding role of President Sukarno in uniting all forces in the world, which are fighting against imperialism, colonialism, and neo-colonialism.

"President Sukarno holds in high regard the unceasing efforts of the Head of the Soviet Government Khruschev in the struggle for peace and friendship among nations. He stressed the importance of the Soviet Government's proposal on the abstention of the use of force by all States in solving territorial and border disputes, as contained in the message of Khruschev calling for the establishment of an international agreement on the peaceful solution of territorial and border disputes.

"Both sides stressed the urgent need for the eradication of foreign military bases, and the withdrawal of foreign troops stationed outside their own territories as these not only increase suspicion amongst States and harm the national interest of the States where these troops are stationed, but also continue the great danger of eruption of serious military conflicts.

"Both sides resolutely condemned colonialism and neo-colonialism in all its forms and manifestations, and re-iterated their common determination to fight for the speedy implementation of the principles of the UN Declaration on the granting of independence to colonized States and peoples.

"Both sides expressed their full support towards all peoples fighting for their national liberation and strongly condemn all efforts obstructing the free national development within States that have already achieved their political independence.

"Both sides expressed the hope that the African-Asian Conference which will be convened next year will succeed in uniting all forces of the anti-imperialist and anti-colonialist front, in order to contribute to the struggle for the maintenance of peace.

"Indonesia and the Soviet Union hope that the Conference of Non-Aligned States, which will be convened shortly in Cairo, will succeed in uniting all progressive forces in the world in order to step up the struggle against imperialism, colonialism, and neo-colonialism, and thus to contribute to the solution of international problems and to the consolidation of friendship among nations.

"Both sides expressed their concern over the prevailing tensions that exist in some areas of the world. They paid special attention to the aggravated situation in South-East Asia caused by the interference of the imperialist States into the domestic affairs of States in that part of the world.

"The Republic of the Soviet Union condemns the aggressive military actions of the imperialists in South Viet-Nam, the provocative actions against the Democratic Republic of Viet-Nam, as well as the subversive actions of the reactionary forces in Laos.

"The Soviet side re-iterated its support towards the liberation struggle of the people of North Kalimantan. The Soviet people together with the Indonesian people and all other peoples oppose the neo-colonialist project of 'Malaysia' and other neo-colonialist projects in Africa and Asia, and in conformity with this stand, Soviet people support and assist Indonesia in its just struggle against all kinds of neo-colonialism.

"The Soviet Government re-iterated its conviction to the peaceful solution of the German problem, stressing that the signing of a German Peace Treaty and the conversion on that basis of West Berlin into a demilitarized and free city would in the present situation justify as a turning point for the improvement of the situation in Europe and in the whole world.

"The Government of the Republic of Indonesia agrees that the German problem should be solved through peaceful negotiations amongst the German people themselves on the basis of the reality of the existence of two Germanies.

"Both sides strongly condemn the intervention of imperialist States in the domestic affairs of Congo.

"Both sides express their support towards the struggle of the Cyprus people to defend their independence, territorial integrity and sovereignty. Both sides maintain that the nationals of Cyprus of both Greek and Turkish origin should be given the opportunity to arrive at an agreement amongst themselves free from outside interference.

"The Republic of Indonesia and the Soviet Union express their resolute and full support towards the struggle of the heroic Cuban people to consolidate the independence and sovereignty of their fatherland, and condemn all aggressions against those endeavours of the Cuban people.

"During the meetings and talks held between the leaders of Indonesia and the Soviet Union, the question of further expanding and strengthening the co-operation between the two States was considered.

"The common desire was expressed to intensify the implementation of Indonesian-Soviet Agreements on Trade, Economic Co-operation and Cultural Exchange. Agreement was reached to increase the defensibility of Indonesia through the purchase of additional equipment for the Armed Forces of Indonesia.

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"Both sides furthermore are of the same sincere desire to further develop Indonesian-Soviet relations in the political, economic, and cultural fields.

"The Government of the Republic of Indonesia and the Government of USSR have special attention for the maintenance and development of personal contacts between the leaders of the two States.

"Both sides are convinced that the present successful visit of the President of the Republic of Indonesia, Dr. Sukarno to the Soviet Union will contribute to the furthering, development and consolidation of the bonds of friendship between the Republic of Indonesia and USSR."

(*Information Service Indonesia*)

[Prev. ref. 6142:IND:A]

IRAN

A. Oil And Gas Discovery: It was stated on October 9 that Iranian Oil Participants had announced the discovery of two new oil-fields in South Iran.

At Fars, 19 miles north-east of the Agha Jari and six miles north-east of the Karani fields, oil had been found in the Asmari limestone deposits at a depth of 8,806 feet.

On a test, the well flowed oil at about 4,000 barrels a day. At Rag-e-Safid, 22 miles south-east of the Agha Jari and 16 miles north-east of Hendijan, gas had been discovered in one well and drilling on a second well had reached 11,859 feet. Both wells would be drilled deeper to investigate the possibilities of lower horizons.

(*Middle East Economic Digest*, London)

[Prev. ref. 5897:IRN:A]

ISRAEL

A. Russian Property Sold To Israel: A contract worth $4,500,000 for the sale of Russian property in Jerusalem and other parts of the country to the State of Israel was signed in Jerusalem on October 7.

According to the London **Times**, the Soviet Government's title to the property was dubious as it was owned by the Russian Orthodox Society, an organization for the relief and assistance of pilgrims to the Holy Land. Russia dissolved the Society in 1917 and neither the British administration in Palestine nor the State of Israel recognized the Soviet Government as legal heirs. The Israelis had now altered their position.

The Times despatch said: "From the Israel point of view, the political importance of the transaction lies mainly in the fact that two-thirds of the payment is to be in kind, delivered over two years. Israelis hope this will be a lever for the resumption of trade, which was interrupted in 1956 when the Soviet Union abrogated a citrus-for-oil Barter Agreement to penalize the Israelis for attacking Egypt in Sinai.

"Arab Governments have protested strongly against the transaction, which implies Soviet recognition of Israel's sovereignty over her sector of divided Jerusalem.

"Another noteworthy factor is that the contract was signed in Jerusalem, Russia, like Britain and the United States, has not recognized Jerusalem as Israel's Capital because it contradicts United Nations resolutions for the internationalization of the city."

The despatch added: "After prolonged negotiations the Israel Government has signed an agreement by which it pays Russia more than £1,500,000 for all the Society's properties. In the days of the mandate the Russian compound included a gaol and a hospital. Today the gaol has gone and Ministries have moved in, but the place retains a character and beauty of its own. It is worth settling the title to so valuable a piece of real estate, and Israel will have to pay only a third of the total amount in cash, the rest being settled in goods, mostly citrus fruit.

"Mrs. Golda Meir, the Foreign Minister, has said she hopes the agreement will open a new chapter in Israel's relations with Russia. This is being optimistic. There have been a few other straws in the wind to indicate that the Russians are slackening their hostility towards Israel, but they have so far all concerned minor matters. This Summer, for example, an exchange of orchestras from the two countries was arranged. It may be that the present deal will open the way for a resumption of exports by Israel to Russia, the flow of which was stopped at the time of Suez as a form of sanctions and has remained blocked ever since."

(*The Times*, London)

B. Reduction In Income-Tax: A message on October 9 said that the Cabinet had approved an amendment to the income-tax law which raises the level of personal allowances as follows:

Bachelor from I£250 to I£400; married man from I£1,050 to I£1,7000; wife I£500 to I£800; and each child from I£250 to I£375 to a flat rate of I£500.

The new tax scales will be retro-active from April 1, 1964 and it is estimated that tax refunds totalling I£25,000,000 will have to be made to wage earners alone.

The Ministry of Justice is still studying clauses in the Bill concerning the income of Israelis abroad and foreign residents in Israel. All money earned from work performed inside Israel will be taxable, though a foreigner working for less than three months in Israel may be granted exemption.

The Governor of the Bank of Israel, Mr. David Horowitz, again attacked the Government's economic policy, which he said had resulted in a constantly mounting foreign trade deficit. Referring to the reductions in income-tax, he said that the increased spending power would bring about a further increase in the import of consumer goods and provide additional handicaps for exports.

(*Middle East Economic Digest*, London)

[Prev. ref. 5888:ISR:B]

JORDAN

A. Central Bank Starts Operations: The Central Bank of Jordan started operating on October 1 by taking over the monetary commitments of the Jordanian Currency Board as they stood at closing time the day before.

Dr. Khalil al-Salem, the Governor of the Bank, said that the notes now in circulation would be regarded as currency issued by the Central Bank. The Currency Board's sterling assets have been taken over by the Central Bank together with the functions of the Currency Control Directorate which include the issue of foreign exchange permits for import payments and personal transfers.

(*Middle East Economic Digest*, London)

KUWAIT

A. First Annual Report Of Kuwait Chamber Of Commerce: For the first time since its inception in 1959, the Kuwait Chamber of Commerce and Industry issued its annual report early in October. It covered economic conditions in the country during 1963.

It noted a fall in consumers' purchasing power during 1963 of anything between 7 to 19 per cent (the exact figure cannot be calculated) and a fall in stock prices to a more realistic level than those prevailing in recent years. The Government took the initiative in developing industrial projects and completed plans for the construction of the Shuaiba power station and the gas pipeline from Burgan to Shuaiba, both of which will supply power for the much needed industrial zone.

Demolition for re-planning purposes led to a severe housing shortage in 1963 with a consequent increase in rents. The area of land under construction rose by 23.8 per cent over 1962 to a total of 1.3 million square metres.

After quoting statistics of oil production and revenue and foreign trade, the report examined the role played by the joint stock companies in Kuwait's economy. During the year under review seven new companies were formed with Government participation—the Kuwait Petrochemicals Company, the Kuwait National Fisheries Company, the American Company for processing and distributing food products, the Kuwait Aviation Fuelling Company, the Kuwait Limestone Company, the National Insurance Company and the Kuwait Flour Mills Company. In all, there are 20 joint stock companies in Kuwait of which one—Kuwait Airways—is entirely State-owned and three others—Kuwait Limestone Company, Kuwait Aviation Fuelling Company and Kuwait Asbestos Company—do not offer their shares for public subscription.

During 1963 the banking and investment companies all showed good profits, but there was keen competition in the insurance field; the Kuwait Insurance Company showed a modest net profit of KD30,046 and announced plans to venture into life insurance. Gulf Insurance showed a net profit of only KD2,780 for an 18-month period and Al-Ahlya a loss of KD1,799 during the last six months of the year. (Kuwaiti Dinar = £).

The Kuwait Oil Tanker Company negotiated the purchase of two more 53,000 long tons capacity tankers, bringing its fleet up to three. Production was suspended for a time at the cement plant owned by the National Industries Company for the installation of new machinery which will increase capacity to 100,000 tons annually and reduce production costs. There was a net profit at the year's end of KD256,258 and the Company plans to branch out into the manufacture of prefabricated houses. The Kuwait Flour Mills Company hopes to start production by the end of this year and is experimenting in the processing of by-products such as bran and crushed wheat. The Asbestos Company started production on a three-shift basis in mid-1963, and made a net profit of only KD3,074, 10 per cent of which was distributed to the workers as an incentive bonus. Despite competition from TV which led to a drop in profits of KD35,898 to KD341,827, the Kuwait National Cinema Company plans to build three more cinemas.

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The total nominal capital of Kuwait's joint stock companies (excluding Kuwait Airways) is KD60,661,260 divided into 7,475,474 shares and up to December 31, 1963, owned by 85,452 Kuwaiti shareholders. Of the authorised capital the Government owns KD28,211,280, i.e 46.5 per cent and the private sector KD32,449,380, i.e. 53.5 per cent. The actual paid-up capital amounted to KD32,169,679 and unpaid capital to KD28,491,581 which is expected to be paid during the next four years. The Government's share in the paid-up capital totalled KD10,729,323 and that of the private sector KD21,440,355.

The report declared that it would be at least three more years before the joint stock companies would be in a position to contribute an appreciative ratio of the national income and that the country would continue for some years to be dependent on revenue derived from the oil industry. In order to increase the private sector's contribution to the national income the joint stock companies must increase their activities abroad and the growth of the local market must continue at an annual rate of 5 per cent.

(*Middle East Economic Digest*, London)

MALAYSIA

A. Tengku Abdul Rehman's Letter To Cairo Conference Of Non-aligned Countries: *In a statement issued in Kuala Lumpur on September 25, the Prime Minister, Tengku Abdul Rehman, said he had written to all Heads of Governments participating in the Cairo Conference of non-aligned Powers asking for a fair hearing should the Indonesian delegation attack Malaysia.*

He pointed out that Malaysia had consistently supported national independence movements, opposed racialism and had called for universal backing to the Charter of Human Rights.

He contended that Malaysia had every right to be invited to the Cairo Conference. Though this had not been done, he said, the Conference should not used as a forum against Malaysia.

He said: "The very defination of non-alignment has been so stretched that many more countries have been included in the list of invitees. Cuba is regarded as a non-aligned nation though her alignment to the Communist bloc is evident. So also are several other South American countries whose defence treaties with USA do not in essence include them as non-aligned. Thus what seems clear to me as the pre-requisite to an invitation to the Conference is not that that nation has defence treaty with either a Western country or Communist bloc country, but whether the nation has declared its intention to be non-aligned or believe in the pursuit of a policy of non-alignment, in conformity with the broad-based definition of the principles of non-alignment as contained in the Cairo criteria which was adopted for the purpose of issuing the invitations to the Conference.

"Malaysia's interpretation of a non-aligned nation is that the nation has and exercises an independent foreign policy. This is essential for a non-aligned nation. Malaya and now Malaysia has consistently supported movements for national independence so long as such movements uphold the principles of the United Nations Charter. She has shown such evident support in the case of West Irian when I visited various world capitals, lending my efforts at mediations between Holland and Indonesia.

"Malaysia's support for independent movements in the United Nations with particular reference to Portuguese Angola and the former provisional government of Algeria is well known and has the backing of all non-aligned nations. Nor should it be forgotten, a matter of considerable interest, that Malaya took the initiative in drawing the world's attention to the evils of apartheid in South Africa and solicited world support for the upholding of the Charter of Human Rights.

"In this regard although it is agreed that Malaysia has both military agreement and foreign bases, this arrangement is significantly different from such multilateral military alliances as S-EATO, NATO, Warsaw Pact, CENTO or the ANZUS Treaty. Malaysia's agreement with Britain is bilateral and for mutual defence and not concluded in the context of any East-West conflict, either party has the power to abrogate it. Furthermore, the Manila Agreement accepted the fact that these bases would not be used in the context of Great Power conflicts.

"The desirability of Malaysia's present defence arrangements with Britain and other associated Commonwealth countries is made the more evident in the context of military aggression, infiltration and sabotage activities conducted by her stronger neighbour who is attempting to subvert the economic progress of this nation. It is thus only natural for her to turn to friendly countries in order to preserve her sovereignty and territorial integrity from a country who believes that might is right and who refuses to accept the findings of United Nations.

"Malaysia has, therefore, all along been following a policy of non-alignment as enunciated in the Cairo criteria and intends to pursue this independent policy of non-alignment. In view of this, Malaysia has every right to be invited to attend the second Conference of non-aligned nations in Cairo next month.

"Unfortunately, owing to some unknown reasons this is not to be. I sincerely hope, however, that the Conference should not be used as a propaganda forum against us at a time when we are not in a position to reply in our own defence."

(*The Malayan Times*, Kuala Lumpur)

[Prev. ref. 6082:MAL:A]

B. Possibility Of More Taxes: The Finance Minister, Mr. Tan Siew Sin, indicated on October 10 that he might increase taxes in the next Budget to pay for expansion of the armed forces "because of Indonesian aggression."

He said: "Our people must be prepared to endure some inconvenience as a result of the defence measures. Some may even have to suffer hardship because Malaysia and Indonesia have severed commercial relations.

"This in fact has happened already. Many more people may have to bear sacrifices which affect their pockets and this, in the present context, may be the most painful of all."

He said it was most unlikely that President Sukarno would plunge into total war; it was more possible that he would continue the present tactics of subversion and terrorism.

(*The Malayan Times*, Kuala Lumpur)

[Prev. ref. 5765:MAL:A]

PAKISTAN

A. British Loan For Purchase Of Ships: Pakistan and Britain signed on October 13 an Agreement for a British loan of £2,800,000 to purchase two cargo and passenger ships.

The Agreement was signed in Karachi by Mr. Osman Ali, Secretary, Economic Affairs Division, and Sir Morrice James, British High Commissioner in Pakistan, for their respective Governments.

According to a Press release of the British Information Service, the two new ships of about 6,000 tons dead-weight with 17 knots speed are to be used to improve the coastal shipping services.

The loan, given outside the aid to the Pakistan Consortium, has a repayment period of 15 years.

The loan was part of the assistance Britain has provided to Pakistan's Second Five-Year Plan.

(*Dawn*, Karachi)

[Prev. ref. 5932:PAK:B]

B. New Pay-Scales Of West Pakistan Railway Officers: The following new consolidated pay-scales of West Pakistan railway officers were published on October 14:

Railway Service Class I:

Motive powers and mechanical-engineering (including Electricity) Department (junior-scale): 450-50-1000 plus technical pay of Rs. 50 per mensem for those possessing an engineering degree or diploma recognized as equivalent to the engineering degree for the purpose of direct recruitment to Class 1 posts.

Medical Department (senior scale): 750-75-1500 plus technical pay of Rs. 100 per mensem for medical graduates.

Transportation (Traffic and Commercial Department (senior scale): 750-75-1500.

Superintendent Railway Telegraph: 750-75-1500.

Transportation (Traffic) and Commercial Department (junior scale): 450-50-1000.

Stores Department (senior scale): 750-75-1500 plus technical pay of Rs. 100 per mensem for those possessing an engineering degree or diploma recognized as equivalent to the engineering degree for the purpose of direct recruitment to Class 1 posts. Technical pay admissible only to the incumbents of the posts.

Stores Department (junior scale): 450-50-1000 plus technical pay of Rs. 50 per mensem for those possessing an engineering degree or diploma recognized as equivalent to the engineering degree recruitment to Class 1 posts. For which technical qualifications are prescribed for direct recruitment.

Watch and Ward Department (senior scale): 450-50-1000.

Railway Service Class II:

Lower Gazetted service: 350-35-525|40-925 plus technical pay of Rs. 25 per mensem for those possessing an engineering degree or diploma recognized as equivalent to the engineering degree for the purpose of direct recruitment to Class 1 posts of respective engineering departments.

Assistant Surgeon: 350-35-525|40-925 plus technical pay of Rs. 25 per mensem for medical graduates.

Bacteriologists: 350-35-525|40-925 plus technical pay of Rs. 25 per mensem for medical graduates.

Radiologist: 350-35-525|40-925 plus technical pay of Rs. 25 per mensem for medical graduates.

Dental surgeon: 350-35-525|40-925 plus technical pay of Rs. 25 per mensem for medical graduates.

Assistant Medical Officer: 350-35-525|40-925 plus technical pay of Rs. 25 per mensem for medical graduates.

West Pakistan Railway Board:

Chairman: 3000.

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Vice-Chairman: 2750: Admissible only if it is a combined post of Vice-Chairman-cum-General Manager, otherwise Rs. 2300-100-2600.

Member, Railway Board: 2300-100-2600.

Chief Planning and Progressing officer: 2000-100-2200. Length of service 17 years.

Secretary, Railway Board: 2000-100-2200. Length of Class I service 17 years.

Deputy Chief Procurement and Development officer: 1600-50-1700. Length of Class I service 13 years. For officers who were in the junior administrative grade before appointment to this post or would have held a junior administrative grade before appointment to this post or would have held a junior administrative grade post in their parent department but for appointment to this post.

Deputy Chief Finance and Budget Officer: 1600-50-1700. Length of Class I service 13 years (as in the above case).

Officer on Special Duty (Rates): 1600-50-1700 13 years (as in the above case).

Senior Administrative Grade:

Chief Engineer (open line): 2000-100-2200 (17 years).

Chief Engineer (survey and construction): 2000-100-2200 (17 years).

Chief Engineer: 2000-100-2200.

Chief Engineer (Development): 2000-100-2200 (17 years).

Chief Operating Superintendent: 2000-100-2200 (17 years).

Chief Mechanical Engineer: 2000-100-2200 (17 years).

Chief Mechanical Engineer Workshop: 2000-100-2200 (17 years).

Chief Commercial Manager: 2000-100-2200 (17 years).

Chief Controller of Stores: 2000-100-2200 (17 years).

Chief Controller of Purchases: 2000-100-2200 (17 years).

Chief Personal Officer: 2000-100-2200.

Chief Medical and Health Officers: 2000-100-2200 (17 years).

Junior Administrative Grade:

Divisional Superintendent: 1600-50-1700 (13 years).

Chief Officer (Administration and Budget): 1600-50-1700 (13 years).

Deputy Chief Engineer: 1600-50-1700 (13 years).

Deputy Chief Engineer (Signal): 1600-50-1700 (13 years).

Officer on Special Duty: 1600-50-1700 (13 years).

Chief Research Officer: 1600-50-1700 (13 years).

Chief Electrical Engineer: 1600-50-1700 (13 years).

Deputy Chief Mechanical Engineer: 1600-50-1700 (13 years).

Officer on Special Duty (Electrical): 1600-50-1700 (13 years).

Deputy Chief Operating Superintendent: 1600-50-1700 (13 years).

Deputy Chief Commercial Manager: 1600-50-1700 (13 years).

Chief Superintendent (Watch and Ward): 1600-50-1700 (13 years).

Deputy Chief Personnel Officer: 1600-50-1700 (13 years).

Deputy Chief Controller of Stores: 1600-50-1700 (13 years).

Deputy Chief Controller of Purchases: 1600-50-1700 (13 years).

Medical Superintendent of Cairn's Hospital: 1600-50-1700 (13 years).

List of Special Pays West Pakistan Railway Board:

Deputy Chief Procurement and Development Officers: 275.

Deputy Chief Finance and Budget Officer: 275.

Officer on Special Duty (Rates): 275.

Senior Procurement and Development Officer: 220.

Senior Finance and Budget Officer: 220.

Liaison Officer to Minister for Railways: 220:

Track Supply Officer: 110.

Executive Engineer (General): 110 (for so long as the incumbent of this post, doing the Civil Defence work in addition to his duties.

Works Manager, Carriage and Wagon shops: 110.

Works Manager, Loco shops: 110.

Works Manager (Diesel), Karachi: 110.

Works Manager (Diesel), Rawalpindi: 110.

Works Manager (Construction): 110.

Mechanical Engineer (Training): 100.

Divisional Electrical Engineer (Workshops): 110.

Manager, Steel shop: 110.

Chemist and Metallurgist: 110.

Assistant Works Manager, Signal shops: 60.

Assistant Research Officer: 60.

Assistant Surgeon, Walton Training School: 60 (for so long as the incumbent of this post works as First Aid instructor in addition to his duties.

(*Dawn*, Karachi)

[Prev. ref. 5865:PAK:B]

C. Maulana Abul Ala Maudoodi Released: The Full Bench of the West Pakistan High Court in Lahore unanimously accepted on October 9 the *habeas corpus* petition challenging the detention of Maulana Abul Ala Maudoodi and 43 other leaders of the Jamaat-i-Islami under the West Pakistan Maintenance of Public Order Ordinance.

The Bench held the detention illegal and ordered the immediate release of the detenus. The Bench was specially constituted to hear the petition.

(*Dawn*, Karachi)

[Prev. ref. 6001:PAK:C]

VIET-NAM (RVN)

A. "Provisional" Constitution: A "Provisional" Constitution prepared by the National Council was released on October 20.

It set up a Security Council comprising high officials, among others, with authority to handle military affairs. Its authority ranged from the right to declare Martial Law to power to "proclaim cease-fires or negotiate in the war situation."

The Security Council's structure is a compromise between pressure for a strictly civilian regime and demands of Maj-Gen. Nguyen Khanh, the caretaker Premier, for an independent military establishment.

The document said its Chairman would be the Chief of State, with the Premier as Deputy Chairman. The others would be the Armed Forces Minister and the Chief of Staff. Two of the four members would be military men and possibly three if the present Chief of State, Maj-Gen. Duong Van Minh, was re-appointed by the new civilian regime.

Informed sources said General Khanh, who apparently would step down from the Premiership, was expected to be named Armed Forces Minister. In that position he presumably would have control over the Chief of Staff.

Otherwise, the blueprint seemed to call for a conventional European-style parliamentary government.

The Information Ministry said the Constitution came into force immediately, but General Khanh's administration was still in office.

The Constitution is provisional until a permanent Constitution is drawn up in 1965 by a still-to-be-created National Assembly.

Until the Assembly is set up, the High National Council will act as the legislative arm of the Government. With the appearance of the Assembly, it will become a Senate.

The Constitution did not say whether the Assembly was to be elected or appointed.

Earlier on October 16, Major-General Nguyen Khanh insisted that the forthcoming civilian Government should reserve "a place of honour" in its ranks for the armed forces.

The General, who met the High National Council, was reported to be displeased with the role assigned to the Army under the draft of a new Constitution that he was shown at that time.

(*The Statesman*, Calcutta and *The Times*, London)

[Prev. ref. 6083:RVN:A]

B. Treason Trial: Thirteen senior military officers and seven civilians went on trial in Saigon on October 15 charged with treason.

They were accused of attempting to overthrow the Khanh Government on September 13.

A prosecution statement credited Gen. William C. Westmoreland, Commander of US forces in Viet-Nam and his Chief of Staff, Maj-Gen. Richard Stilwell, with a major role in preventing the coup. "If it had not been for the intervention of Generals Westmoreland and Stilwell there would have been bloodshed."

The two Generals persuaded the rebels not to attack Tan Son Nhut air force base after the air force refused to join the rebels. Nearly 4,000 Americans are stationed there.

Only 16 defendants were present as the trial opened. Four of the seven civilians are still at large and apparently, will be tried in absentia.

The defendants were headed by the former Interior Minister, Brig-Gen. Lam Van Phat, accused of being the mastermind, Maj-Gen. Duong Van Duc, former 4th Army Corps Commander, Brig. Len Duong Ngong Ngoc Lam, former Mayor of Saigon and Col. Huynh Van Ton (former 7th Division Commander).

When the trial was announced, Gen. Khanh had said that the defendants faced the death sentence.

Best known of the civilian accused is Mr. Tran Quock Buu, close associate of the former Diem regime. Four of the other civilians are still at large.

Meanwhile, the former Chief of Staff, General Cao Van Vien, was named commander of the third tactical region, which covers the Capital.

The new Commander, considered a friend of General Khanh, belongs to the group of "young officers" who foiled the attempted coup.

Earlier on October 7, South Viet-Nam's highest ranking General left the country as part of a deal to stabilize the political situation.

He was Lt-Gen. Tran Thien Khiem, former Defence Minister and Commander-in-Chief of the armed forces in General Nguyen Khanh's Government.

His departure had been requested by young Army Generals, who had saved General Khanh from being toppled in a coup.

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These Generals regarded Khiem as an obstacle to their plans for re-organizing the armed forces and Government.

General Khiem later reached Hong Kong.

(*The Times of India*, Bombay and *The Statesman*, Calcutta)

[Prev. ref. 6106:RVN:A]

ASIA OUTSIDE ASIA

A. Third International Conference On Peaceful Uses Of Atomic Energy: The third International Conference on Peaceful Uses of Atomic Energy opened in Geneva on August 31.

The Conference attendance of approximately 3,800 delegates included 1,780 Governmental representatives and advisers from 77 countries, 40 representatives of 10 organizations associated with United Nations, and an estimated 2,000 unofficial observers from about 30 countries sent by individual firms, Governmental agencies, educational institutions, scientific organizations and internationally-sponsored nuclear projects.

In addition, approximately 450 representatives of the information media—Press, radio, television, newsreel, and photo services—were accredited.

The Conference received messages of greetings from the Heads of States and Governments of a number of countries, including the Soviet Union, the United States, Britain, France, Canada and the United Arab Republic.

The Conference was opened at the Palais des Nations by Mr. Vasili S. Emelyanov of USSR, who had previously been designated as President of the Conference by the UN Secretary-General, U Thant.

Participants were welcomed by the President of the Swiss Confederation, Mr. Ludwig von Moos, and they then heard addresses by the Secretary-General, the Conference President, and the Director-General of the International Atomic Energy Agency (IAEA), Mr. Sigvard Eklund.

The speakers reviewed progress in the practical application of nuclear energy achieved since the previous atomic conferences held in 1955 and 1958, and they expressed hope that the current Conference would help increase international co-operation concerning problems still to be solved.

The Secretary-General, U Thant also stressed the need for the Conference to help the developing countries profit from nuclear progress, and he expressed belief that peaceful uses of the atom would eventually be regarded "as the work of all mankind rather than the exclusive preserve of particular nations".

Presidential Address:

The President of the Conference, Mr. V. S. Emelyanov, noted that 1965 would mark the 20th anniversary of the release of atomic energy on a practical scale.

He reviewed the work accomplished by the first and second Conferences, in 1955 and 1958, and assessed the experience acquired in the course of the last six years of intensive scientific research.

Today, he continued, there was no longer any doubt that atomic reactors could be put to practical use to generate electricity, or any doubt about the outlook for the practical use of atomic energy in ship propulsion. He expressed his conviction that atomic power would find its way into air transport, too, and that within the next 15 to 20 years atomic power would play a vital part in the over-all energy balance of many countries.

Mr. S. Eklund's Address:

Mr. S. Eklund, Director-General of IAEA, stated that within the last year the competition between nuclear and conventional sources of power had entered a new phase, with nuclear power in a strong position.

The current Conference would make available up-to-date information which should help utilities or power boards in taking policy decisions regarding the route to follow in their future programme.

He pointed out that the economy drive by Governments would certainly foster regional and international co-operation. Indeed, several countries had signed bilateral agreements for work on similar problems, thus making joint use of costly experimental facilities. He expressed the hope that, in the future, support would be given to "true regional projects for the benefit of a number of countries."

India Justifies Move To Augment Nuclear Power:

Mr. M. Dayal of India's Atomic Energy Department said on September 5 that developing countries like India with high conventional fuel costs in regions of growing power demand would have to instal more nuclear power capacity to meet the demand economically.

In a paper on integration of nuclear power stations in net-works with special reference to the developing countries, he said that in India hydro-energy, if available in regions of load demand, provided the cheapest source of power. If the hydro-projects were of the storage type, installed capacity should be designed for low plant factor operation—the time the plant was actually producing power.

This provided the most economic way of meeting power system peaks as the additional installed cost of hydro-units was relatively small. Hydro-plant factors as low as 15 per cent had been suggested for India.

Mr. Dayal cited the Tarapur atomic power station, expected to begin feeding power into India's west coast system in 1968. By then, the system's total installed hydro-capacity would be 996 mw and would be working at an average plant factor of 40 per cent. The thermal and nuclear station taking the entire base load, could easily be made to operate at an annual load factor of 70 and 80 per cent respectively.

The fuelling costs for Tarapur were expected to be the equivalent of between 2.1 and 2.62 mills per kwh (one mill is 1/10th of a US cent). Fuelling cost for a coal-fired station in the system would be a minimum of 5.85 mills per kwh. Allocating additional energy requirements equivalent to only 7.5 per cent plant factor for a 380 mw station would add about Rs. 2.5 million to fuel costs of a nuclear station but at least Rs. 7 million to fuel costs of a coal-based station. Thus, the saving to the system in using the nuclear power station would be more than Rs. 4 million per year even for this marginal allocation of energy.

Conference Ends:

The Conference ended on September 9.

The President of the Conference, Mr. V. S. Emelyanov of USSR, expressed the hope that "every atom split and every atom fused shall serve the cause of peace".

He said that, although the Third Conference had been smaller than its two predecessors in 1955 and 1958, this in no way diminished its importance, and the interest and depth of discussion it had aroused had exceeded expectations.

Governmental Scientific Exhibition:

Formal sessions of the Conference were supplemented by a governmental scientific exhibition.

Displays covering 7,600 square metres of floor space showed atomic energy at work in industry, agriculture, medicines, meteorology, shipping and other phases of life in 18 countries.

Exhibits were provided by the Governments of Australia, Belgium, Canada, Czechoslovakia, Denmark, West Germany, France, India, Italy, Japan, the Netherlands, the Republic of South Africa, Sweden, Switzerland, USSR, the United Kingdom and the United States.

(*United Nations*, *The Times*, London, *The Times of India*, Bombay and *The Statesman*, Calcutta)

[Prev. ref. 2293:AOA:A]

B. Commonwealth Education Conference: The third Commonwealth Education Conference opened in Ottawa on August 21. It was presided over by Mr. Vincent Massey, former Governor-General of Canada.

A proposal by Mr. Massey that the 1967 World Fair facilities in Montreal be turned into a Commonwealth study centre afterwards was favourably received.

Addressing the opening session, India's Education Minister, Mr. M. C. Chagla, pleaded for a concerted drive to eliminate illiteracy throughout the Commonwealth.

He said that a target should be set so that one-quarter of the world's population would have all the benefits of modern education.

His proposal was one of many put forward at the opening session of the two-week meeting, attended by about 200 representatives of 33 Commonwealth countries and territories.

Mr. Susana Hassan, Ghana's Deputy Minister of Education urged the Conference to study the creation of a Commonwealth scheme of training overseas and steps to provide a training plan for women in such fields as home economics and nursing education.

Addressing a plenary session of the Conference on August 27, Britain's Minister of State for Education and Science, Sir Edward Boyle, said that Britain was to expand her assistance in many directions to further Commonwealth educational co-operation. Britain expected her expenditure in this field to increase substantially as a result of the Conference.

He told a news conference on August 27 that the total amount of money the British Government was prepared to devote to Commonwealth educational co-operation between 1965 and 1970 would be more than twice that spent in the past five years.

He recalled that he had said that Britain's direct aid towards education in the Commonwealth, including expenditure on various co-operative schemes, amounted last year to £20,500,000.

He said that if Britain had not planned any fresh schemes in Commonwealth education she would continue spending about £10,000,000 over the next five years. However, the fresh proposals he had detailed in his speech and the extensions to existing schemes would add another £3,000,000 to £4,000,000 to the expenditure.

Progress Of Scholarship And Fellowship Plan:

The highlight of the work of one of the Committees of the Conference examining all aspects of the successful Commonwealth Scholarship and Fellowship Plan was the unanimous agreement that there should be no increase at present in the total of

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1,000 scholarship awards, but that there should be a period of consolidation, at any rate between now and the next Education Conference.

Sir Douglas Logan, Principal of the University of London and Chairman of the Committee reviewing the operation of the Plan, informed a plenary session of the Conference that 924 scholars were studying in 1963-64 in different Commonwealth countries, and that the goal of 1,000 awards agreed at Oxford in 1950 was within sight. He added that Britain had exceeded her own target of 500 current awards.

The Plan had won an enviable reputation in a relatively short time because of the high academic quality of the scholars. It was amply fulfilling the expectations of its founders, and in the not-too-distant future would "justly merit further extension."

Conference Ends:

Mr. M. C. Chagla, who arrived in London after the conclusion of the Conference, said on September 4 that India would play a more active part in the educational programmes for students from African countries.

It was found in Ottawa that most of the African countries were unable to take advantage of the Commowealth scholarships which were for post-graduate studies. They pointed out that their greatest need was for undergraduate scholarships and in this field India could help. He had said so in Ottawa.

The Ottawa Conference had indicated that greater help in the matter of school and college equipment could be expected from the more developed countries of the Commonwealth.

Two of the main conclusions were the importance of technical and secondary education for developing countries.

(*The Times*, London, *The Hindu*, Madras and *BIS*)

[Prev. ref. 4431:INI:C]

C. Commenwealth Co-operation In Economic Matters—Annual Report Of CEC: The 10th annual report of the Commonwealth Economic Committee (CEC), published in London on October 6, highlighted the tangible benefits of Commonwealth co-operation in the exchange of ideas and information.

For instance, in August, 1963 the Committee published a review of "Cement in the Commonwealth" which showed that the annual use of this material in the Commonwealth increase by no less than 15,000,000 tons between 1951 and 1960, and that by 1965 a further rise of some 11,000,000 tons could be expected.

The Committee is now engaged on a similar report on fish in the Commonwealth.

Its report on the third year of the Special Commonwealth African Assistance Plan, published in February, 1964, showed that technical assistance was very considerably expanded in 1962-63, while capital aid amounted to some £52,000,000.

In the popular series on "Commonwealth Development and its Financing", a study of India was published. Others on Jamaica, Tanganyika, Sierra Leone, Malaysia and Uganda are in preparation.

The report showed the diversity of questions on economic topics which the Committee answered on behalf of Governments and others concerned with Commonwealth trade and production. For example, Australian meat ranchers benefited from information about meat shortages in Western Europe. The Committee was also able to send Argentine importers details of the harvest seasons for apples and pears grown in various Commonwealth countries.

Apart from the meat and fruit inquiries, the Committee said that industrial concerns in Briain, New Zealand, the United States and Sweden had asked about wool and other industrial fibres, and Pakistan had inquired about British imports of mango products.

(*UK High Commission*, New Delhi)

[Prev. ref. 5578:AOA:G]

D. Assault On Afro-Asian Diplomats In New York—Protest Memorandum To U Thant: The Afro-Asian Group at United Nations officially addressed the UN Secretary-General, U Thant, on September 24 protesting against racial incidents in New York involving Afro-Asian diplomats and asking him to take measure to insure diplomats with adequate security.

The official memorandum, signed by members of the Group, was presented to U Thant with a request that it should be published by him as an official document.

The memorandum expressed the hope that U Thant would be able to bring "this unpleasant situation to an end" and thus make it unnecessary for the Group to consider further steps to be taken in this regard before the General Assembly.

The memorandum was approved by the Group at a meeting on September 24.

It was reported that voices were raised at the meeting that if the US Government was unable to take measures to assure the security of UN diplomats then perhaps the remedy would lie in shifting the headquarters away from USA.

Diplomatic sources did not believe this to be a serious move, but they felt that the fact that it was being seriously suggested in the meetings of the Afro-Asian Group was indicative of their present concern over the issue.

There had been a number of incidents in New York involving particularly African diplomats. African and Asian diplomats have been increasingly concerned over their safety following an assault on Mr. Youysouf Gueye, First Secretary of the Mauritanian Mission, on August 30 while he was taking an evening stroll just outside the official residence of the Mayor of New York. He was assaulted by White youths with beer bottles.

In the memorandum the Group said that it was determined to use every effort within its means to end "these intolerable incidents impairing the dignity of the Organization". The protection of diplomats against any assault or threat was the right of every diplomat accredited to United Nations and effective measures should be taken to secure this.

A delegation of the Afro-Asian Group had discussed the situation informally with U Thant. By making a formal protest and by having it published the Group hoped to bring pressure to bear upon USA.

The issue came into the open on September 29 with the publication of the Group's letter to U Thant.

The letter was made public by Mr. John Boureima Kabore, Ambassador of Upper Voita, the Group's chairman for the month.

Shortly thereafter the US delegation made public its reply to the Secretary-General on the same subject.

Mr. Kabore told a news conference that the latest incident involving a Mauritanian diplomat was the last in a series of incidents in which Afro-Asian diplomats had suffered indignity in New York. They had been living in a state of "terror" because of the physical assaults on them or the insults they had been subjected to in restaurants and public places in New York and sometimes even while entering the UN buildings.

He said that many of the incidents were perhaps because of their diplomatic position. He referred to the burning of a car bearing a diplomatic number plate.

The US Ambassador, Mr. Adlai Stevenson, in his letter to U Thant expressed regret for such incidents, but asserted that these incidents did not reflect the attitudes and actions of the vast majority of New Yorkers or the State or Federal authorities.

He said that the prosecution of the assailant of the Mauritanian diplomat would depend on the diplomat's willingness to to testify (which, in turn, might involve his willingness to renounce his diplomatic immunity).

He added that USA was willing to consider taking further steps, and asked for full co-operation of all missions accredited to UN "to assure that the rights and obligations of the diplomatic community are fully recognized."

(*The Statesman*, Calcutta and *The Times of India*, Bombay)

E. Malta Attains Independence: One-hundred-and-sixty-four years of British rule in Malta ended on September 21.

The Duke of Edinburgh handed over the constitutional instrument of Malta's independence and read a message from Queen Elizabeth welcoming Malta to the Commonwealth. The ceremony took place in Valletta, capital of the Island.

The Duke said that Malta had never been an outpost for aggression, and would continue to be a bastion for peace "so long as Malta and Britain at any rate remain bound by a Treaty willingly agreed to."

He was speaking at the formal swearing-in ceremony of the Governor-General, the Prime Minister and the Ministry on the first day of the fortress Island's independence.

Fireworks, bonfires and peals of church bells marked Malta's independence at midnight.

The midnight ceremonies culminated in the lowering of Britain's Union Jack and the hoisting of Malta's new National Flag of red and white with an inset George cross—the honour awarded to the Island for its wartime gallantry.

Thus came the end of British rule over the 122 square-mile Colony and its 330,000 people.

(*The Times*, London)

F. World's Largest Bomber Built By USA: The *XB-70*, a prototype inter-continental bomber capable of flying at three times the speed of sound, successfully completed its first test flight in California on September 21 when it flew from Palmdale to Edwards Air Force Base.

The event was described as a turning point in aviation history, but as the aircraft was unlikely to be put into service with the Strategic Air Command, its main contribution would be felt most in the construction of supersonic civil aircraft.

The 275-ton aircraft, believed to be the largest aircraft ever built, has a range of 5,000 miles and is designed to carry 20,000 lbs of bombs at a speed of 2,000 miles an hour at an altitude of 70,000 feet. Its elongated fuselage makes it look like a paper dart.

Its development costs to date are estimated at $1,500 million. This figure had impressed Mr. R. McNamara, the US Defence Secretary, who had shown little enthusiasm for the project. The original order for three aircraft was reduced to one, after design and construction difficulties, after 10 years of development.

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could have led to cancellation had not the Air Force lobby proved too tenacious.

The XB-70 was built by North American Aviation Corporation and is powered by six General Electric YJ93-3 turbojet engines.

(*The Times*, London)

[Prev. ref. 6035:AOA:D]

G. New Microscope Invented In USA: A microscope which sees the unseen and tells scientists what it is, was described in Washington on October 15.

The instrument, the creation of inventors in USA and abroad, is called an electron microscope. It shoots a beam of electrons at a target as small as 1,000 million millionth of a gramme and enables scientists to determine its chemical make-up by the tell-tale x-rays it gives off.

American, British and Japanese scientists outlined a wide range of uses and potential uses for the instrument at a symposium held in connexion with the meeting of the Electro-Chemical Society in Washington.

Dr. Gunji Shinoda of Osaka University said Japan was using the electron microprobe to expose impurities in steel tubing. The "atomic detective" found out that the impurities were coming from liners in steel furnaces, with the result that better liners are being developed.

Dr. Theodore of the Cavendish Laboratory, Cambridge, said British scientists had used the probe to identify weak spots in exotic space-age metals and that biologists hoped to adapt it to determine the difference between normal and cancerous cells.

Dr. K. F. J. Heinrich of the US National Bureau of Standards said the probe showed up defects in tiny microminiaturized electronic circuits not otherwise detectable, samples pollution in the air, exposes faked works of art, and may identify better materials for lasers.

Dr. Heinrich and Dr. Shinoda said museum curators had employed the instrument to detect traces of titanium oxide, an ingredient of modern pigments unknown to Renaissance painters, in faked paintings attributed to the old masters.

The instrument incorporates the technical features of the scanning electron microscope invented in Germany, the x-ray spectroscope developed in France and Sweden, and radiation detectors developed in US.

The first working model was built in France in 1950, based on a description by J. Hiller of USA.

(*The Times of India*, Bombay)

[Prev. ref. 2646:AOA:B]

H. Sound Waves In Eye Operation—US Doctors' Achievement: Doctors of the Walter Reed Army Hospital in Washington on September 22 used sonar, a technique more usually associated with submarines, in the course of an eye operation.

They used it to plot the exact location of a piece of brass a quarter of an inch long, which became lodged in an eight-year-old boy's eye. Brass being non-magnetic cannot be lifted out by conventional methods, and it was feared that if the mote was left where it was it would corrode, necessitating the removal of the entire eye.

In the operation the brass was located by bouncing sound waves off it and plotting its position on a tiny oscilloscope near the patient's head. The echoing device, which was developed by Dr. Nathaniel P. Bronson, of Manhattan Eye and Ear Hospital in New York, is able to come within five milli-metres of the object. Tiny extractors on the tip are then used to lift the object out.

(*The New York Times*)

I. World Population Forecast: World population, approximately 3,000,000,000 in 1960, will rise to 5,300,000,000 to 6,800,000,000 by the year 2000, according to "plausible long-range" projections contained in a United Nations report on world population prospects, released in New Delhi on September 25.

A figure near 6,000,000,000, or double the 1960 number, "seems to be the most likely expectation", according to the study.

The world total by the year 2000 could, however, rise to a level 2.5 times the 1960 figure—to 7,410 million—if the 1960 fertility rate were to continue and if mortality were to go on decreasing at the rates which prevailed during the 1950's, an assumption, "not considered likely to be borne out by future developments".

The study noted that "it is highly probable that events will occur which will bring about changes in the present population trends". 'Certain tendencies of development can now be discerned which have fairly definite implications for the near future, and their possible implications for the more remote future are also calculable, though with varying degrees of uncertainty".

The publication, **Provisional Report on World Population Prospects, as Assessed in 1963**, was prepared by the Population Branch of the UN Department of Economic and Social Affairs and is being circulated among Governments, selected demographic institutes and individual experts for comments and suggestions. On the basis of comment received, a final report will be prepared for publication in the UN series of population studies. In 316 pages of text and tables, the report pointed out that:

(1) In nearly all developing countries, there remains considerable scope for rapid decreases in the death rate, so that the prevailing tendency is one of accelerating population growth;

(2) The population of most developing countries is now increasing at annual rates ranging from about 1.0 per cent to 3.5 per cent, whereas the rates of most developed countries are between 0.5 and 1.7 per cent;

(3) The population of Latin America by the end of the century would be 3.6 times as large as in 1960; Africa and South-East Asia would each have more than three times as many inhabitants, East Asia 2.3 times as many; those of Oceania, North America and the Soviet Union would nearly double; and Europe's population would be increased by one-third;

(4) By the year 2000, the share of world population in the now less developed areas would rise from 71 per cent in 1960 to 81 per cent. Very high population densities would be attained in East Asia and South Asia, surpassing the density in Europe;

(5) Migration in the future would probably tend to be on a reduced scale and the relative demographic importance of the population movements would be even slighter;

(6) The developed countries are undergoing a progressive increase in the proportion of aged persons in the population, which is resulting in a gradual slowing-down of population growth.

The report noted that world population growth had "conspicuously accelerated", due to the immediate effects of mortality decline, and may accelerate further for the same reason. "It is inevitable, however, that this growth must eventually slow down, if fertility does not decline, but the prospect of eventual slowing down of the population growth is removed to a more distant future, and the eventual size of the population will be still much larger".

Following an introductory section, the report contained a summary of population growth in the major world areas up to the year 2000. It noted that in the four major areas that were now more developed—Europe, the Soviet Union, North America and Oceania—between 30 and 60 per cent would be added to the 1960 population figure in the next 40 years, the most likely increase being 50 per cent. In the less developed areas, the increase for the same period was estimated at between 95 and 150 per cent, the most likely increase being 120 per cent.

A section of the publication dealt with future population projections up to the year 2000 by eight major areas—East Asia, South Asia, Europe, the Soviet Union, Africa, Northern America, Latin America and Oceania.

Included in this section was a report on population estimates for mainland China. It gave the following figures on the population estimate for mainland China:

1960 — 648.1 million
1980 — 916.8 million
2000 — 1,210.0 million

World population projections had been prepared by United Nations on three previous occasions—1951, 1954 and 1957.

(*UN Newsletter*)

[Prev. ref. 5948:AOA:A]

J. Asian Resurgence Of Cholera: According to figures issued in Geneva on October 5 by the World Health Organization, a general resurgence of cholera was experienced in Asian countries in 1963, with many more cases and deaths than were registered in any of the past five years.

There were 65,157 cases and 21,755 deaths, the corresponding figures for 1963 being 41,575 and 12,016.

As in other years, India and East Pakistan were the areas worst affected, with 55,069 cases (more than 90 per cent of them in India) as against 28,182 cases in 1962. Indonesia had a serious epidemic; the Philippines, Burma, and Thailand each had more than 20,000 cases. Throughout last year South Viet-Nam was reported free of cholera, but 17,559 cases were notified there between January 5 and July 25 this year.

The El Tor strain of cholera, first identified at the Red Sea pilgrimage quarantine station of that name, has been spreading in the western Pacific since 1961. Previously regarded as a non-quarantinable disease, this strain is now classed as a form of real cholera, necessitating full quarantine meaures. In 1963, El Tor cholera was reported from South Korea and from most countries of the Malayan peninsula.

Two cases in Japan were traced to air transport over the year as a whole, a high incidence of the disease was registered in certain towns adjacent to ports and airports. Calcutta, for example, had 4,592 cases.

(*The Times*, London)

[Prev. ref. 5095:AOA:E]

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ASIAN RECORDER

November 25—December 1, 1964

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BURMA

A. Indian Embassy Suspends Issue Of Migration Certificates: The Indian Embassy in Rangoon announced on October 27 that it was suspending with immediate effect till the end of January, 1965 acceptance of applications for emergency certificates from Indian nationals intending to migrate to India.

A special Press release issued by the Embassy said it had organized speedy issue of travel documents to intending migrants and from July 1 this year, 56,000 emergency certificates had been issued by the Embassy.

The current schedule of sailings up to December 5 this year, the release said, would carry approximately 40,000 persons and was fully booked. The next schedule would be announced shortly.

The Embassy was now allotting accommodation for a further 16,000 cases at present with them. "It will take about three to four months to arrange for the despatch of all that number of persons."

It explained that an applicant who received his emergency certificate now "cannot be accommodated till about April, 1965. An emergency certificate is valid only for six months. After that it has to be renewed. This causes considerable inconvenience to all concerned. To avoid this, the Embassy will suspend acceptance of applications for emergency certificate till the end of January next year. Applications will be accepted normally thereafter."

The Press release said applications already made to various volunteer centres in Rangoon and not yet submitted to the Embassy would be returned, but registered in "serial order and given priority as soon as acceptance of applications is resumed."

(*The Hindu*, Madras)

[Prev. ref. 5976:BUR:A]

CAMBODIA

A. Aggression Charge Against USA: The Head of State, Prince Norodom Sihanouk, complained to the UN Secretary-General, U Thant, on October 24 about what he termed as the "latest grave American aggression" against his country.

He sent similar complaints to the Soviet leaders, Mr. L. Brezhnev and Mr. A Kosygin, and President de Gaulle of France.

In his message, Prince Norodom charged that Viet-Namese planes, with American backing, had strafed a border village on October 20, killing eight Cambodians.

He accused USA and South Viet-Nam of "premeditated aggression" against his country and called for a convention of the 14-nation Geneva Conference on Indo-China to study his charges.

At the same time, the Cambodian Government in a call to the British Foreign Secretary, Mr. Patrick Gordon Walker, for reconvening the Geneva Conference said it hoped for a "more realistic understanding" on the part of the new British Government.

The Khmer Press Agency said the Cambodian Government had warned Britain that if reconvening of the Geneva Conference was obstructed any more, it would have serious consequences on the maintenance of peace in Indo-China of which Britain was one of the guarantors.

Fresh Charges Against USA And Viet-Nam (RVN):

The Government alleged on October 25 that three South Viet-Namese aircraft had bombed Anlong-Kres, a village in Cambodia's Kompong Cham province, for the second time in five days.

The second attack was directed mainly against defences installed by the Cambodian army after the last attack. One Cambodian soldier was killed and four soldiers and a civilian were wounded.

A **communique** said that the stepping up of military activities against Cambodia clearly showed the wish of Cambodia's neighbour and "her allies to provoke a general conflict throughout South-East Asia."

A third bombing attack by Viet-Namese aircraft was alleged on October 26. A **communique** said that the bombardment had been carried out by "two aircraft of the F-101 type belonging to American aviation" which had machine-gunned the Cambodian army's defensive positions established at Anlong-Kres after "the first aggression of October 20."

At the same time the Cambodian Ministry of Information announced that three helicopters protected by 15 aircraft from South Viet-Nam had taken part in an operation to recover the bodies of the crew of a two-engined plane which had been brought down in front of a military post at Dak Dam, Eastern Cambodia.

The Head of State, Prince Norodom Sihanouk, conferred with top officials on October 26 following the reported bombings.

Later, the Government warned that it would return blow for blow all violations of the Cambodian border with South Viet-Nam either by South Viet-Namese or American personnel.

The official Khmer Press Agency said two Viet-Namese aircraft were spotted by radar and chased by the Cambodian fighters on October 26, about a dozen kilometres inside the Cambodian territory near Peam Montea village, 50 miles south-east of Pnom Penh.

In a statement, the Government warned that if further violations of the border took place, Cambodia would cease diplomatic relations with USA and recognize the National Liberation Front as the shadow Government of South Viet-Nam.

Admission Of Air Attacks:

American and Viet-Namese spokesmen admitted in Saigon on October 28 that intensified Viet-Cong activity from bases inside Cambodia had forced South Viet-Namese and American aircraft to fire against Cambodian targets.

The American mission spokesman, Mr. Barry Zorthian, confirmed that a United States Air Force C-123 transport plane that was shot down on October 24 was flying over Cambodia when it was hit, and that the fire it received came from heavy machine-guns in Cambodian territory. Eight Americans were killed when the plane went down. Armed American helicopters circling over rescue operations around the wreckage returned fire against a Cambodian village and military camp.

The South Viet-Namese Government presented formal apologies for another incident on October 20 in which Viet-Namese aircraft strafed a Cambodian village near the frontier.

Both the United States and South Viet-Nam, in calling the incidents "regrettable," nevertheless implied that they were unavoidable as long as the Viet-Cong used Cambodia as a sanctuary from which to pursue their war in South Viet-Nam.

"The steps necessary to eliminate these regrettable incidents include the termination of hostile activity by the Viet-Cong in (border) areas," Mr. Zorthian told newsmen in a carefully worded statement.

[Two difficulties, one of politics and one of geography, make the border problem particularly delicate. Geographically, the problem over most of the length of the 575-mile frontier is that the border is not discernible either on the ground or from the air. It passes through desolate mountains and flooded delta land. The political difficulty is that it is not, and perhaps cannot be, determined whether fire from Cambodian territory is coming from Cambodian troops or Viet-Cong units inside Cambodia.]

Cambodian Protest To UN:

Cambodia informed the UN Security Council on October 28 that it could only rely on "appropriate action by friendly Governments" to halt what it described as acts of aggression by USA.

The "friendly Governments" were not identified.

The same day (October 28), Cambodia denied that Cambodian military forces were in any way responsible for the death of an American officer captured near the Cambodian-Viet-Namese border on October 22.

US Army Capt. Herman Y. Towery had been captured by unidentified troops who crossed over the border from Cambodia. His body and those of two of his Viet-Namese companions were found on October 24 on the Viet-Namese side of the frontier.

The Government statement said if Cambodian forces had captured an American officer and Viet-Namese soldiers, "it would have been in Cambodia's interest to keep them alive in order to present them to the International Control Commission and the Press as evidence of a violation of Cambodian territory."

Further rift between USA and Cambodia became evident on November 2 following reports which quoted American sources as saying that the wives and children of

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the small American Embassy staff in Cambodia were leaving the country.

The reports said the evacuation was a precautionary measure after the recent shooting down of a US transport plane and the border incidents.

On November 3, Russia expressed its concern to USA over clashes along Cambodia's border with South Viet-Nam.

America in turn called on the Soviet Union to avoid any step which would make the border situation worse.

In Washington, a State Department spokesman said: "The Secretary of State expressed the concern of the US Government at the continued use by the Viet-Cong of the Cambodian-Viet-Namese border area."

British sources reported on November 4 that the Soviet Union had officially proposed to UK that the 1954 Geneva Conference be reconvened to guarantee the neutrality and territorial integrity of Cambodia.

According to the sources, the Soviet proposal was conveyed earlier in the day (November 4) by the Russian Ambassador, Mr. Alexander Soldatov, to Britain's Foreign Secretary, Mr. Patrick Gordon Walker.

Mr. Gordon Walker asked whether the Soviet Union still intended to assume fully its role as co-Chairman (with Britain) of the Geneva Conference.

The British Government, the sources added, would not take action on the Soviet proposal till it received the clarification which it had sought.

Earlier, on November 2 in Bangkok, the Thai Deputy Defence Minister, Air Chief Marshal Dawee Chullas Apya, told newsmen that the situation in Cambodia was worsening because of growing Chinese influence. He believed USA would take some measures against Cambodia after the Presidential elections.

Meanwhile, China warned USA that it could not "ignore any acts of aggression endangering the security of Cambodia."

The **New China** news agency published on November 2 a recent exchange of letters between Prince Norodom Sihanouk and the Chinese leaders, in which the Cambodian Prince had condemned alleged US-South Viet-Nam attacks on his country and warned that "hereafter it is impossible for us to suffer new aggressions passively; it is impossible for us not to strike back, whatever the consequences."

(*The New York Times* and *The Statesman*, Calcutta)

[Prev. ref. 6052:CAM:A]

CEYLON

A. Colombo Plan Annual Report: According to the annual report for 1963-64 of the Colombo Plan Council, population explosion and fluctuating world markets and prices pose serious problems for the Colombo Plan countries in South and South-East Asia, although their economic development programmes have gathered momentum.

In these circumstances, the Council expressed its conviction that "technical co-operation in the Colombo Plan region should be intensively pursued to make the most effective use of the growing resources for such programmes within the region as well as of the opportunities provided through the aid of more developed member-countries."

Besides, the rapid development of training at the professional and middle levels "is essential to create the base of competent personnel who shall carry forward future development and occupy significant places in expanded and diversified economies."

The report said India occupied a key position during the year in the context of intra-regional training and was the major donor of training places within the region, having provided 284 places—77 per cent of the total.

Malaysia ranked as the second largest donor, followed by Pakistan, Burma, Ceylon and the Philippines.

The total number of training places within the region from the inception of the Plan to June this year was 3,058.

Nepal, Ceylon and Burma made good use of training facilities, while Cambodia and Laos made little use, owing "partly to language difficulties."

There was, on the whole, a "notable expansion" of training facilities within the region. However, the increased facilities were not fully exploited "regionally."

Technical assistance under the Plan during the year was characterized by "flexibility and elasticity." The assistance met (1) the widely varying technological requirements of countries of different stages of economic development and (2) the changing technological requirements of each country from the basic fields to the more sophisticated.

Common bonds such as historical ties, geographical location and languages were among the major factors which influenced the flow of technical assistance. For example, India took in a large proportion—63 per cent—of trainees from Nepal and a considerable number from Ceylon.

The major donor of training places was USA, which provided 2,164 places—48 per cent of the total.

Training places were provided in a wide variety of fields—engineering, technical education, civilian use of nuclear power, agriculture, medicine, industrial management, public and business administration and social services.

Education accounted for the largest number of training awards and the accent was increasingly on technical and vocational skills and practical experience rather than on mere acquisition of university degrees. Administration, agriculture and forestry continued to occupy second place.

The services of 948 experts were made available to the region during the year as compared to 870 last year. Of the experts, 562 were provided by USA. India was the second largest donor of experts with 106. India also accounted for taking in the largest number of experts (157), followed by Viet-Nam (137) and Nepal (123).

The trend towards long-term experts, noticed during the last five years, continued.

Maldive Islands and Afghanistan became members of the Council during the year, raising its strength to 22.

(*The Times of Ceylon*, Colombo)

[Prev. ref. 5509:CEY:B]

B. Rail Disaster: Twenty-one passengers were killed and about 180 injured—56 of them seriously—when a number of bogies of the Colombo-bound Talaimannar Express derailed between Ambepussa and Mirigama, about 30 miles from Colombo on October 17.

The train consisted of eight passenger bogies and 14 wagons. Three of the passenger bogies were badly damaged.

Passengers who were pinned under the wrecked coaches could not be extricated until a break-down special reached the scene of the accident.

(*The Hindu*, Madras)

CHINA

A. Notes To All Countries On Atomic Blast: China sent on October 18 to Governments around the world a statement explaining why it had detonated its first atom bomb and calling for a "summit" conference to ban all nuclear weapons.

The statement, signed by the Prime Minister, Mr. Chou En-lai, and sent to Heads of Governments was word for word the same as that issued on October 16 in announcing the explosion of the bomb (see page 6148).

President Johnson of USA, with which China has no diplomatic relations, also received the Chinese Premier's letter. It was delivered in an exchange between the Chinese and US Embassies in Warsaw.

President L. B. Johnson's Interview:

In a televised interview, President Johnson said on October 18 that, according to US intelligence advice, the detonation of the Chinese nuclear device took place at a test site near a lake called Lop Nor, in the Takla Makan desert of the remote Central Asian province of Sinkiang.

The building of that test site had been known to US Intelligence for several years and the rapid pace of work there gave a clear signal that a nuclear test was about to take place.

He accused the Chinese of carrying out their nuclear weapons programme "even as their economic plans collapsed and suffering of their people became enormous." "No American should treat this matter lightly. This explosion remains a fact—sad and serious. We must not and we will not ignore it."

He re-affirmed US defence commitments in Asia and said that the "overwhelming" strength of USA would be available to countries which required support against the threat of nuclear blackmail.

He said that the lesson of Lop Nor was that nuclear weapons could spread. "We must continue to work against it—and we will."

Signing Of Partial Test Ban Treaty—China Rejects US Proposal:

On October 22, China rejected President Johnson's suggestion that it should join the three-Power partial nuclear test ban Treaty and said its own anti-bomb proposal was "practical, reasonable, easily feasible and involves no question of control."

The Chinese rejection of Mr. Johnson's public declarations that Peking should agree to the Treaty now that it had exploded its own bomb was contained in an editorial in the **People's Daily**.

At the same time, the Chinese regime promised, "we shall not use these weapons to intimidate others and embark on any adventure. Nor shall we use them as a membership card to join the nuclear club and do anything to jeopardize the interest of the people's revolutions the world over or that of world peace. Socialist China can be trusted."

China's bomb explosion on October 16 made it the fifth world nuclear Power along with USA, Russia, France and Britain.

Despite Peking's assertion it will not use its newly acquired nuclear power to intimidate others, the **People's Daily** carried a side editorial on its front page warning that "those who play with fire will get themselves burnt." It re-affirmed China's "all-out support" for the Communist insurgents of South Viet-Nam and

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Laos, condemned the Johnson Administration's authorisation of "hot pursuit" by its aircraft into China and North Vietnam and said: "One should be fully alert against US adventure of extending the war into Indo-China."

The newspaper said: "China is by no means obsessed by the idea of possessing nuclear weapons. It will stop developing them as soon as US imperialism does so."

It added: "Mr. Johnson may try deceit, intimidation or slander, but he cannot make the Chinese people budge from their stand."

US Stand:

On October 23, a US State Department spokesman declared that "the channels for dialogue" between China and the older nuclear Powers were open.

The Department Press Officer, Mr. Robert McCloskey said it "would be all right" with the United States if the Chinese were invited to Geneva disarmament talks.

The UN Secretary-General, U Thant had suggested on October 22 that the United States, the Soviet Union, Britain, France and China should meet in 1965 to discuss a total nuclear test ban and nuclear weapons control measures.

Mr. McCloskey said USA interpreted U Thant's proposal to be for a "dialogue" among the nuclear Powers, including China.

"The channels for a dialogue are open", he said. "The British, French and Soviet Governments are represented in Peking, and we (the United States) have periodic talks with the Chinese Communists in Warsaw."

At the same time, he said that although the channels were open to the Chinese, "we haven't heard anything constructive from them yet."

U Thant's View:

The UN Secretary-General, U Thant, said at a news conference in New York on October 22 that the Chinese test explosion was "deplorable" and "regrettable," particularly in the context of the UN General Assembly resolutions and the Moscow Test Ban Treaty, which had been overwhelmingly endorsed by UN.

U Thant suggested that talks among the nuclear Powers—USA, the Soviet Union, Britain, France and China—might be useful and worthwhile.

He said that in his view 1965 might be congenial for such a dialogue and this could supplement disarmament attempts.

He declined to assess the effect of China's entry into the "nuclear club" upon UN recognition of Peking, which will come up in the forthcoming General Assembly. This was entirely a matter for the members to decide.

Cambodian Proposal:

Meanwhile, on October 21 Cambodia proposed the inscription of the question of Chinese representation on the agenda of the forthcoming UN General Assembly.

The Cambodian-sponsored additional item was entitled "restoration of the lawful rights of the People's Republic of China in the United Nations." An explanatory memorandum was expected to follow.

The item was inscribed in 1963 at the instance of Albania. Albania and Cambodia had co-sponsored the resolution on the subject before the General Assembly, which was rejected by 57 votes to 49, with 12 abstentions.

(*The Times*, London, *The New York Times* and *The Statesman*, Calcutta)

B. Campaign Against "Revisionism": In a broadening campaign against "revisionism", another prominent intellectual of the Chinese Communist Party has come under attack.

Mr. Feng Ting, head of a philosophy association in Peking and Deputy Chairman of the Philosophy Department at Peking University, has been singled out for criticism in letters addressed to Red Flag, the theoretical journal of the Central Committee.

Peking Radio in a Chinese language broadcast reported publication of the critical letters in a review of the authoritative party journal.

The substance of the complaint against Mr. Feng was not stated. However, the method of criticism was similar to that employed initially against Mr. Yang Hsien-Chen, a member of the Central Committee who was President of the Higher Party School until 1961 (see page 6065).

Mr. Yang was accused of propagating revisionist philosophy according to Soviet tenets in lectures as late as last April at the Higher Party School, which is a senior ideological institution. Mr. Yang, in philosophical terms, was said to have condoned unity with the then Soviet Premier, Mr. N. Khruschev's leadership of the Soviet Party, reconciliation with USA and termination of the class struggle.

The charges lodged against Mr. Yang and his supporters have served to jolt members of the party and intellectuals generally into a more rigid observance of doctrines laid down by Mr. Mao Tse-tung, the Party Chairman.

This may have been the motive of the campaign against Mr. Yang. However, analysts also speculated that Mr. Yang was selected as the first prominent victim in a purge of party and cultural leaders who had failed to free themselves of all Soviet ideological influence.

The Yang controversy has been compared to the 1931 Stalin purge of Professor Deborin, a leading Soviet philosopher and his followers. In making the comparison, the Chinese Press said that the revisionist philosophy of Deborin had become an "ideological instrument in the hands of an anti-party group."

(*The New York Times* and *The Times of India*, Bombay)

[Prev. ref. 6065:CHI:B]

C. Mr. Chou En-lai's Criticism Of Late Mr. Nehru And India: The Prime Minister, Mr. Chou En-lai, not only made it clear to a Ceylonese parliamentary delegation in Peking recently that his Government would not budge an inch from its position on the border dispute with India, but also indirectly accused President Nasser of UAR of double-talk on the issue.

In a two-hour talk with the delegation, he was said to have called the late Indian Premier, Mr. Jawaharlal Nehru "the most arrogant man" he had ever met.

Mr. Chou said: "I have met Mr. Khruschev, I have met Mr. Chiang Kai-shek, I have met American generals, but I have never met a more arrogant man than Mr. Nehru. I am sorry, but this is true."

According to one of the delegates, Mr. Edmund Samarakody, leader of a pro-China group in the Trotskyite Sama Samaj Party, Mr. Chou said that Mr. Nehru was "almost implacable. In fact, your Prime Minister, (Mrs. Bandaranaike) had decided, shortly after the Colombo Powers' Conference, to carry the proposals first to India. But Mr. Nehru insisted that she should go to China. That is why she came to China first."

The interview took place before the conference of non-aligned nations met in Cairo and Mr. Chou was said to have shown concern that the Sino-Indian border issue was being raised there. "It is the Indian Prime Minister and Marshal Tito who are most anxious to raise it. It would be wrong to bring up the issue because China is not represented at the Conference."

A member of the 13-man Ceylonese delegation said Mr. Chou had asserted that "during my visit to Cairo, President Nasser told me that India's stand now is most unreasonable and it was now turning a deaf ear to the Colombo Powers."

Asked by Mr. Samarakody whether he expected India to seek a settlement of the border issue soon in view of its uncomfortable economic position, Mr. Chou was said to have replied: "I cannot say definitely, but I am hopeful that before long this border dispute will reach a definite settlement."

He was said to have shown his anger against Mr. Khruschev by calling him a liar. "He will lie to your face," he was reported to have bitterly remarked.

He took objection to the Soviet Union supplying armaments to India, but argued that they could not be used on the Himalayas. "Therefore, Pakistan's fears that arming India would be a potential threat to her is quite reasonable."

He told the delegation that India wanted to use the border dispute to divert the people's attention from unsettled economic conditions. China could not have any conflict with the people of India. Her conflicts were against imperialists who were threatening her.

He gave a history of the events that led to the border conflict and said: "China has withdrawn 20 kilometres behind the line of actual control. At no cost will we withdraw any more. Now it is up to India."

He maintained that the Colombo proposals should be the basis for negotiations. China would not depart any more from its original position.

(*The Times of India*, Bombay)

[Prev. ref. 5496:INI:A]

D. Loan To Congo (Brazzaville): President Alphonse Massemba-Debat of Congo (Brazzaville) stated on October 12 that China had granted his country an interest-free loan equivalent to 5,000 million francs (about £7.3 million).

The loan was part of an Economic Agreement between the two countries signed during the President's recent visit to Peking.

(*The Times*, London)

E. Trade Protocol With Afghanistan: The *New China News Agency* reported on October 25 that China and Afghanistan had signed a Goods Exchange Protocol for 1964-65.

Under the Protocol signed in Kabul, Afghanistan would supply China with lapis-lazuli, dried fruit and nuts in exchange for Chinese goods of equivalent value.

(*The Times of India*, New Delhi)

[Prev. ref. 3539:AFG:B]

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INDIA

SUMMARY: Mrs. S. Bandaranaike's Visit; NDC Meeting; Mrs. I. Gandhi's Talks With Soviet Leaders; IDA Credit; Code Of Conduct For Ministers.

A. Issue Of "Stateless" People In Ceylon—Mrs. S. Bandaranaike's Visit: The Ceylonese Prime Minister, Mrs. Sirimavo Bandaranaike, arrived in New Delhi on October 22 for talks with the Indian Prime Minister, Mr. Lal Bahadur Shastri, on the future of people of Indian origin in Ceylon.

Mrs. Bandaranaike and Mr. Shastri drove together to Rashtrapati Bhavan after she was given a warm welcome at Palam airport. Later, she called on the President, Dr. S. Radhakrishnan. The Minister for External Affairs, Sardar Swaran Singh, had a brief preliminary exchange of views with her.

[There are 11,40,000 persons of Indian origin in Ceylon. About 1,40,000 have been given Ceylonese citizenship. About 29,000 hold Indian passports. The status of the remaining 9,71,000 has been a matter of dispute. The Ceylonese Government contended that they are Indian nationals. India had rejected this claim. Under the Nehru-Kotelawala Agreement of 1954 a guarantee was given to those having Indian passports that they would be allowed to continue to be in employment in Ceylon till they reached the age of 55. But subsequently the guarantee was applied only to those who had applied for Ceylonese citizenship and been rejected and then applied for Indian citizenship which was granted. This variation was regarded by the Indian Government as a variation of the Agreement. Most of these people are plantation workers who have contributed immensely to Ceylonese prosperity over the decades. Ceylon feels that the grant of citizenship to these people will mean a denial of economic opportunities to the indigenous population.]

The delegation led by Mr. Shastri consisted of Sardar Swaran Singh, Mr. V. Ramaiah, Madras Minister for Works, Mr. C. S. Jha, Commonwealth Secretary, Mr. B. K. Kapur, Indian High Commissioner in Ceylon, Mr. B. N. Lokur, Law Secretary, Dr. K. Krishna Rao, Director of the Legal and Treaties Division of the Ministry of External Affairs, Mr. N. P. Alexander, Deputy Secretary, Ministry of External Affairs, and Mr. N. Raj Kumar, Second Secretary, Indian High Commission in Colombo.

The Ceylonese delegation led by Mrs. Bandaranaike consisted of Mr. T. B. Ilangaratne, Minister for Internal and External Trade and Supplies, Mr. Felix Dias Bandaranaike, Minister for Food, Fisheries and Agriculture and Parliamentary Secretary to the Minister for Defence and External Affairs, Mr. H. S. Amerasinghe, Ceylonese High Commissioner in New Delhi, Mr. N. Q. Dias, Permanent Secretary to the Ministry of Defence and External Affairs, Mr. W. T. Jayasinghe, Controller of Immigration, and Emigration, Mr. S. Jayaweera, Assistant Secretary, Ministry of Defence and External Affairs and Mr. R. Wanasundara, Legal Adviser, and Mr. K. B. Vikramasinghe, Private Secretary to the Minister for Internal and External Trade and Supplies.

State Dinner:

At a dinner given by him on October 22 in honour of Mrs. Bandaranaike, Mr. Lal Bahadur Shastri called on countries not possessing nuclear weapons to unite and make a concerted effort to build up public opinion against these instruments of destruction.

He made a pointed reference to the explosion of a nuclear device by China. He said: "The recent explosion of an atom bomb by China has created a stir which is undoubtedly a matter of concern to all of us. However, we have always held the view that the use of nuclear weapons should be banned by agreement and all nations in the world should unite to save humanity from destruction. I feel also that those countries which do not possess nuclear weapons, in Europe, Asia, Africa, should unite and make a concerted effort to build up necessary public opinion. This should have an impact on the countries which are in possession of nuclear weapons. I must admit that we are passing through a most difficult period in international relations and we have to act wisely and as far as possible in co-operation with each other."

He said to Mrs. Bandaranaike: "Your visit, Madam Prime Minister, is an event of immense pleasure to us. Ceylon is so close to us geographically and also to our hearts. We have had the honour of welcoming you here previously. You took the trouble of being here last at the time of the passing away of my great and eminent predecessor, Pandit Jawaharlal Nehru. It was so gracious of you to have come on that occasion and sympathised with us in our national loss and bereavement.

"I know how friendly Jawaharlalji was to the Ceylon Government and to the Ceylonese people. Long before India and Ceylon got their independence Jawaharlalji had visited Colombo and as a fighter for freedom he was given a great welcome in your country. Everyone of us knows how close and near he was to your distinguished husband, Mr. Bandaranaike. We cherish our friendship with Ceylon and it is our earnest hope that the bonds of unity will become stronger in future and that we will try to be helpful to each other. I deem it a great privilege to welcome you, Madam Prime Minister, to our country and I wish to convey to you personally and to your distinguished colleagues our happiness at your being with us.

"It is very good of you, Madam Prime Minister, to have decided to visit India at this time. We have a small problem between our two countries and I know both of us believe that it should be possible to settle it. It is not unoften that problems arise between the neighbouring countries but they should also be settled in a friendly manner. I do not want to go into any details as we will be having a series of discussions during the next few days. However, both you and we have to make earnest efforts towards bringing about a settlement. If we agree in principle on the important aspects of the problem, the details could perhaps be easily worked out.

"Our thinking on many vital problems in the international field has been common and we have worked together in co-operation in the United Nations and other international gatherings. Recently I have had the good fortune of meeting you in Cairo at the time of the non-aligned Conference. There was a general agreement in our approach and the Conference arrived at many important and vital decisions."

He added: "I must, however, say that for our countries which have recently attained their freedom it is most important that they should develop economically. We have to deal with the problems of poverty and unemployment, of industrial and agricultural development. I know, Madam Prime Minister, you fully believe in it and are already engaged in this task.

"Our problems here in India are enormous, but we are trying to tackle them as effectively as we can. We believe in a planned economy and we are in the midst of our Third Five-Year Plan. It is our earnest effort that through the completion of our Plans, we should be able to give a better and prosperous life to our men, women and children. To me sometimes, many other things pale into insignificance when I realise that the difficulties of the 460 million people have to be successfully and effectively tackled. Let us hope that we will be able to wage war against poverty and unemployment and that we are able to build up a new social order to give real relief to our people. It is also essential that the under-developed countries should try to help and co-operate with each other for improving the standard of living of their peoples. I know you feel equally strongly on the question of peace and of economic development of Asian and African countries. We all wish you well.

"May I, Madam Prime Minister, once again convey to you and your colleagues our deep personal regards and our best wishes for the progress and prosperity of the people of Ceylon."

The following is the text of Mrs. Bandaranaike's speech:

"I am grateful to you for the kind welcome you have accorded us today, for the friendly sentiments which you have expressed and the generous hospitality extended to us this evening. A visit to Delhi has always been an occasion to look forward to. You have received me here on my first visit abroad shortly after I assumed office. I came here again in January, 1962, with the proposals of the six non-aligned countries on the border dispute. Every time I have been received with the utmost cordiality and my recollections of Delhi have always been recollections of charm, of kindness and of extraordinary hospitality. We are aware, Mr. Prime Minister, and you have left us in no doubt, that we are among friends.

"Mr. Prime Minister, as you would know, I was here yet another time—in May this year for a sadder purpose—to be present at the obsequies of your great leader, Mr. Jawaharlal Nehru. With his death India has lost one of her greatest sons and all of us in Asia are the poorer for the loss of a statesman and leader whose vision and ideals have left an enduring imprint on the history of our times.

"I had the good fortune to meet you, even though somewhat briefly, during the Conference of non-aligned countries in Cairo earlier this month. There, I was re-assured that our two countries have much in common on most of the problems and issues which yet confront especially the countries of Asia and Africa and also the wider world. I am hopeful that in the next few days we shall have other opportunities of coming to know you, Mr. Prime Minister, and also your distinguished colleagues.

"Besides a more informal exchange of views on such problems as occupied us in Cairo, I have come to Delhi this time mainly for the purpose of seeking a settlement of a problem which has exercised the minds of our two countries for almost 25 years. This problem, Mr. Prime Minister—the problem of the status of people of Indian origin in Ceylon—is perhaps the only one on which we have held differing views.

"I am confident, Mr. Prime Minister, that if, during the conversations which we shall have in the next few days, we approach the problem with the same understanding and spirit of friendship which has always influenced the relations between our two countries, a mutually acceptable solution will be within our reach.

"We have too much in common in our history, our traditions, our culture and our outlook for the future to allow any problem to affect these far more abiding ties."

Reception By Indo-Ceylon Friendship Association:

Speaking at a reception given on October 26 by the Indo-Ceylon Friendship Association, Mrs. Banda-

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ranaike expressed the hope that a lasting solution of the problem of people of Indian origin in Ceylon would be found before she left for home.

She said she was sure Mr. Lal Bahadur Shastri also was "as anxious as ourselves" to find a solution to the problem. "If we can find a lasting solution, India and Ceylon will prove to the world that the lasting friendship that has marked the relationship between our two countries for centuries has been genuine."

She said the problem of people of Indian origin in Ceylon had been troubling Ceylon for 25 years and had now become vital. The Ceylonese were getting restless. They were suffering economically and wanted a permanent solution. A solution, she hoped, would be found as a result of the strong historical and cultural ties binding the two countries.

Mrs. Bandaranaike's two Cabinet colleagues, Mr. T. B. Ilangaratne and Mr. Felix Dias Bandaranaike, also expressed the hope that a solution would be reached on the basis of mutual friendship.

Describing the problem as a "legacy of imperialism," Mr. Ilangaratne said a solution could be found given trust on both sides.

Stressing the commonness of the two countries, he said India and Ceylon were "the two countries in Asia which could boast of being the most democratic."

Mr. Bandaranaike said the problem of the Stateless in Ceylon was the only problem between India and Ceylon. Even an argument could take place on a basis of friendship and the two countries had demonstrated they had the capacity for this. Whatever the problems and arguments, the basic approach of both India and Ceylon were so constructed as to lead to a mutual desire for the good of both.

He added: "Over here, our two countries have demonstrated mutual friendship and the degree of friendship has satisfied me."

Mrs. Bandaranaike was presented with several ancient manuscripts written in Sinhalese on palm leaves as gifts on behalf of the Association. They included the Gita, Amarkosh, a dictionary, and a treatise on Ayurveda. She was also presented with a brass peacock, India's national bird.

Future Of People Of Indian Origin In Ceylon—Agreement Reached:

On October 29, the Prime Ministers of India and Ceylon reached agreement on the future of the "Stateless" people of Indian origin in Ceylon, thus settling a long-standing problem which had often strained relations between the two neighbours.

Under the Agreement, which was signed on October 30, India will take back 5,25,000 of the 9,75,000 people whose status is in dispute. Ceylon will grant full citizenship rights to 3,00,000 settlers.

The status of the remaining 1,50,000 people will be determined at another series of talks early in 1965.

The repatriation of those who are to get Indian citizenship will be spread over 15 years.

Political circles in New Delhi hailed the Agreement as the first significant achievement of the five-month-old Shastri Government in international relations. India was first seized of the settlers' problem in 1939 when Mr. Jawaharlal Nehru was deputed by the Congress to visit Ceylon to study it in all its aspects.

The Agreement marked the conclusion of talks between Mr. Lal Bahadur Shastri and Mrs. Sirimavo Bandaranaike lasting six days. The talks were threatened with breakdown at least twice. However, their determined efforts to reach an amicable settlement bore fruit. Both delegations went through prolonged bouts of hard bargaining and arrived at the final commitments after resiling from their positions in a spirit of give and take.

The Minister for External Affairs, Sardar Swaran Singh, during his visit to Colombo a few weeks earlier, had made the initial move to tackle the problem and reached an understanding on the proportion of the "Stateless" people who would be given the citiizenship of either country. The tentative proposals made by him had envisaged India's responsibility for 3,00,000 persons. Ceylon was not, however, willing to grant citizenship to more than 1,00,000.

Joint Communique:

A joint *communique* was signed on October 30 by Mr. Shastri and Mrs. Bandaranaike shortly before the Ceylonese Premier's departure for Colombo.

Copies of two letters exchanged between them which together with the **communique** constitute the agreement reached over the future of Stateless people of Indian origin in Ceylon, were released the same day.

The Agreement provides for the establishment of a joint committee of officials to supervise the working of the Agreement. (Mr. Shastri said later that if necessary a ministerial-level body might also be formed.)

The registration as citizens of 300,000 "Stateless" persons by Ceylon and the repatriation of 5,25,000 others to India will "keep pace with each other" under the Agreement.

The Ceylonese Government will grant to the persons repatriated the same facilities as are enjoyed by citizens of other States "except facilities for remittances".

The Ceylon Government has agreed that the maximum amount of assets which any family shall be permitted to repatriate shall not be reduced to less than Rs. 4,000.

The following is the text of the joint *communique*:

"At the invitation of the Prime Minister of India, Mr. Lal Bahadur Shastri, the Prime Minister of Ceylon, Mrs. Sirimavo Bandaranaike, visited Delhi from October 22 to 29. The Prime Minister of Ceylon was accompanied by Mr. T. B. Ilangaratne, Minister of Internal and External Trade and Supply, Mr. Felix Dias Bandaranaike, Minister of Agriculture, Food and Fisheries and the Parliamentary Secretary to the Minister of Defence and External Affairs, Mr. N. Q. Dias, the Permanent Secretary to the Ministry of Defence and External Affairs, and other officials of the Government of Ceylon.

"The Prime Minister of Ceylon, assisted by Mr. T. B. Ilangaratne, Mr. Felix Dias Bandaranaike, the High Commissioner for Ceylon in India. Mr. H. S. Amerasinghe, and Mr. N. Q. Dias, and other officials of the Government of Ceylon, and the Prime Minister of India assisted by the Minister of External Affairs, Sardar Swaran Singh, the Minister of Works in the Government of Madras, Mr. V. Ramaiah, the Commonwealth Secretary, Mr. C. S. Jha, the High Commissioner of India in Ceylon, Mr. B. K. Kapur, and other officials, held discussions on the outstanding issues relating to the problem of persons of Indian origin in Ceylon.

"The talks were frank and friendly and were held in an atmosphere of mutual understanding. The discussions were characterized by a sincere desire on the part of both Prime Ministers to arrive at a mutually satisfactory, equitable and honourable settlement of the problem, without prejudice to their respective earlier positions.

"In their search for a solution to the problem, the two Prime Ministers agreed to a fresh approach to the problem. They of 975,000 persons, Ceylon will accept as Ceylon citizens 300,000 and India 525,000 persons. The status of the remaining 150,000 persons of Indian origin in Ceylon was left for determination at a subsequent meeting of the Prime Ministers in Ceylon at an early date.

"It was agreed that the admission to Ceylon citizenship of the 300,000 persons and the repatriation of the 525,000 persons should be spread over a period of 15 years and that the two processes should keep pace with each other. The text of the agreement in the form of exchange of letters between the two Prime Ministers is being released separately.

"During the visit, opportunity was taken by the two Prime Ministers to make a general survey of the international situation in the light of recent developments and their possible consequences on the situation in Asia and on the problems of peace and disarmament.

"The Prime Minister of Ceylon conveyed to the Prime Minister of India her warm appreciation of the friendly welcome and hospitality extended to her and members of her delegation. The Prime Minister of India expressed the great pleasure of the people and the Government of India at the Prime Minister of Ceylon's visit to India."

Main Features Of Agreement:

The letters exchanged between Mr. Shastri and Mrs. Bandaranaike laid down the main features of the Agreement as follows:

"(1) The declared objective of this agreement is that all persons of Indian origin in Ceylon who have not been recognized either as citizens of Ceylon or as citizens of India should become citizens either of Ceylon or of India.

"(2) The number of such persons is approximately 975,000 as of date. This figure does not include illicit immigrants and Indian passport-holders.

"(3) 300,000 of these persons, together with the natural increase in that number, will be granted Ceylon citizenship by the Government of Ceylon; the Government of India will accept repatriation to India of 525,000 of these persons together with the natural increase in that number. The Government of India will confer citizenship on these persons.

"(4) The status and future of the remaining 150,000 of these persons will be the subject matter of a separate agreement between the two Governments.

"(5) The Government of India will accept repatriation of the persons to be repatriated within a period of 15 years from the date of this agreement according to a programme as evenly phased as possible.

"(6) The grant of Ceylon citizenship under paragraph 3 and the process of repatriation under paragraph 5 shall both be phased over the period of 15 years and shall, as far as possible, keep pace with each other in proportion to the relative numbers to be granted citizenship and to be repatriated, respectively.

"(7) The Government of Ceylon will grant to the persons to be repatriated to India during the period of their residence in Ceylon the same facilities as are enjoyed by citizens of other States (except facilities for remittances) and normal facilities for their continued residence, including free visas. The Government of Ceylon agrees that such of these persons as are gainfully employed on the date of this agreement shall continue in their employment until the date of their repatriation in accordance with the requirements of the phased programme or until they attain the age of 55 years, whichever is earlier.

"(8) Subject to the exchange control regulations for the time being in force which will not be discriminatory against the persons to be repatriated to India, the Government of Ceylon agrees to permit these persons to repatriate, at the time of

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their final departure for India, all their assets including their provident fund and gratuity amounts. The Government of Ceylon agrees that the maximum amount of assets which any family shall be permitted to repatriate shall not be reduced to less than Rs. 4,000.

"(9) Two registers will be prepared as early as possible—one containing the names of persons who will be granted Ceylon citizenship, the other containing the names of persons to be repatriated to India. The completion of these registers, however, is not a condition precedent to the commencement of the grant of Ceylon citizenship and the process of repatriation.

"(10) This Agreement shall come into force with effect from the date hereof and the two Governments shall proceed with all despatch to implement this Agreement and, to that end, the officials of the two Governments shall meet as soon as possible to establish joint machinery and to formulate the appropriate procedures for the implementation of this Agreement."

(*The Statesman* and *The Times of India*, New Delhi)

[Prev. ref. 6075:CEY:A]

B. National Development Council Meeting—Mr. Lal Bahadur Shastri's Address: Inaugurating a two-day meeting of the National Development Council in New Delhi on October 27 the Prime Minister, Mr. Lal Bahadur Shastri, called for the establishment of basic consumer industries in the public sector to meet the needs of the common man.

Only then, he said, could the people be assured that the shortages they had been experiencing in the recent past would not become chronic.

The Council was called to consider the preliminary memorandum on the Fourth Five-Year Plan.

In his address, Mr. Shastri explained the need to ensure that the momentum of efforts for a better life for the common man was being maintained in the Fourth Plan.

For this purpose, he wanted the Government to enter the business of manufacturing cloth, sugar, cement and drugs so as to ensure that these essential goods were available in adequate quantities and at reasonable prices. Such industries in the public sector would also yield better profits and offer scope for larger employment.

He did not indicate whether the Industrial Policy Resolution would be suitably amended to provide for the Government's participation in the production of consumer goods in a big way.

He, however, re-iterated that the basic objective was socialism which meant an immense growth of the public sector. Heavy industries would continue to be the backbone of economic development. Steel and machinery must be produced in larger quantities.

Care, however, had to be taken to secure the utmost out of the investment on heavy industry in the shortest possible time. Planning of heavy industries in the Fourth Plan had to be on the basis of performance. Only then would planning become real and accurate.

He announced that he had, in consultation with the Planning Commission, decided to constitute an ad hoc body consisting of scientists, engineers, economists and other experts to help the Planning Commission on a part-time basis.

The intention was not to have yet another advisory body, nor a body which would meet for a day or two at long intervals, but to get people to work on the Plan.

It was proposed to call this body the National Planning Council. It would consist of 15 to 20 members. The Deputy Chairman of the Planning Commission would be the Chairman of the Council.

Appealing for co-operation in the discharge of his responsibilities, he suggested that the Council should meet at more frequent intervals—every two or three months—until the Fourth Plan was finalised.

He confessed that progress in the first two years of the Third Plan had been "very slow." The sluggishness in growth made it necessary to redouble the efforts in the coming years.

Stressing the importance of agriculture, he called for a programme of concrete action. Such a programme must be based on available resources and facilities and not on what might be done in ideal conditions.

In this context, he referred to the lack of co-ordination and guidance at the district level and urged the State Chief Ministers to restore to the district officer the status of a co-ordinator of all Governmental activities in the district and confer on him the responsibility for guiding all the efforts undertaken on behalf of the Government—Central or State.

This toning up of administration was essential to ensure control over prices, a more equitable distribution of available supplies and all the other things proposed to impart stability to the economy.

He also stressed the need for the States to mobilize resources to the maximum. He suggested that the Council might set up a sub-committee to consider this important matter in detail.

As regards the collection of revenue from farmers, he felt that new taxes would be received better if they were given the appearance of a betterment levy.

He also urged the States to remove disincentives to export promotion and create export-consciousness in their areas to enable the country earn more foreign exchange.

Discussion On Fourth Plan:

On October 27, the State Chief Ministers began discussion on the Fourth Plan memorandum submitted by the Planning Commission.

Mr. Shastri's concern for the common man was not reflected in the speeches of the Chief Ministers who were pre-occupied with State allocations. Hardly any of them even formally endorsed his suggestion for manufacturing essential goods like sugar, and cement drugs in the public sector.

They harped on an increase in outlays on irrigation, power and transport without suggesting how and from where the additional resources were to be found.

They were allergic to the suggestion for larger tax effort in the States and complained that they were already burdened with interest on Central loans and committed expenditures.

Few had any comment to offer on the suggestions of the Central Finance Minister, Mr. T. T. Krishnamachari, for mobilizing larger resources by the States through taxation.

Nine Chief Ministers and one State Finance Minister took part in the discussion which related to the objectives and size of the Plan and its administration and implementation. Some of the participants touched upon the problem of agricultural production.

Representatives of Maharashtra, Gujerat, Madras, Jammu and Kashmir, Rajasthan, Orissa, Uttar Pradesh, West Bengal, Assam and Madhya Pradesh spoke on October 27. Madhya Pradesh was represented by its Finance Minister.

Some of the Chief Ministers were understood to have pleaded for greater flexibility in the allocation of funds between the Centre and the States. They desired a change in the basis and pattern of Central assistance.

It was, therefore, decided that a special session of the Council should be convened soon to discuss this proposal.

The Planning Commission's memorandum indicated the allocation as between the Centre and the States on the basis of the present pattern. This would undoubtedly change if, for example, some States wanted the Centre to take over the responsibility for certain irrigation or power projects.

There was, however, general agreement among the Chief Ministers on the desirability of the Centre taking over certain projects but they did not show an appreciation of the implications of such a proposal. Some of them seemed to imply that a few major projects in the States' sector might be taken over by the Centre without the size of the State Plan or Central assistance being reduced. Some others wanted the allocation for backward areas to be increased but could not suggest sources from which the necessary funds could be raised.

The Council, therefore, decided to constitute four sub-committees to go into problems relating to agriculture and irrigation, resources, industry, power and transport and social services respectively. Each committee would have eight to nine representatives of the States.

Memorandum Of Planning Commission Approved:

On October 27, the Council generally endorsed the size, objectives and strategy of the Fourth Five-Year Plan as proposed by the Planning Commission.

The overall outlay for the Plan has been proposed at a range of Rs. 21,000 crores to Rs. 22,500 crores and a rate of economic growth of about 6.5 per cent is aimed at in the period 1966-71.

Chief Ministers of nine States and the Finance Minister of Madhya Pradesh took part in the discussion on the size, objectives, strategy, priorities and pattern of investment of resources for the Fourth Plan as well as on administration and Plan implementation.

The Council accepted Mr. Lal Bahadur Shastri's suggestion to form four sub-committees comprising State Chief Ministers or their nominees to go into (1) resources, (2) agriculture, (3) industry, power and transport and (4) social services.

The sub-committee on sectoral programmes may suggest some changes in the outlays within the overall Plan, its size or in the order of priorities.

The question of the States raising resources for the Fourth Plan and the existing pattern of financial relations between the Centre and the States prominently figured in the discussion.

A special meeting of NDC would be called to consider the basis of allocations for the Fourth Plan as between the Centre and States and also the pattern of assistance. Some of the Chief Ministers pleaded for greater flexibility in the existing financial arrangements between the Centre and the States.

The total Fourth Plan outlay, as suggested in the memorandum and accepted by the Council, was Rs. 22,500 crores with a "firm commitment" of only Rs. 21,500 crores. Of this, the public sector outlay varied between Rs. 14,500 and Rs. 15,500 crores. Projects worth Rs. 1,000 crores are to be taken up "if the economy improved and resources can be mobilized" in the second half of the Plan.

The Council recognized that the rate of growth in the next Plan needed to be higher than had been assumed for the

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Third Plan to make up the leeway caused by shortfalls and the rise in prices, and to improve the per capita income.

Accordingly the aims of the Fourth Plan should be: not less than 5 per cent annual growth in agriculture with an overall growth rate of 6 per cent; ensuring availability of inputs for agriculture; providing for continued expansion of transport, power, metals, mining, chemicals and machine-building industry and provision of adequate employment.

An official handout did not refer to the Prime Minister's suggestion that consumer goods be manufactured in the public sector. But it said that one of the aims of the Fourth Plan was "enlarging the supply of essential consumer goods such as cotton textiles, sugar, kerosene, cement, drugs and medicines".

The Council felt that all possible steps should be taken to accelerate progress early in the Fourth Plan period to mobilize additional resources and take adequate advance action.

It agreed that top priority should be given to agriculture and a concerted programme for family planning started immediately on an extensive scale.

It felt that the provisions suggested in the memorandum for power, major irrigation, transport and industries had not been stepped up adequately as had been done in the case of agriculture and social services.

The Council was, therefore, of the view that the sectoral allocations and priorities needed to be re-examined in the light of the immediate need to step up productivity. Accordingly, the financial allocation indicated in the memorandum should be treated as tentative.

The composition of five sub-committees on resources; industries, power and transport; social services; agriculture and irrigation and on hill areas was announced on October 28. West Bengal had representation on three.

During a brief intervention on October 28, the Central Home Minister, Mr. G. L. Nanda, stressed the need to tone up administration for the success of the Plan and argued that it should be possible to add one per cent to the rate of growth by merely streamlining the administration.

He said that it was in the country's interest that if work was not properly done, "somebody should be made answerable for it".

From all available accounts, some of the Chief Ministers went a step further from the positions taken by the Food Ministers of several States at their last conference in demanding greater freedom of action for the States.

In one of the most forceful speeches made during the session, the Andhra Chief Minister, Mr. Brahmananda Reddi, reportedly pleaded that the Centre, instead of trying to strait-jacket the States, should encourage greater autonomy in their respective spheres.

Similar views were expressed by the West Bengal Chief Minister, Mr. P. C. Sen, in milder words, in another context. He suggested that apart from agriculture which should receive the greatest emphasis, priorities for other sectors should be left to the States to decide.

The Prime Minister, in his concluding remarks, made a fervent appeal to the Chief Ministers not to view some of the issues before them as something like a conflict between the Centre and the States.

He said: "We sometimes talk about the differences between the States and the Centre. May I appeal to the Chief Ministers to avoid public statements on such matters as they create a good deal of confusion in the public mind."

Progress In Agriculture—Planning Commission's Note:

In a Note prepared for the meeting of the National Development Council, the Planning Commission admitted that performance in the agricultural sector had been woefully short of expectations.

This had been largely responsible for limiting the increase in consumption standards of the people and for "the abnormal increase in prices."

The Commission noted that although aggregate investment targets would have been achieved in financial terms, several physical targets of production and capacity set for the Third Plan would not be reached by 1965-66.

A large part of the investments that had been undertaken would start yielding "the expected benefits in the initial years of the Fourth Plan."

National income, according to the Commission, had gone up by less than 10 per cent in the first three years of the Plan as against the increase of about 30 per cent assumed for the five-year period up to 1965-66.

With better performance, especially in the agricultural sector, in the remaining years of the Plan period, the Commission felt the national income in 1965-66 may be around Rs. 17,400 crores (at 1960-61 prices) rather than Rs. 19,000 crores.

Discussing what the Note characterized as the imbalance reflected in recent price increases, the Commission said that this was because of two elements—the natural factors affecting agricultural production, and the delays in securing maximum output from past investments.

The Commission felt that the basic needs of the nation remained as compulsive as at the beginning of the Third Plan and, if anything, more pressing on account of the slow progress of the economy in recent years.

The Fourth Plan, it argued must ensure that in spite of unanticipated difficulties in the immediate past, the move towards a better life for the common people maintained its momentum.

(*The Times of India, The Statesman* and *The Hindustan Times*, New Delhi)

[Prev. ref. 5055:INI:E]

C. Mrs. Indira Gandhi's Talks With Soviet Leaders: The Central Minister for Information and Broadcasting, Mrs. Indira Gandhi, visited Moscow in the last week of October when she had talks with Soviet leaders, including the new Prime Minister, Mr. Alexei Kosygin.

Moscow reports quoting authoritative sources said that Mr. Kosygin had informed Mrs. Gandhi that Mr. N. Khruschev had not been blamed for his policy of aid and friendship towards India and this policy would be continued by the new Soviet leadership.

[Reports had appeared in the Western Press that one of the charges against Mr. Khruschev was his commitment to give economic and defence aid to India particularly after the Chinese invasion.]

According to Moscow reports, Mr. Kosygin assured Mrs. Gandhi that no change in the Soviet policy towards India was envisaged in any attempt to please China or Pakistan. The Soviet Union would continue to support India on the Kashmir issue. No change was contemplated in the scale or nature of Soviet aid to India. In other words, there would be no cuts in economic aid or military supplies promised under the previous month's Defence Assistance Agreement.

After her return to New Delhi, Mrs. Gandhi told a news conference on November 2 that Mr. Khruschev's exit would not make any difference to Russian economic and military aid to this country.

In fact, she said, she had been assured that the Soviet leaders would like to give more aid.

Co-operation with and assistance to India was not a "one-man" policy but one that had been formulated by the Government as a whole while Mr. Khruschev was in office. Similarly, the Soviet attitude in regard to Kashmir would also remain unchanged.

She said she did not have any specific discussion in Moscow on the India-China border dispute, but the general reaction of the Soviet leaders was the same as before. "They have upheld our case."

(*The Times of India*, New Delhi)

[Prev. ref. 6099:INI:A]

D. Canadian Aid For Kundah Hydro-electric Project: India and Canada signed in New Delhi on November 2 an Agreement for the construction of the third stage of the Kundah hydro-electric project in Madras.

Under the Agreement Canada will contribute a sum not exceeding $ (Canadian) 22.2 million to meet the foreign exchange cost of the construction of three additional power houses with a total installed capacity of 190,000 kw.

The programme envisages addition of an extra generating unit in each of the two existing power houses to increase their combined capacity by 55,000 kw, construction of additional storage and diversion works in the Kundah river and its tributaries and erection of transmission lines and sub-stations.

Canada has also agreed to the use of the rupee counterpart funds generated by the sale of commodities received from that country under the Colombo Plan to the extent of $5,000,000 for the first two stages and $25 million for the third stage of the project.

Canada had given $22 million of assistance for the construction of the first and second stages of the project.

The latest Agreement was signed by Mr. P. Govindan Nair, Additional Secretary of Finance, and Mr. Roland Michener, Canadian High Commissioner in India.

(*The Statesman*, New Delhi)

[Prev. ref. 5834:INI:I]

E. Trade Protocol With Rumania: An Indian trade delegation led by Mr. S. V. Ramaswamy, Deputy Minister of Commerce, signed on November 2 in Bucharest a protocol with a Rumanian trade delegation led by Mr. M. I. Voicu, Deputy Minister of Foreign Trade.

The protocol extended Schedules A and B to the existing Agreement to 1965.

The negotiations envisaged an increase of trade by about 15 per cent from the 1964 level.

The Indian exports include iron-ore, cotton textiles, handloom goods and various manufactured goods, including engineering goods, besides items like coffee, tea, jute products, tinned fruits, juice and a number of new items. The Rumanian exports include plant and machinery, fertilizers, caustic soda, soda ash and petroleum products, besides several other machinery items and industrial raw material.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5750:INI:E]

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F. IDA Credit For Railways: India will receive a development credit of $62 million from the International Development Association (IDA) to finance imports of steel and components for the railway development programme.

The loan was negotiated by a delegation headed by Mr. D. C. Baijal, Chairman of the Railway Board, during its recent visit to USA. The delegation included Mr. Jaganathan, Financial Commissioner, Railways and a few experts.

The IDA credit will finance the import of steel and components needed for the manufacture of locomotives, electric multiple units, coaches and wagons, track and signalling equipment and other material for the electrification programme. Orders for the equipment are to be placed on the basis of global tenders.

The delegation was understood to have negotiated two other loans amounting to about $31 million—one from the Export-Import Bank and the other from AID. The loans will be utilized for the procurement of components for the manufacture of diesel locomotives and purchase of diesel shunter locomotives. They are expected to materialise shortly.

The IDA credit of $62 million is for a term of 50 years, with repayment of the principal beginning on September 15, 1974. Thereafter, one per cent of the principal will be repayable annually for 10 years and three per cent will be repayable annually for the next 30 years.

The credit is free of interest, but a service charge of .75 per cent per annum on the amount withdrawn and outstanding will be made to meet IDA's administrative costs.

The credit brings the total of IDA funds made available to the Railways to $129.5 *million, including a credit of $67.5 million extended in March, 1963.*

In addition, India has received $378 million in the form of six loans from the World Bank during the last 15 years for the railway development programme. Thus, the World Bank and IDA have advanced loans and credits totalling over $500 million (Rs. 240 crores) to the Railways. This represents less than 10 per cent of the Railways' capital at charge which is Rs. 2,500 crores.

According to the latest figures, the railway investment programme in the Third Plan will involve an expenditure of Rs. 15,815 crores. Of this, Rs. 2,74 crores ($575 million) will be in foreign exchange.

(*The Times of India*, New Delhi)

[Prev. ref. 5939:INI:E]

G. Air Agreement With USA —Notes Exchanged: The Governments of India and USA exchanged in New Delhi on October 26 new Notes under the 1956 Indo-United States Air Transport Services Agreement.

The new Notes, which replace clarifying Notes concluded at the time of the Air Agreement in 1956, are intended to facilitate continued development of air services between the two countries.

Under the Notes, Air India will be able to expand its flights during the Winter months on a daily basis and thus maintain a year-round daily service to New York. Air India is introducing its new daily schedule to New York with immediate effect.

The US Ambassador, Mr. Chester Bowles, signed the Notes on behalf of USA and Mr. V. Shankar, Secretary, Ministry of Civil Aviation, signed on behalf of India.

(*The Times of India*, New Delhi)

[Prev. ref. 3385:INI:G]

H. Diplomatic Appointments: It was officially announced in New Delhi on November 1 that Mr. Bhim Sen Sachar, former Governor of Andhra Pradesh, had been appointed High Commissioner for India to Ceylon.

He is expected to assume charge of his new assignment before the end of the year.

Mr. Badruddin Tyabji, former Vice-Chancellor of Aligarh University, has been appointed Ambassador to Japan.

Before taking over the Vice-Chancellorship, Mr. Tyabji was Special Secretary in the External Affairs Ministry.

Mr. P. Ratnam, formerly Indian Ambassador to Chile, has been appointed Ambassador to Indonesia.

He is expected to assume charge of his new assignment before the end of the year.

Mr. S. K. Banerji, till recently Additional Secretary in the Ministry of External Affairs, has been appointed Ambassador to West Germany.

(*The Times of India*, New Delhi)

[Prev. ref. 6068:INI:H]

I. Joint Tea Sale Drive With Ceylon: As a result of talks between the Ceylon Minister for Internal and External Trade and Supply, Mr. T. B. Ilangaratne and India's Commerce Minister, Mr. Manubhai Shah in New Delhi on October 27, it was decided that both countries should try jointly to promote the sale of tea in the principal tea-consuming countries and also in other regions where joint promotion had not been undertaken so far.

To take the necessary measures for the development, pricing and sales promotion of tea industry and trade of the two countries, the Ministers agreed that a joint Tea Commission should be set up. The Commission, which will consist of three senior officials of each Government, will meet periodically.

The importance of Britain, which is the largest consumer of tea in the world, in a joint promotion campaign was recognized.

It was agreed that efforts should continue to be made by the Governments of Ceylon and India to secure substantial reduction in the internal duties on tea in West Germany.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5528:INI:O]

J. Code Of Conduct For Ministers —Details: The code of conduct for Ministers, which the Government has approved, lays down that before assuming office as Minister, a person should disclose details of his assets and liabilities and his business interests as well as those of members of his family.

The details to be disclosed include particulars about immovable property, shares, debentures, cash holdings and jewellery.

This code, which is over and above the relevant provisions of the Constitution, the Representation of the People Act and other laws, will be enforced by the Prime Minister in the case of Central Ministers. The Prime Minister or the Home Minister will receive declarations in the case of State Chief Ministers and the Home Minister or the Chief Minister concerned in the case of State Ministers.

In the code, which embodies some recommendations in the Santhanam Committee's report on corruption (see page 5790) the family of a Minister has been defined as comprising his wife and any person related to him by blood or marriage or wholly dependent on him.

The Prime Minister, Home Minister or the Chief Ministers should adopt suitable procedures, according to the merits of each case, to deal with or determine any alleged or suspected breach of this code.

A person will be required to sever connexions, "short of divesting himself of the ownership", with the conduct and management of business, and give up all interests in concerns which supply goods and services to the Government or its undertakings of which he is in charge as Minister, or whose business depends primarily on licences, permits, quotas or leases received from the Government.

During his tenure of office, he will have to submit returns of his assets and liabilities every year, refrain from entering into any transaction with the Government in respect of immovable property and from joining or starting any business. He should report to the Prime Minister or the Chief Minister if any member of his family sets up or shares the conduct and management of a business.

No Minister, the code lays down, should accept himself, or through a member of his family, contributions for any purpose —political, charitable or otherwise. He should not associate himself with fund-raising drives except for a registered society or a political party.

He should not accept valuable gifts from any one other than close relatives, nor should any member of his family accept gifts from a person with whom he may have official dealings. The Minister's family members should not be allowed to contract debts which might embarrass or influence him in the discharge of his official duty.

While on tour, a Minister should, as far as practicable, utilize official accommodation or stay in his own house or recognized hotels and discourage lavishness or ostentation in parties given to him.

(*The Statesman*, New Delhi)

[Prev. ref. 6077:INI:D]

K. Mr. H. C. Dasappa Passes Away: The Central Minister for Industry and Supply, Mr. H. C. Dasappa, died in New Delhi early on October 29 after a heart attack. He was 69.

He had returned only a few days earlier from a visit to Zambia where he led an official delegation for the Independence Day celebrations in that country.

He had also visited Kenya and Uganda where he met the national leaders and discussed with them matters relating to industrial collaboration.

Temporary Appointments:

Pending the appointment of a successor to Mr. H. C. Dasappa, the President on October 31 placed the two Ministers of State in the Ministry of Industry and Supply to be temporarily in charge of the different departments.

Accordingly, Mr. T. N. Singh, Minister for Heavy Engineering, was put in charge of the Department of Industry also in the Ministry.

Mr. K. Raghuramaiah, Minister for Supply, is temporarily in charge of the Department of Supply and Technical Development.

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While Mr. T. N. Singh was already in full charge of the Department of Heavy Engineering and had now been asked to take additional charge of the Department of Industry, Mr. Raghuramaiah was placed in full charge of a department that had been in his charge subject to the overall control of the Cabinet Minister.

(*The Hindustan Times* and *The Times of India*, New Delhi)

[Prev. ref. 5559:INI:D]

L. **NCAER On Fourth Plan Strategy:** In a report on the strategy for the Fourth Five-Year Plan, released in New Delhi on October 24, the National Council of Applied Economic Research (NCAER) suggested rationing in urban areas to ensure a more equitable distribution of scarce consumer goods, particularly foodgrains.

Simultaneously, it also called for a programme of public works in rural areas.

It said that rationing was inevitable in a developing economy in which foodgrains and other essential goods were bound to be in short supply.

According to the report, the Government should undertake the responsibility for providing a minimum consumption of foodgrains to all within the Fourth Plan itself.

The Council believed that despite a five per cent growth rate in agriculture and a 6.5 per cent growth rate in the national income as postulated in the Fourth Plan draft, this objective could be achieved by the present distribution system.

Rationing should be viewed not as a temporary measure for the year during which stress is felt but as a "permanent mechanism" in a developing economy.

The report called for shifts in policies and formulation of specific programmes to give content to the Prime Minister, Mr. Lal Bahadur Shastri's pledge to provide essential goods to the masses at reasonable price. The establishment of a rationing system on a more firm basis would in time make it more efficient and hence less costly.

According to the Council, in a rural area, a different approach would need to be adopted since there was a large surplus of poor and ill-fed man-power. This man-power was a potential capital asset and could be utilized for increasing capital formation in the rural areas.

The Council stressed that utilization of this surplus man-power in the rural areas was not only a very urgent task, but also rewarding. If organized properly, it could, within a span of five years, provide the workers sufficient income to enable them to have a minimum level of food consumption.

The surplus man-power in the rural areas, the Council said, should be utilized through a nation-wide rural public works programme. It recommended that the workers should be paid in foodgrains (about 75 per cent) as well as in cash.

It emphasized that the current thinking in the Government had been mainly in terms of reducing inequalities between the rich and the moderately rich. This had missed the real issue, which was that millions in the country lack income even for a minimum level of food consumption. According to the Council, this was the real cause of poverty and also of disparity.

An advantage of the rural public works, which would be organized in close co-ordination with other agricultural and related programmes, would be that through adding to the pace of capital formation, it would further increase both agricultural and industrial output. While the rural works would be conducted essentially at the village and district levels, the programme itself should be conceived as a national programme and the organization to handle it must be built on national lines.

The Planning Commission, the report maintained, had been unable to get over the traditional thinking in regard to unemployment. The concept of the backlog of unemployment in the rural sector was of doubtful value. The so-called unemployment in rural areas was really serious under-employment.

To cull out a category of backlog out of this, the report said, had no statistical basis and it only took the attention away from the basic nature of the problem as it was found in rural areas. The approach to this problem should be in terms of providing employment opportunities to all those who seek employment from the rural areas at least to the extent that would ensure them a minimum consumption of foodgrains.

The Council also suggested that the Plan itself should contain a method by which, if there was a shortfall in the growth rate of the agricultural sector, proper co-ordination measures could be taken to ensure that the injury to the rest of the economy was minimized.

The Council pleaded for "definite measures" to be taken to ensure a five per cent growth rate in agriculture over the Plan period, "making full allowance for the weather factor."

It recommended that there should be no attempt to slow down the pace of expansion in mass education.

It pointed out that the Fourth Plan export target of Rs. 5,100 crores falling short of the requirements of Rs. 5,500 crores of maintenance imports had suggested that the Industrial Policy Resolution should be amended with a view to giving due importance to industries with export potential.

The Council's suggestion in regard to the investment and outlay targets were more or less in line with the Planning Commission's current thinking. The Council postulated a rate of growth of 6.3 per cent per annum for the Fourth Plan and put the level of investment required for the achievement of this rate of growth at Rs. 18,520 crores and the level of total outlay at Rs. 20,765 crores at 1960-61 prices.

With a view to ensuring that prices do not get out of hand, the Council said that anticipatory action would be required in fiscal, monetary and other areas. It was not merely increases in investment that brought about an inflationary situation, but increases in expenditures, whether on investment account or otherwise, that brought about inflation.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5860:INI:K]

M. **Goa To Remain Union Territory For 10 Years:** The Prime Minister, Mr. Lal Bahadur Shastri said at a news conference in Bombay on November 2 that Goa would remain a Union Territory for 10 years.

A decision to this effect, he said, was taken by the Congress Parliamentary Board two months before the first General Election in December, 1963 in the former Portuguese Colony.

He said the meeting had also been attended by the late Mr. Nehru. The Board was of the unanimous opinion that this period was necessary for the economic development of Goa.

[The subject had assumed importance following a re-iteration of this decision by the Central Minister for Railways, Mr. S. K. Patil, in Panjim two days earlier. Strong protests had been made not only by the SSP and the spokesman of the Maharashtrawadi Gomantak, the ruling party in Goa, but also by the Chief Minister, Mr. D. Bandodkar, who had said that a resolution recommending Goa's immediate merger with Maharashtra would be moved in the next Assembly session to be followed by an agitation if the resolution was not implemented. Mr. Bandodkar had had talks with Mr. Shastri on the subject and Mr. Shastri said that he had advised Mr. Bandodkar "to go slow in the matter."]

Mr. Shastri said that the Central Government was fully aware of the views and feelings of both Hindus and Christians in Goa and there appeared to be "an acute difference of opinion". It would be neither correct nor fair to take an immediate decision as the gulf would widen. He said it would be advisable to let Goa grow and develop, and he hoped wiser counsels would prevail so as to "carry all people of Goa to a common objective."

Asked if it was not better to make policy announcements—apparently a reference to Mr. Shastri's declarations at the recent meeting of Chief Ministers and the National Development Council—only before Parliament, he said decisions on vital issues could hardly be delayed. However, Parliament's approval would naturally be obtained. "Otherwise the Government goes."

On November 6, the Congress General Secretary, Mr. G. Rajagopalan, released to the Press the Congress Parliamentary Board's resolution on Goa.

Mr Rajagopalan's statement came in the wake of the controversy which flared up following Mr. S. K. Patil's recent statement in Panjim. The Defence Minister, Mr. Y. B. Chavan, had publicly demanded an expeditious decision on Goa's future.

The resolution dated April 7, 1964 said: "The Board considered the future of Goa and decided that it should be made clear that for the coming 10 years Goa will continue as Union Territory. There should be no change in the present status. After that, the views of the people of Goa will be ascertained in regard to the question of merger and the final decision will be taken in accordance with their wishes."

Mr. Patil's proposal for a plebiscite after the 10-year period was evidently based on the reference in the resolution to the ascertainment of the views of the people. He subsequently explained that the plebiscite proposal was his own, and the Parliamentary Board could consider other alternatives and accept the most practicable one.

Mr. Rajagopalan stated that Mr. Chavan was not present at the meeting at which the Board passed the resolution. Mr. Nehru, Mr. Lal Bahadur Shastri, Mrs. Indira Gandhi, Mr. Morarji Desai, Mr. Jagjivan Ram and Mr. Patil were present at the meeting. Mr. Kamaraj presided.

However, following the usual procedure, the resolution was circulated to members for confirmation at the next meeting. Mr. Chavan was present at that meeting.

Mr. Rajagopalan declined to say whether Mr. Chavan had objected to the resolution or whether the confirmation was unanimous.

The Board had decided not to release the resolution to the Press immediately to avoid wrong interpretation and the possibility of delegations being led for or against the stand taken by it.

It was thought better to let a member of the Board announce the decision when he went to Goa. That was how Mr. Patil made the announcement in Panjim. Mr. Patil had consulted the Congress President and the Prime Minister before leaving for Goa.

(*The Times of India*, New Delhi)

[Prev. ref. 5028:INI:E]

N. **Additions To Jammu And Kashmir Cabinet:** Three more Cabinet-rank Ministers—Mr. G. L. Dogra, Mr. Mohammed Ayub Khan and Pir Giasuddin—and two Ministers of State—Major Piara Singh

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and Mr. A. M. Tariq—were added on October 22 to the Jammu and Kashmir Council of Ministers headed by Mr. G. M. Sadiq.

This raised the strength of the Council of Ministers to 10—five of Cabinet rank, including the Premier, and five Ministers of State. Mr. Mohammed Ayub Khan was already a Minister of State.

The new Ministers were sworn-in by the Sadr-i-Riyasat, Mr. Karan Singh, at the palace on October 22.

Major Piara Singh was a Deputy Minister in the Bakshi Cabinet. Since he and Mr. Tariq, MP, are not members of the State Legislature, they have to seek election to it in due course.

An eleventh-hour development the previous night partly changed the pattern of the Cabinet as now expanded. It was learnt that the former Premier, Mr. Shamsuddin, who was offered a Cabinet Minister's post, wanted the Deputy Premiership, but since there is no provision in the State Constitution for a Deputy Premier, Mr. Sadiq was unable to agree to it.

Another reason which had weighed with Mr. Sadiq against acceding to Mr. Shamsuddin's demand was the seniority of Mr. G. L. Dogra. While Mr. Shamsuddin first became a Cabinet Minister in 1957, Mr. Dogra had been a Cabinet Minister much earlier. Mr. Dogra was not only a Cabinet Minister in the first Bakshi Cabinet, but was also a Minister holding the portfolio of Finance in the first popular Ministry formed in the State in 1948.

Mr. Dogra will be in charge of Finance, Law, Industries and Commerce. Mr. Ayub Khan will be Revenue Minister with Transport as one of the departments under his charge.

There was practically no change in the portfolios of Mr. Sadiq and Mr. D. P. Dhar.

The three Ministers of State, Kushak Bakula, Mr. Harbans Singh Azad and Mr. Tariq, who was attached to the Premier, would hold the Departments of Ladakh Affairs, Food and Agriculture, and Information and Tourism, respectively. Major Piara Singh, who was attached to the Finance Minister, would be Minister of State for Industries and Commerce. Mr. Ghulam Rasool Kar, Minister of State for Works and Power, was attached to the Home Minister.

(*The Statesman*, New Delhi)

[Prev. ref. 5716:INI:L]

O. Plant Source For Manufacture Of Hormones Discovered: The base material for the manufacture of hormones has been found in the country by the Botanical Survey of India.

The Indian plant is likely to be the biggest and easily available source of an alkaloid used in the manufacture of hormones. This discovery will enable the country to turn out hormone preparations which will be within the reach of the poorest.

The source was traced to the fruit of solanum khasianum var. Chatterjeeanum, a plant popularly known as 'junglee bin' in Kalimpong, 'karchindra kara' in lower Bhutan and 'mul thumbai' in Tamil.

The solasodine content of the fruit of the plant is more than five per cent. The richest source of the alkaloid known so far are leaves of solanum aviculare, a plant found in Soviet Russia. This plant grows in abundance in Khasia and Jaintia Hills, Lohit, Subansiri and Kameng Frontier, Divisions, 24 Parganas, Darjeeling, Mayurbhanj and the Nilgiris. It looks like a brinjal plant and grows about one metre high. It has thorny stems. It fruits profusely throughout the year. Its fruit is yellow in colour.

(*The Hindustan Times*, New Delhi)

P. Damage By Floods: According to official reports, floods this year have affected 70,00,000 people, damaged crops and property worth nearly Rs. 80 crores, and taken a toll of more than 180 lives and 3,000 cattle.

About 70,00,000 acres were under water at one time or the other in the past few months. Fifty per cent of the flooded areas was under standing crops.

The worst affected States were Bihar, Assam, Uttar Pradesh, Andhra Pradesh, the Punjab, Rajasthan and Delhi.

In Andhra Pradesh the damage was estimated at Rs. 30 crores. The severest floods occurred in the last week of September when heavy rains inundated large areas in Krishna and Godavari districts, breaching irrigation tanks and causing havoc in and around Macherla town. Nearly 3,00,000 acres of land under paddy was inundated.

Damage was widespread in Bihar where nearly 40,00,000 people were affected. The rivers in spate were Bagmati, Kamla and Gandak which flooded about 30,00,000 acres, nearly half of which was under wheat and paddy crops. The Kosi river did not do much damage.

A notable feature this year was the flooding of small rivers such as the Ghaggar and the Sahibi Nadi in the plains by an unprecedented rainfall. These rivers, flowing through the Punjab, Delhi and Rajasthan, caused much suffering throughout the Monsoon months.

The districts worst hit in the Punjab were Rohtak, Karnal, Patiala and Sangrur. The swollen Sahibi Nadi and the Ghaggar caused havoc in the Hanumangarh, Suratgarh and Anupgarh regions of Rajasthan.

The Centre has appointed a high-power technical committee to suggest flood protection measures in Punjab, Delhi and Rajasthan. Flood warning systems are being strengthened.

(*The Times of India*, New Delhi)

[Prev. ref. 6141:INI:G]

Q. Supreme Court Upholds Validity Of 17th Amendment To Constitution: The Supreme Court held on October 30 that the Constitution (17th Amendment) Act was valid and dismissed six writ petitions filed by Mr. Sajjan Singh and others against the State of Rajasthan, the Punjab and the Union of India.

The Chief Justice, Mr. P. B. Gajendragadkar, delivered the main judgment of the Court.

The Court also held that since the impugned Act was valid, the 44 land reform Acts passed by various States and added to the Schedule Nine of the Act should be treated as valid.

The six petitioners along with others who intervened at the stage of the hearing had been affected by one or the other of the Acts added to the Ninth Schedule of the Constitution.

The Constitution (17h Amendment) Act made amendments to Article 31A of the Constitution. Article 31A and 31B were added to the Constitution of India with retrospective effect by the Constitution (First Amendment) Act 1951, because the legislative measures adopted by certain States for giving effect to the policy of agrarian reform which was accepted by the party in power had to face a serious challenge in the courts of law on the grounds that they contravened the fundamental rights guaranteed to the citizens by the Constitution. These Articles were introduced in the Constitution by Parliament while appeals by those who had been affected by the State legislation and by certain other zamindars were pending in the Supreme Court.

In 1955 Article 31A was amended by Parliament by the Constitution (Fourth Amendment) Act 1955 with the object of widening the scope of agrarian reform and conferring on the legislative measure immunity from a possible attack that they contravened the fundamental rights of the citizens. This amendment protected the legislative measure in respect of certain other items of agrarian reform and social welfare legislation which affected the proprietory rights of certain citizens. "Article 31B expressly provided that none of the Acts and regulations specified in the Ninth Schedule nor any of the provisions shall be deemed to be void or even to have become void on the ground that they were inconsistent with or took away or abridged any of the fundamental rights."

Notwithstanding these amendments, certain other legislative measures adopted by different States giving effect to the agrarian policy of the party in power had effectively been challenged. The Madras Land Reforms (fixation of ceilings on land) Act 1961, Kerala Agrarian Relations Act 1961, Rajasthan Tenancy Act 1955, Maharashtrian Agricultural Land (ceiling and holding) Act 1961 were struck down.

Parliament therefore enacted Section 3 of the impugned Act by which 44 Acts have been added to Schedule 9. Parliament desired that agrarian reform in a broad and comprehensive sense must be introduced in the interests of a very large section of Indian citizens who lived in villages and whose financial prospects were integrally connected with the pursuit of progressive agrarian policy.

The Chief Justice, Mr. Gajendragadkar, said: "If the effect of the amendment made in the fundamental rights on the powers of the High Courts described by Article 226 was indirect, incidental or otherwise of insignificant order it may be that the proviso will not apply, and in dealing with the constitutional question of this character the courts generally adopt a test which is described as pith and substance test and if this test is applied to the amendment made by the impugned Act it would be clear that Parliament was seeking to amend the fundamental rights solely with the object of removing any possible obstacle in the fulfilment of social economic policy in which the party in power believes."

As the effect of the amendment on the area covered by the powers of the High Court under Article 226 was incidental and of insignificant order, the impugned Act did not purport to change the provisions of Article 226, and therefore it fell under the substantive part of Article 368 and did not attract clause (B) of the proviso.

Further, Article 368 conferred on Parliament the right to amend all the provisions of the Constitution including the provisions relating to fundamental rights.

(*The Times of India*, Bombay)

[Prev. ref. 5885:INI:G]

R. "Mt Rathong" Climbed: Capt. Ahluwalia and three others climbed *Mt Rathong* (21,911 feet), a virgin peak in the Sikkim Himalayas, on October 29.

The news was flashed to New Delhi by the leader of the 22-man expedition, Col. B. S. Jaswal, Principal of the Himalayan Mountaineering Institute.

Capt. Ahluwalia, Everest hero Nawang Gombu, Uahtoo Dorjee and another Sherpa, Angkami, stayed on the peak for 35 minutes and hoisted the flags of the Indian Union, Nepal, Sikkim and the Himalayan Mountaineering Institute.

A second summit party of seven under Sonam Gyatso left for Rathong on October 30.

The object of the expedition was to select the final team for the Indian Everest

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expedition in 1965. This was the first time that an expedition had tried to climb Rathong from the Nepal side and succeeded.

(*The Statesman*, Calcutta)

JAPAN

A. Mr. H. Ikeda Resigns From Premiership: The Prime Minister, Mr. Hayato Ikeda, announced on October 25 his decision to resign.

Radio Japan, reporting this, said the Premier, now undergoing treatment for precarious malignant infection of the throat, had announced his decision from his hospital room within minutes of his doctor's statement that Mr. Ikeda needed protracted treatment.

Part of his statement read: "Aware of the responsibilities as Prime Minister, I have decided to resign both as the President of the Liberal Democratic Party and Prime Minister. I have just asked party leaders to choose a successor to myself promptly and in an amiable manner. Recent developments, both here and abroad, have prompted me to make this decision and avoid causing the slightest sense of insecurity among the nation."

In one of the bitterest contests of his long political career, Mr. Ikeda was recently (see page 5981) elected President of the ruling Liberal Democratic Party for a third two-year term.

The 66-year-old statesman, who became Prime Minister in July, 1960, had been instrumental in achieving Japan's unprecedented economic growth. Known to be pro-West, Mr. Ikeda's policy towards China had been one of trading with that country but no recognition.

His replacement, according to the Japanese Press and politicians, was not going to be an easy task. The international situation directly affecting Japan had changed greatly since Mr. Ikeda's re-election. Besides, his successor must be able to deal with the emergence of China as a nuclear menace.

Mr. Ikeda's two rival contenders in his party, Mr. Eisako Sato and Mr. Aiichiro Fujiyama, were reported to be willing to reconsider the China policy. Both of them are, like Mr. Ikeda, strongly pro-Western Japanese statesmen.

Mr. Fujiyama, who was on a round-the-world tour after meeting Mr. N. Khrushchev in Moscow only a few days before the latter's resignation, cut short his trip and was back in Tokyo soon after Mr. Ikeda made known his decision to leave office.

Mr. Ikeda's announcement touched off a fierce struggle for power among Mr. Ichiro Kono, Mr. Sato and Mr. Fujiyama.

Mr. Kono, an aggressive, political handyman, helped get Mr. Ikeda re-elected and the retiring Prime Minister was said to want him to take over. However, he may lose in a straight party fight.

(*The Japan Times*, Tokyo and *The Times*, London)

[Prev. ref. 5981:JAP:A]

B. Re-emergence Of Industrial Combines: Japan's giant industrial empires, which the US occupation forces had disbanded as undemocratic after World War II, are staging a vigorous comeback.

The shadows they cast on industry are almost as huge as they themselves were two decades ago.

The two decades, however, have brought about some changes. Especially the managing systems at the top have undergone drastic changes —from "family dictatorship" to "consultations" among the executives.

Outstanding among them were Iwasaki, Mitsui and Sumitomo. The Iwasaki were better known as "Mitsubishi" (three diamonds)—the brand carried by scores of corporations directed by the family.

Things got started in the latter part of the 19th century. Each of the three families began to build up a cluster of corporations. Each covered almost every branch of business—banking, insurance, chemical, textile, electric, machinery, ship-building and shipping.

The Government built factories copying those in Western nations and gave them to be known as "Zaibatsu families" installed their members as the highest executives of other firms they controlled.

After the War the occupation forces purged the Zaibatsu families from the Japanese industrial picture and confiscated the shares they held to control corporations.

As the nation began rebuilding its economy from the post-War shambles, the former Zaibatsu corporations embarked on a search for unity. The managers got together for regular consultations on various levels—beginning with the chairman and president level.

The most conspicuous was the rebirth of Mitsubishi Heavy Industries on June 1. With the nation's biggest work force of 79,000, it is expected to hit a total sale of $1 billion this year.

The new firm controls 63 per cent of the market in paper-making machinery, 46 per cent in boilers for power plants, 40 per cent in boilers for factories and 28 per cent in shipbuilding.

(*The Times of India*, New Delhi)

C. Mr. H. Ikeda's Assailant Sentenced: A High Court in northern Japan confirmed on October 8 a lower court decision and sentenced a Japanese Rightist to five years' imprisonment for attempted murder of the Prime Minister, Mr. Hayato Ikeda in November, 1963.

Takao Ishimoto (25), President of the Japan Patriotic Youth's Association, was convicted of trying to attack Mr. Ikeda with a knife as he was about to leave the rostrum of a hall in Kohriyama city, northern Japan.

The incident followed an election campaign speech on November 5, 1963.

(*The Japan Times*, Tokyo)

[Prev. ref. 5564:JAP:A]

KOREA (South)

A. Moves For Re-unification Of Country: For the first time since the days of Dr. Syngman Rhee, moves for the unification of Korea have been openly and officially made in South Korea, following the return of South Korean athletes from the Tokyo Olympics which North Korea boycotted.

The Prime Minister, Mr. Chung Ilk Won told the National Assembly on October 26 that an organization to work for unification of the divided country would be established under the Government soon. Members of the ruling and Opposition Parties submitted a joint resolution to the National Assembly on October 27 calling for the establishment of a meeting place for families separated between North Korea and South Korea across the 38th Parallel.

The moves were touched off when the famous North Korean woman athlete, Sin Kim Dan, holder of the world record for the women's 400 metres sprint, was not given more than five minutes in Tokyo to see her father, who had come from South Korea. Miss Sin had to leave together with the North Korean Olympic delegation which had been refused participation in the Olympics because of its earlier participation in the GANEFO games.

The incident has given a 'human' touch to a basically political issue. A leading Seoul newspaper started serialised articles entitled 'Way for Unification.' Never before had the South Korean Press so openly and unequivocally advocated reunion of the two Koreas.

It is estimated that some three million of the 30 million population in South Korea have their families in North Korea.

(*The Times of India*, Bombay)

[Prev. ref. 5456:KRN:A]

MALAYSIA

A. Fresh Landings By Indonesians: Singapore reports said on October 29 that a group of Indonesians had landed that morning (October 29) by boat near the border of Malacca and Johore States in south-west Malaysia.

This was the fourth Indonesian landing in Malaysia. Sea landings were made near Pontian on August 17, paratroopers were dropped over Labia on September 2 and another landing was made on September 9.

The reports said Malaysian security forces, helped by British and Commonwealth units, had conducted the operations against the Indonesians.

In Canberra, the Australian Defence Minister, Mr. Shane Paltridge, announced that Australian troops were taking part in the action against the new landing by infiltrators.

A spokesman for the Department of External Affairs said Australia viewed the latest violation of Malaysian territory with concern.

New Zealand troops were also rushed to the area in case they were needed to help security forces.

The Deputy Malaysian Prime Minister, Tun Abdul Razak, said he would discuss defence aid for Malaysia during his forthcoming talks with the British Prime Minister, Mr. Harold Wilson.

In London the British Foreign Secretary, Mr. Gordon Walker said that the United States was behind Britain in defending Malaysia and that USA would give more aid to Malaysia for meeting the Indonesian threat. He said this on his return from a trip to USA.

A Malaysian Army spokesman said on October 31 that Indonesia had established a forward invasion base against Malaysia on Bengkalis, a swampy island off the east coast of Sumatra.

The spokesman told newsmen that the 52-man Indonesian force which had landed was destroyed in the Merlimau area of south-west Malaya. He said it came from the island, about 20 miles away across the Straits of Malacca.

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Indonesian Stand:

Meanwhile, the Indonesian Acting President, Dr. R. Subandrio, said in Djakarta that Indonesia was still willing to conduct peace talks with Malaysia but without preconditions.

He asserted: "Up to this moment we do not know about the possibilities to have talks with Malaysia. If they (Malaysian leaders) want to talk, it's all right. We can talk. If they do not want to talk, it is all right with us too."

An Indonesian Foreign Office spokesman declared on November 2 that there had been no initiative on the part of the Indonesian Government to hold peace talks.

The spokesman stated that it was the Malaysian Premier, Tengku Abdul Rehman who had made persistent appeals for peace talks.

The spokesman also stressed that Indonesia was now in a "favourable position" in her "crush Malaysia" campaign and felt she would only prejudice her position by going to the conference table.

The spokesman was commenting on a statement by the Malaysian Deputy Premier, Tun Abdul Razak reportedly rejecting an Indonesian offer for peace talks "without prior conditions."

He said Indonesia was "very satisfied with the present turn of events and any attempt from whatever sources to bring about negotiations will be responded satisfactorily provided there are no preconditions."

According to a Reuter message from Kuala Lumpur, it was announced that British and Malaysian military aircraft had flown together on November 2 in a leaflet raid over Indonesia.

This was the first retaliatory action from Malaysia in the two-year unofficial war with Indonesia.

An official statement said aircraft had dropped "thousands" of leaflets warning Indonesians not to engage in any fresh raids against the Malayan peninsula.

In Singapore, a British military spokesman said some British aircraft and crew had taken part in the raid. He explained that the operation was "planned and conceived by the Malayans, but we provided them with some planes."

The leaflets dropped over Indonesia contained a message from a captured Indonesian Lieutenant.

Soviet Support To Indonesia:

The Soviet Government newspaper *Izvestia* on October 30 accused UK, USA, Australia and New Zealand of increasing tension in the Malaysia-Indonesia dispute.

News of contingents of British troops arriving in the area came in nearly every day. Australia and New Zealand had sent a "considerable quantity" of troops and warships to the troubled area.

It said: "The world public can see clearly who bears the responsibility for the tense situation in this region, fraught with a threat to peace and security to South-East Asia".

The *Izvestia* article, under the heading "Where Are The Blood-hound Rockets Aimed", charged that British bases in Malaysia had threatened Indonesia with nuclear weapons.

(*The Times*, London, *The Malayan Times*, Kuala Lumpur and *The Statesman*, New Delhi)

B. Pattern Of Indonesian Subversion—White Paper: A Government White Paper has detailed the pattern of alleged Indonesian subversion in Sabah and Sarawak before and after the formation of Malaysia in September, 1963.

The White Paper's main conclusion was that the Indonesians had failed in their objective of building up a local grass-root dissident movement in the two States. They were, therefore, shifting their objective to one of creating "alarm and despondency" in Eastern Malaysia to force political concessions from the Federation.

The official document relied heavily on the testimony of more than 60 Indonesian guerrillas captured in the two States. It was estimated that eight Indonesian infantry and marine commando battalions and 12 units of irregular forces were spread along the Malaysian Borneo borders. Units varied from 25 to 125 men.

A total of 214 incidents in the two Borneo States involving Indonesian terrorists were catalogued. The first incident occurred at Tebedu in Sarawak's First Division, on April 12, 1963 when a group estimated at 30 strong, led by an Indonesian Army officer, attacked a security post, killed a member of the Security Forces and captured weapons and ammunition.

Many of the "volunteers" sent out in the early phase of Indonesia's military confrontation were apparently pressed into joining the "volunteer units", casually trained in army camps in Indonesian Borneo and sent on their hazardous missions on the dictates of Djakarta's political requirements.

About 1,000 Chinese youths belonging to Sarawak's underground Communist Party (In official jargon, the Clandestine Communist Organization) were believed to have crossed into Indonesian Borneo for training in subversion. Those captured among this group, however, gave an impression of Indonesian equivocation in associating them with the volunteer groups sent into Malaysia. Some of them were given Iban names and no exclusively Chinese volunteer units were formed.

The White Paper speculated that the Indonesian authorities had probably felt that their help to Malaysian Chinese Communists would make their country unpopular with the majority of the Sarawak people. Also, in view of the Indonesian distrust of the Chinese, the authorities might not have wished to advertise their support for a Chinese movement.

In Sabah, the White Paper traced Indonesian subversion back to the setting up of an Indonesian consulate in Jesselton in January, 1962. The Consulate was alleged to have set out to assume control over nearly 20,000 Indonesian immigrant labourers on plantations and in timber camps. Several Indonesian-inspired local subversive organizations were formed, apparently without much success, and a system of secret travel passes arranged for Indonesian countries. One such pass was discovered last March inside a cake of soap aboard a barter trading vessel about to leave Tawau for Indonesia.

The White Paper linked the intrusion of particular Indonesian volunteer groups with Djakarta's objective of extracting political concessions from Malaysia at the conference table. At least two volunteer groups, it said, were despatched after President Sukarno had declared a "cease-fire" on January 23 this year. Two days after the Manila three-nation "summit" meeting, a force of 70 was contacted in Sarawak and four military formations invaded the State within two weeks of the publication of the UN report on the Borneo territories and Malaysia's formation. With the approach of the three-nation "summit" meeting in Tokyo last June, determined incursions were made into Sarawak.

(*The Statesman*, Calcutta)

[Prev. ref. 6045:MAL:A]

SAUDI ARABIA

A. Nine Oil Wells Begin Production: The major part of Aramco's $11,500,000 development programme was completed on October 1 when nine wells in the South Ghawar area went into production.

The 66-mile pipeline connecting the wells was completed the previous month, leaving only two more wells to be drilled before the programme's scheduled deadline of Spring, 1965.

(*Middle East Economic Digest*, London)

[Prev. ref. 5732:SUA:B]

SYRIA

A. General Petroleum Authority's Budget: The Budget of the Syrian General Petroleum Authority for 1964 was published in the official *Gazette* early in October, 1964.

Revenue was estimated at £S120,081,600 of which £S78,644,400 would come from sales of locally refined products; £S33,780,700 from sales of imported products; £S7,301,700 from export sales of products and £S335,000 from miscellaneous sources.

On the expenditure side, £S98,894,000 would be spent on the purchase of refined products; £S16,101,000 on the consolidated Budget; £S4,635,000 on general administration; and the surplus of £S451,800 was to be allocated to the development Budget. (£S11 = £).

(*Middle East Economic Digest*, London)

[Prev. ref. 5477:SYR:C]

ASIA OUTSIDE ASIA

A. Weather Satellite "Nimbus" Stops Working: It was reported on September 23 that the American weather satellite *Nimbus*, which was launched in August to take photographs of the Earth and cloud formations, had stopped working.

American scientists said this was due to the failure of its solar power system. In its brief life, Nimbus took more than 27,000 photographs, including evidence of volcanic activity in the Antarctic.

(*The New York Times*)

[Prev. ref. 6085:AOA:D]

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ASIAN RECORDER

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AFGHANISTAN

A. **Budget Approved:** The National Assembly has approved the State Budget for the new financial year.

The country is facing a severe shortage of foreign exchange. The Budget is to be balanced by increasing revenues and reducing expenditure and loan payments and greater attention devoted to the production and marketing of agricultural and industrial produce.

A preliminary list of luxury items, the import of which is to be banned, has also been announced.

(*Middle East Economic Digest*)

[Prev. ref. 5447:AFG:C]

B. **New Transmitter:** Equipment for a 100-kw medium-wave transmitter in Kabul will be bought through credits provided by West Germany.

The new transmitter will strengthen Kabul Radio's coverage of the country and neighbouring areas and will cost about 18 million Afghanis (126 Afghanis= one pound sterling).

(*Middle East Economic Digest*)

[Prev. ref. 5976:AFG:A]

BURMA

A. **New Envoy To China:** Sama Duwa Nawng, the former Kachin State Minister, has been appointed Burmese Ambassador in Peking in place of U Maung Kyaw Win, who returned to Rangoon.

Samagyi, as he is affectionately known by his colleagues, was a loyal adherent of the Anti-Fascist People's Freedom League, which later split into two factions. He supported the Union Party faction led by U Nu, the former Prime Minister, under whose administration he became Burma's President-elect. But 10 days before his installation as President in 1962 the Army took over control.

Samagyi, now 50, was made chief of Sama Hills Tract by the British Government at the age of 15. In 1947 he co-operated with Bogyoke Aung San in bringing about unity of the frontier areas people with the Burmese, and later became deputy counsellor for frontier areas in Governor Sir Hubert Rance's Executive Council. After Independence he was appointed Kachin State Minister and Minister for National Solidarity.

(*The Statesman*, Calcutta)

CAMBODIA

A. **Soviet Arms Aid:** Russia has delivered a new shipment of fighter aircraft and arms to Cambodia.

Prince Norodom Sihanouk, the Chief of State, had asked for the Soviet arms, together with Chinese and French weapons, to replace the American equipment of his Army and Air Force.

Prince Norodom cancelled the United States military aid programme in November, 1963 and since then much of the American equipment had deteriorated because of lack of spare parts.

(*The Times*, London)

[Prev. ref. 5544:CAM:A]

CHINA

A. **Renewed Call For World Conference On Disarmament:** While several world leaders voiced concern over the Chinese nuclear test explosion (see page 6148), the *People's Daily* of Peking re-iterated on October 22 China's call for a world conference to discuss the destruction of nuclear weapons, but declared that "China must have its own nuclear weapons as long as US imperialists have theirs."

Since the atomic test the Chinese Press had been dominated by messages of congratulation, mostly from abroad, but the leading article was the first important Chinese statement on its implications since the Government statement announcing the explosion.

Observers said the article echoed the sentiments of many of the congratulatory messages which saw the Chinese test as a blow against "the United States nuclear monopoly", or in some cases against "the monopoly of nuclear Powers."

The article, which was partly addressed to President Johnson, said: "Although possession of nuclear weapons does increase our defence capabilities, our sense of security at no time depends on nuclear weapons." The more thoroughly the US nuclear "monopoly" was broken "the greater will be the possibility of completely prohibiting and thoroughly destroying nuclear weapons".

"Having developed nuclear weapons, we shall pursue, as we did in the past, the foreign policy of peace. We shall not use these weapons to intimidate others and embark on any adventure."

On October 26, the Vice-Premier and Foreign Minister, Marshal Chen Yi, was quoted in an interview published in the Paris weekly, **L'Express** as saying that China wished to possess nuclear weapons "to break the nuclear monopoly so that these armaments may be destroyed.".

The interview quoted Marshal Chen Yi as saying: "We maintain and we will continue to maintain that the atomic bomb is without importance. China decides on her foreign policy according to the principles of aspiration toward peace and building of socialism for 700 million people and not whether or not to possess nuclear weapons. It is man who manufactures nuclear weapons, and not the contrary. Therefore it is man who will eliminate them since he will always occupy

Asked about a possible conflict with USA, he said: "We will never abandon our right to atomic weapons and we fear nothing. While opposing every unjust war and aspiring toward peace, we will never hesitate to participate in a just war, be it conventional or nuclear. We will not weaken. But think of how far we are from the latest nuclear techniques and think of the arms stockpiled elsewhere."

Commenting on Sino-American relations, he said: "USA wants to bury us. It occupies military bases all over the world. It admits to 400. In fact it has 4,000 or pretty nearly that. If USA withdraws from its bases, it would cause everywhere an immense relief, especially in South-East Asia, but USA will withdraw nothing."

Gen. de Gaulle's Support:

The French President, Gen. Charles de Gaulle, welcomed on October 30 the Chinese proposal for a world conference on nuclear disarmament.

In a message to Mr. Chou En-lai, he said France was ready "at any moment" to participate in any "serious negotiations" among the Powers concerned.

He noted France's past efforts to obtain an agreement on the elimination of the vehicles carrying nuclear weapons. France, however, had not participated in the talks in Geneva on nuclear disarmament.

His statement was in reply to a letter from Mr. Chou En-lai dated October 17 in which France was informed of China's first successful atomic test on October 16 and of the Chinese proposal for a nuclear disarmament conference.

The statement came at a time when French-Chinese relations had been stagnant. The French had got nowhere, they conceded, in their attempts to lead the Chinese Government into serious political talks on the situation in South-East Asia.

However, the French Government felt that China's explosion of an atomic bomb and its confidence that it would soon be able to produce nuclear weapons created a new situation in which the West, meaning France, should take the initiative.

General de Gaulle said his Government would "study with attention." Mr. Chou's "declaration expounding China's point of view on the problem of nuclear armament."

He added: "On her part, France has not ceased during all of the past years to pronounce herself in favour of veritable disarmament which naturally means that priority should be given to nuclear disarmament. On this subject whenever the occasion arose she has made detailed propositions concerning in the first place elimination of vehicles serving, or liable to serve, the transportation of nuclear arms."

"These propositions," he continued, "took into account the difficulty that is existing today in assessing stockpiles of such devices."

(*The Times*, London, *The Statesman*, Calcutta and *The New York Times*)

B. **Japan Socialist Delegation's Visit:** Fifteen members of the Japan Socialist Party, led by Mr. Tomomi Narita, the Party Secretary-

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General, visited Peking in the third week of October.

It was the largest mission the party had sent abroad. (The party had always stood for recognition of the Peking regime.)

The delegation had talks with Mr. Mao Tse-tung, the Prime Minister, Mr. Chou En-lai, and other leaders.

Japanese newspapers reported from Peking that there had been serious disagreement between the visiting group and the Chinese on "ideological questions." It was stated that the Japanese spokesmen were particularly critical of the explosion of an atomic device by China on October 16, the day the party arrived in Peking.

A Joint Statement issued in Peking on October 20 admitted that the two sides disagreed on nuclear policy. (Japanese opinion is overwhelmingly against nuclear testing.)

Japan and China are engaged in "independent struggles to safeguard the sovereignty of their countries and world peace," the Statement declared.

"These struggles are objectively also the common struggle against the United States imperialist policies. The famous statement of Inejiro Asanuma that United States imperialism is the common enemy of the Japanese and Chinese peoples correctly points out this fact. Therefore, both sides are resolved to continue their struggle to inherit and develop the Asanuma spirit." (See page 2629).

It added: "The forces of socialism, national independence, democracy and peace in the world have greatly surpassed those of imperialism headed by the United States."

It added that the Japanese people opposed American military bases in Japan and Okinawa, the "stationing" of United States nuclear submarines in Japan and the introduction of new fighter planes in Japan.

The chief signers of the Statement were Mr. Tomomi Narita, head of the delegation and secretary-general of the Japan Socialist Party, and Mr. Chang Hsi-jo, President of the Chinese People's Institute of Foreign Affairs.

Though Japanese Press representatives credited the visiting Socialist mission with holding heated arguments on nuclear testing with Chinese leaders, there was dismay in Tokyo that the Party, which opposed all tests, refrained in the Statement from affirming its opposition to the recent Chinese test, and went on to agree with Peking's proposal for a conference to ban all nuclear weapons.

Tokyo commentators felt that a new facet of independence was reflected in the Statement's admission that both sides differ in "the field of thought and in standpoints". However, differences would not interfere, they also agreed, with their mutual support and co-operation to develop the "Asanuma spirit" (on a 1959 visit to Peking the late Mr. Asanuma, the Secretary-General of the party, said that "the common enemy" of the Chinese and Japanese peoples was American imperialism).

The Japanese socialists also made a reaffirmation that the Formosa-Japan Peace Treaty should be abrogated, and that Formosa's emancipation was an internal affair of China. In return they gained Chinese acquiescence in the assertion that a Soviet-Japanese Peace Treaty would be conducive to peace in Asia.

(*The Japan Times*, Tokyo, *The Times*, London and *The New York Times*)

[Prev. ref. 2629:CHI:B]

C. Soviet Leaders' Message: The official *Hsinhua* news agency reported on November 2 that the new Soviet leaders had sent a message to the leaders of China expressing the hope for the consolidation of "the solidarity of the Soviet and Chinese Communists and the solidarity of the entire international Communist movement on the basis of Marxism-Leninism and proletarian internationalism."

The news agency quoted a letter, sent by the Soviet Premier, Mr. Alexei Kosygin, the Soviet Communist Party First Secretary, Mr. Leonid Brezhnev, and the Soviet Head of State, Mr. Anastas Mikoyan.

The Soviet message was in reply to the Chinese leaders' congratulations to Mr. Kosygin and Mr. Brezhnev on their appointment as the Soviet Premier and First Secretary of the CPSU, and on the success of the **Voskhod** space flight.

(*The Hindu*, Madras)

D. British Industrial Exhibition: The President of the British Board of Trade, Mr. Douglas Jay, opened in Peking on November 2 the British Industrial Exhibition.

The Exhibition was the biggest ever held by a Western country in the Chinese People's Republic with 230 British firms displaying mainly capital goods, machinery, and scientific equipment for industry and agriculture.

The Exhibition occupied four large halls and the courtyard of the white colonnaded exhibition centre, topped by a slender spire built by the Soviet Union in 1954.

The opening ceremony was attended by Mr. Yeh Chi-chuang, the Chinese Minister of Foreign Trade, British businessmen, foreign diplomatists, and Chinese trade and commerce officials.

Speaking before cutting the red ribbon under a large Union Jack and the scarlet flag of China, Mr. Jay said: "It is an earnest of the supreme importance Her Majesty's Government attaches to a reinvigorated British export drive and not least to expansion of trade with China that one of the United Kingdom Prime Minister's first decisions was one that enables me to be here today."

The Exhibition was being mounted at a propitious time for the expansion of Sino-British trade. Britons had seen with admiration the talents, skills, and courage of the Chinese authorities and people in surviving the hard times resulting from the weather disasters of 1959 to 1961. "We have been very glad to note that now China has once again resumed purchasing machinery and capital equipment on a larger scale, she is looking to Britain as a possible supplier."

Calling for mutual benefit from a fruitful exchange of ideas at the British fair, he said: "The more we exchange both goods and ideas the better will be the hope of peaceful co-existence between our countries."

Mr. Nan Han-chen, President of the Council for the Promotion of International Trade, said in reply: "We are willing to work together with our British friends to liquidate all obstacles so as to expand Chinese-British trade." "United States imperialism is always creating artificial barriers in an attempt to hinder the development of trade between this country and your own".

Observers said these remarks indicated that China might offer to take big imports from Britain while seeking to persuade the United Kingdom to disregard NATO rules regarding the embargo on strategic goods and credits, and American regulations forbidding the export to China of goods with American-made components.

Unlike the recent French technical exhibition at the same centre, which displayed scientific instruments used in nuclear physics, the two-week British Exhibition had no nuclear equipment—either industrial or for research.

Vehicle exhibits included cranes, agricultural vehicles, and a large Leyland bus.

It had taken the sponsors, the Sino-British Trade Council, and the organizers, Industrial and Trade Fairs, 15 months of negotiations after the initial approval of the authorities in order to obtain the site and arrange the necessary labour and supplies. Above all great pains had been taken to ensure that the Chinese Government was fully satisfied with the range of equipment to be demonstrated. Consumer goods had been rigorously excluded and the list had been carefully checked to avoid mutual disappointments.

The organizers' target was an eight-fold increase in exports to $100 million a year, but everyone connected with the fair was anxious to stress that orders for capital goods came in only slowly and after prolonged periods of bargaining and negotiation on specifications.

During the visit to Peking, Mr. Jay had talks with the Prime Minister, Mr. Chou En-lai, and other Chinese leaders.

Later, Mr. Jay said his talks were friendly and encouraging. He and the exhibitors were pleased with the progress of the fair.

(*The Times*, London)

[Prev. ref. 5378:CHI:D]

INDIA

SUMMARY: A-ICC Resolutions; Mr. Lal Bahadur Shastri's Visit To UAR; CPI Conference; Demarcation Of Assam-East Pakistan Border; Rice Agreements.

A. A-ICC Resolution On International Affairs And Food: Formally opening the All-India Congress Committee (A-ICC) session in Guntur (Andhra Pradesh) on November 7 the Congress President, Mr. K. Kamaraj declared that the Central and State Governments were not interested in carrying on controversies about the manner in which the food situation was to be dealt with, but were anxious to fully co-operate with each other and tackle this problem.

He said the greatest challenge the nation was facing at present was the food shortage. Several decisions had already been taken by the Central and State Governments to meet the situation. Food from surplus States was being rushed to the deficit areas.

He called upon Congressmen to co-operate with the Government in meeting the food situation.

Resolution On International Affairs:

On November 8, the A-ICC unanimously adopted the official resolution on international affairs after all the amendments had been withdrawn.

The Prime Minister, Mr. Lal Bahadur Shastri, said during the debate on the subject that India would not enter into competition with other countries in making atomic bombs. It was a tremendous economic burden which India could not undertake consistent with her policy of building up the economic prosperity of her people.

He said he was making the statement after giving careful thought to the impli-

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cation of the Chinese nuclear explosion. "We have to be clear in regard to two matters: first, India will pursue her policy of non-alignment and, secondly, we will try to eliminate the threat and terror of nuclear weapons rather than enter into competition with other countries to make or produce atom bombs here."

He said that while considering these big issues the people should not get nervous as thereby the country would lose on every front. It was most important that every paise was spent on economic development and strenuous efforts were made to build up democratic socialism in the country. For internal and international reasons I do not think India has any alternative but to pursue the policy of peace without any fear or terror from China or any other country which possessed nuclear weapons."

He said that India was wedded to the policy of non-alignment and peaceful co-existence and could not think of going under a nuclear umbrella. "We cannot become economic or political slaves of any country. We must preserve our independence at any cost."

"If any one thinks that by having one atom bomb we will be able to compete with great nuclear Powers then there is no one wiser than he."

Some members had also argued, he said, in favour of alignment with Power blocs. This was not an easy matter which could be decided upon lightly. "I am most afraid of any kind of alignment which might lead to infringement of our sovereignty."

Quoting eminent scientists, he said they were unanimously of the view that they should not have invented the atomic bomb and that the atomic energy should have been used only for peaceful purposes. They also did not know whether it would be possible for the developing countries to bear its cost. An atom bomb cost about Rs. 40 crores to Rs. 50 crores.

The resolution passed by the A-ICC deplored the recent nuclear explosion by China and said that it ran counter to the efforts by nations of the world towards non-proliferation of nuclear weapons and towards arms control and reduction.

It also re-iterated full support to the Government's foreign policy based on world peace and co-operation and its pursuit of peaceful co-existence, non-alignment, opposition to colonialism and racialism and rapid progress towards general and complete disarmament.

At the same time, it said it was the nation's duty while continuing to adhere to the policy of peaceful negotiation "to be prepared to prevent and foil aggressive attempts wherever they come from."

The following is the text of the resolution:

"The A-ICC re-affirms its determination to pursue, in every possible manner, the objectives of general and complete disarmament including prohibition of use of nuclear power for non-peaceful purposes. The vast advances in science which can do so much for the prosperity and well-being of humanity should be exploited only for the purpose of peaceful development and progress of mankind. The A-ICC declares that efforts be redoubled for the development of the peaceful uses of atomic energy for the prosperity and well-being of the Indian people.

"The A-ICC deplores the recent nuclear explosion conducted by the People's Republic of China. This runs counter to the patient efforts being made by the nations of the world to reach agreement towards non-proliferation of nuclear weapons and other measures of arms control and reduction.

"The A-ICC welcomes the declaration of the non-aligned nations at the Cairo Conference and its call for the elimination of colonialism and racialism, its full support to the United Nations, achievement of general and complete disarmament. It also welcomes the declaration that all States should honour the sovereignty and territorial integrity of all countries, great and small, and respect frontiers as they existed when the States gained independence.

"The A-ICC welcomes the emergence to independence of the new States of Malawi, Malta, Zambia and supports the nationalist movements in Angola, Mozambique and Southern Rhodesia. The A-ICC condemns the policy of racialism pursued by South Africa and strongly deplores death sentences passed on the nationalist leaders in South Africa."

On Food Policy:

On November 8, the A-ICC endorsed the Government's food policy on an official resolution which, however, left the issue of rationing still open for discussion by the State Chief Ministers in New Delhi on November 17 and 18.

The Central Food and Agriculture Minister, Mr. C. Subramaniam, told the Committee that the Chief Ministers were expected to take "firm decisions" on the mechanism of building up sizable buffer stocks out of surpluses from the coming harvest and on controlled distribution.

He said that the building up of buffer stocks and regulation of distribution and consumption had become essential if the country had to be spared a "catastrophe" on the food front.

He referred to the question of introducing "controlled distribution" in major cities and industrialized urban areas and said that this could not be put off because of the expected bumper harvest. If a complacent view was taken now and regulatory measures were not adopted "we will have to face greater difficulties next year."

On the question of zones, he indicated that the question for decision before the Chief Ministers would be whether the entire country should be treated as one zone or each State as a zone to facilitate the acquiring of surplus from each State for the purpose of building up stocks.

He warned that despite the expected bumper harvest, the country would be deficit in food during the next four or five years. Therefore, a long-term food policy covering purchase, movement and distribution should be formulated. "Such a policy should give us strength and strategy to pull through the period of deficit." While imports would continue, the scarce foreign exchange position with regard to rice imports had also to be kept in view. An import programme for fertilizers was also necessary as at present only 50 per cent of the requirements of fertilizers were met.

The following is the text of the resolution:

"The All-India Congress Committee at its last meeting held in New Delhi in August, 1964 had given considerable thought to the food situation then existing and had taken certain decisions. The Committee notes with satisfaction that since then the Government of India, in consultation with the State Governments, has taken various steps in pursuance of these decisions. For instance, the producer's prices have already been fixed for rice, wheat, jowar, bajra, maize and gram. In respect of rice, maximum wholesale and retail prices have also been fixed.

"The Committee notes that while these prices have been fixed at present on an ad hoc basis, the Government of India proposes to set up shortly a permanent commission for the purpose of determining prices of cereals, after a due consideration of the various factors involved. The Committee also notes with satisfaction that with a view to ensuring the supply of foodgrains to the people the Government of India has decided to set up a Foodgrains Corporation and that a Bill for the establishment of this Corporation is to be put through during the coming session of Parliament.

"With the arrival of the new crop in the market, ordinarily better supplies should soo be available to the people, but the situation will still have to be watched continuously and with great care. The Committee notes that in order to augment supplies, the Government proposes to continue the import of wheat as well as of rice to the maximum extent possible. The Committee further notes that the import of rice especially involves certain difficulties such as immediate payment in foreign exchange. Moreover, the availability of rice in other countries for purchase by India is also limited.

"The Committee is of the view that a reserve of foodgrains should be built up by the Government to feed the fair price shops and to ensure that there is a steady and well-regulated supply of foodgrains to the consumers. It is, therefore, important that the Government should also make direct purchases from the cultivators at the prices duly fixed and announced.

"The Committee considers it essential that the policy decisions taken by the Government of India should be properly and effectively implemented by the administration. It is necessary that the purchase of foodgrains from the farmers on the one hand and the eventual sale to the people on the other should be effected at the prices fixed by the Government.

"The Committee is glad to note that the Government of India has issued an Ordinance to make sure that there is effective implementation of their price policy by dealing with the offenders firmly and quickly. The Committee would like to emphasize that there is no cause for any scare or undue anxiety. The recent crops are good and the coming months can be faced with confidence.

"The Committee recognizes that while the aforesaid decisions of the Government of India will enable them to deal with the immediate problems pertaining to the food situation, the only long-term solution of this problem is increased agricultural production. The Committee, therefore, notes with satisfaction that the Government has laid great stress on high priority being given to agricultural production during the balance of the Third Plan period and also during the Fourth Plan.

"Planning in regard to agricultural production is, however, only the first step. The real task will have to be performed in the fields and farms. The timely supply of the various inputs in the form of seeds, fertilizers, pesticide, cement, steel, etc., shoud be assured to the farmer. A campaign for increased food production has to be organized and in this the role of the Congress committees and indeed of every Congressman is very important.

"The A-ICC suggests that in each Pradesh a food committee should be set up which should draw up a regular programme of action. The workers should be requested to help in the purchase of foodgrains from the cultivators. Every care should, however, be taken to ensure that it does not involve any kind of coercion. This casts a heavy responsibility on Congressmen and the A-ICC expects that they will take up this task in right earnest in a spirit of service to the people.

"There has to be a concerted drive in the coming years to deal with the problem of food and to ensure adequate production within the country. This requires the framing of a well co-ordinated and comprehensive programme of action and ceaseless efforts to implement the same. It is the bounden duty of the Government to so direct their economic and administrative policies as to ensure that the basic needs of the people are met and that they are able to secure their essential requirements at reasonable prices.

"The Committee wholeheartedly endorses the principles and policies on the basis of which the Government has decided to tackle the various facets of the

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food problem. However, a complacent view must not be taken and determined efforts must continue to be made towards both increased agricultural production as well as equitable distribution of the available food supplies to the people.

"The Committee also wishes to express its feelings of gratitude to the people all over the country who have shown remarkable understanding and forbearance in a difficult situation. Their co-operation will greatly strengthen the efforts of the Government and will enable them ultimately to stabilize the economy of our country and give real relief to the people."

Organizational Amendments Adopted:

The A-ICC concluded its session on November 9 after adopting organizational amendments and discussing some non-official resolutions relating to ceiling of urban property, the stay of Ministers on tour in circuit houses or dak bungalows and the problem of refugees.

The Committee adopted the first resolution with an amendment by a Congress Working Committee member, Dr. Ram Subhag Singh, while two others were not pressed by movers after it was stated by Dr. Singh that the resolution of Mr. Bibhuti Misra on the question of Ministers' stay was not practicable for implementation and by the Central Steel Minister, Mr. Sanjiva Reddi that in view of the impending Home Ministers' Conference where the problem of refugees would be reviewed it would not be opportune to adopt the resolution.

The resolution on refugees which was moved by Mr. P. R. Chakravarti, a delegate from Bihar, demanded appointment of a committee to study the various problems of rehabilitation of refugees and Government assessment of property left behind by refugees in East Pakistan and payment of compensation to them. It was surprising that none of the delegates from West Bengal which was most affected by the problem took part in the discussion of the issue.

In the discussion on the resolution on ceiling of urban property moved by Mr. Chakravarti, oblique references were made to socialism. A delegate from Andhra, Mr. V. Reddy, said no definite steps towards socialism had been taken during the last 17 years. Like Mr. Chakravarti who spoke passionately for a ceiling on urban property in view of abysmal poverty in the country, Mr. Reddy said such a ceiling was indispensable commensurate with the ceiling imposed on agricultural land.

Mr. Misra supported forcefully the cause propounded by the previous two speakers. Mr. K. K. Shah, former General Secretary, said a ceiling on urban property would mean nationalization of the entire private sector. His point was that it would not be possible to get as much income under the proposed measure as it was possible under the highest rates of taxation.

Some sort of compromise was struck on the issue at the instance of Dr. Ram Subhag Singh who referred to the election manifesto of 1962 and suggested an amendment. The amended resolution that was adopted was "suitable legislation be enacted to introduce a ceiling on urban property commensurate with the ceiling imposed on agricultural land in terms of the election manifesto of 1962."

During the discussion on organizational amendment of Article 1 and rules thereunder attempts were made by delegates to see that 20 or 30 members in a block were made eligible to elect a delegate against 50 proposed in the official amendment, that the election of one-third of Congress Working Committee members was made by proportionate representation through a single transferable vote and that the Central Election Committee be made permanent instead of its constitution before the General Election as at present. All their attempts failed following strong defence of the existing arrangements by Mr. S. K. Patil, who piloted the organizational amendment measures.

Following a closure motion, 59 other non-official resolutions fell through. Two were declared out of order in view of the adoption of the official resolution on food.

(*The Times of India* and *The Statesman*, New Delhi and *The Hindu*, Madras)

[Prev. ref. 6052:INI:A]

B. Mr. Lal Bahadur Shastri's Visit To UAR: The Prime Minister, Mr. Lal Bahadur Shastri, arrived in Cairo on October 2 to attend the second Conference of non-aligned nations, which opened on October 5.

President Nasser of the United Arab Republic was present at the airport to receive Mr. Shastri—an honour which had seldom been given to other Heads of Governments.

Twenty guns boomed in salute as the Air-India plane with Mr. Shastri and party touched down at Cairo's international airport.

In a statement at the airport, Mr. Shastri said that it would be his endeavour to pursue the policy of non-alignment and peaceful co-existence and in particular to maintain and develop further "close and friendly ties with this great country."

He was most happy to recall that the UAR under President Nasser and India under the leadership of Mr. Jawaharlal Nehru had moved on the same path in many important matters.

He extended to President Nasser and the people of UAR "the most cordial and affectionate greetings from the Government and the people of India."

He said he was happy that his first visit outside India should be to this ancient land—a land whose long history had contributed so much to enrich the culture and civilization of the world. The ties that bound India and UAR were old and strong and friendship between the two countries had continued since ages. "I am, therefore, grateful to President Nasser for his kind invitation to visit this great country."

After the airport ceremonies, Mr. Shastri, accompanied by President Nasser, drove in a motorcade along a six-mile route through the city to Tahira Palace. Large crowds cheered Mr. Shastri as his car drove slowly past. Mr. Shastri acknowledged the greetings with folded hands.

Reception By Indian Embassy:

President Nasser broke another tradition on October 3 when he visited the Indian Embassy to attend a reception in honour of Mr. Lal Bahadur Shastri. This was the first time that the UAR President had been to an Embassy reception in Cairo.

The reception, given by the Indian Ambassador in Cairo, Mr. S. N. Haksar and his wife, was a glittering affair. Indian sweets were made specially for the occasion and the band of the Dogra Regiment had come specially from Gaza to be in attendance. The top crust of UAR society was present. President Nasser had come with his wife.

This was the fourth time Mr. Lal Bahadur Shastri and President Nasser had met. Three of these meetings had been devoted to political talks.

The Joint Communique:

A joint *communique* was issued in Cairo on October 6 at the end of Mr. Lal Bahadur Shastri's visit.

In the **communique**, President Nasser expressed concern that it had not been possible for negotiations to take place on the Sino-Indian border conflict on the basis of the Colombo proposals and hoped further efforts would be made by friendly countries in the interests of a peaceful settlement of the dispute.

The **communique** said that both leaders had expressed their conviction that border disputes should, in all cases, be resolved by negotiations and not by resort to force of arms.

They expressed the hope that the differences between India and Pakistan would be resolved peacefully by direct negotiations between the two parties without any external interference.

The **communique** reviewed the talks between President Nasser and Mr. Shastri and said: "The President and the Prime Minister re-affirmed their faith in the policy of positive non-alignment and in principles of peaceful co-existence and reiterated their conviction that nations should respect each other's territorial integrity and sovereignty."

They "welcomed the convening of the Conference of non-aligned nations as a positive step towards further lessening world tensions and strengthening of forces of peace".

"Prime Minister Shastri welcomed the great advance made by Arab nations in all directions and especially towards the unity of Arab people, which is a positive step towards the strengthening of international peace and security.

"He agreed that the Palestine problem and Jordan waters issue constitute a source of tension and threat to peace in West Asia.

"In this context he re-iterated the support given by India to the just claims of Arab countries to the waters of river Jordan and to the rights of Palestine refugees."

Mr. Shastri welcomed the emergence of free States in Africa and the recent positive steps towards unity and collaboration in that continent.

The **communique** added: "The President and the Prime Minister re-affirmed their conviction that general and complete disarmament under effective international control was vitally important for the survival of humanity and peace and progress of mankind.

"The partial test ban Treaty which was signed by over 100 nations is a signal achievement. It is, however, a matter of regret that some Powers have not yet subscribed to it and the President and the Prime Minister expressed the hope that in the interest of lasting peace they would also do so immediately.

"The President and the Prime Minister considered it highly important that the partial test ban Treaty should be extended to underground tests as well.

"They noted with satisfaction the close co-operation between the delegates of the UAR and India in the efforts being made at the disarmament talks at Geneva to achieve progress towards a treaty on general and complete disarmament."

It added: "With the background of their own freedom struggles, the United Arab Republic and India are in full sympathy with the aspirations for independence of people whose territories are still under colonial rule.

"Both countries re-iterated their full support for forces of nationalism in Angola, Mozambique, South Africa, Southern Rhodesia, Aden, the Arab South and other countries still to attain their freedom.

"The President and the Prime Minister re-affirmed their firm resolve to continue and enlarge the existing close co-operation between the UAR and India in all fields of inter-State activity.

"They welcomed the steps recently taken to enlarge trade and economic re-

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lations, promote co-operation in cultural, scientific and technical and other fields.

"They expressed the hope that these growing exchanges and mutual co-operation and assistance will continue to guide the future relations of the two countries to their mutual benefit.

"President Nasser expressed admiration for the progress India had made over the decade of planned development."

(*The Egyptian Gazette*, Cairo)

[Prev. ref. 5245: INI: A]

C. **All-India CPI (Leftist) Conference:** The All-India Conference of the Leftist section of the Communist Party of India (CPI) began in Calcutta on October 31 in a tense atmosphere caused by the arrest of 25 delegates to the Conference, all from West Bengal, the previous day.

The organizers described the Conference as the CPI's Seventh Congress on their own assumption that they represented the party. They said that the Rightists, who are in the party's official positions, had forfeited the right to be called Communists.

More than 400 delegates and 100 observers from all over the country attended the Conference, which had a three-member presidium comprising Mr. Jyoti Basu, Mr. A. K. Gopalan and Mr. T. Nagi Reddy.

Mr. P. Sundarayya, who hoisted the red flag to mark the inauguration of the Conference, told the delegates that the arrests in West Bengal indicated what future awaited the Communists in India and the Communists should be prepared for new sacrifices. "Let the Government know that we are not cowed down by arrests and repression. We take up the challenge."

Mr. E. M. S. Namboodiripad moved a resolution criticizing the arrests and said that if by arresting a few West Bengal delegates the Government wanted to disorganize the Conference, it was under an illusion. There had been some speculation that he and Mr. Jyoti Basu had differences with many other delegates.

Mr. Ramamurthi, who supported the resolution, said that the arrests in West Bengal represented "the first salvo of the Government" attack on the Communists. The Government, he alleged, had grown panicky over "the growing influence" of the Communists, despite administrative repression and the slander campaign let loose by the Dange clique.

Adopted unanimously, the resolution on arrests said that "these arrests are intended to sabotage the work of the Congress."

As the Conference was in progress, some Communists took out a procession in protest against the arrests.

The Conference also adopted resolutions paying respect to martyrs who had laid down their lives "in the interests of the common people of India," and on the deaths of Mr. Nehru, Mr. Ajoy Ghosh and leaders of the international Communist movement.

In the absence of Mr. Promode Das Gupta, Secretary of the West Bengal unit of the party, who was among those arrested, Mr. Jyoti Basu read the address of welcome to the delegates. It said: "On the eve of fiercer class struggles the militant people of West Bengal and Calcutta feel assured to have you in their midst as fellow fighters and comrades in the same struggle."

Stand On Kerala Elections:

On November 1, the Conference adopted a resolution endorsing the line of action initiated by the party-men in Kerala for forming a united front of opposition parties to fight the election to the State Assembly scheduled to be held in March, 1965.

The resolution said that the rebel Congressmen in Kerala were trying to bring back the same old "discredited Congressmen's regime" in a new form after entering into an electoral alliance with the Muslim League and the SSP.

A Government formed by such an anti-Communist coalition, it said, would not solve the problems of Kerala as the rebel Congressmen had already made it clear that they had no difference with the Congressmen on any question of policy.

It expressed the hope that the efforts made by the left Communists to form a United Front would succeed and that the people of Kerala would vote that United Front to power and allow it to function for a full term of five years.

Resolution On Political Organization:

On November 6, the Conference released a political resolution which made an open admission of the failure of the Communist Party to mobilize public opinion in its agitation against the ruling party on the issues of food shortage and soaring prices.

This failure was attributed to the attempt of the Dange group to impose its "class collaborationist and revisionist policies."

The resolution declared that the Dange group was "increasingly getting exposed and isolated" and the Communist Party (the Leftists) had freed itself from its clutches.

Among the issues facing the people were listed soaring prices, taxation, dearness allowance, bonus, retrenchment, unemployment, eviction from land and distribution of land. These issues were bringing larger and larger sections of the people into action.

The resolution said that party members should take into account the mood of the people and give concrete slogans on its basis and give effective leadership to their struggles in order to secure relief for the people and improve their living conditions.

It dealt with only "the tasks of the party in the present situation." The party's long-range programme, based on what is known as the "Tenali draft"—a 100-page document—was finalized on November 6.

It accused the Government of landing the country's economy in a deep crisis after nearly two decades of Congress rule and its attempt to build capitalism, without attacking positions of foreign capital and without carrying out land reforms in the interest of the peasantry and agricultural labourers.

The sharpest expression of this crisis, according to the resolution, was the food crisis and the soaring prices of all commodities of daily consumption.

After analysing the implementation of the Plans, and the Government's failure on the industrial and agricultural front, it said: "Far from creating a self-generating economy, the country is today dependent on imperialist aid in respect of even food and for maintaining production in the existing industries."

It concluded that as a direct consequence of the policies of the Congress Government, "the entire administration down from the ministerial level is reeking with corruption. Crores of rupees allocated to various schemes are going down the drain into the cesspool of corruption."

On the draft proposals of the Fourth Plan, the resolution said that by proposing an outlay of Rs. 21,000 crores, the Government was only seeking to "lull the people with the promise of doubling the rate of economic growth."

It pointed out that there was "no change in the basic policies" of the Government, which continued to be the capitalist path of development. This path could not solve the country's basic problems of economic dependence and backwardness, of poverty and unemployment.

It outlined the tasks ahead of the party by building it "on the secure foundation of Marxism-Leninism as the initiator, builder and leader of mass movements and struggles."

The Conference gave the slogan "People's Democratic Front," to which all sections of the people should be mobilized for mass actions against the policies of the Government and organized into class organizations.

For this purpose, the Conference entrusted its Central Committee to call a meeting of trade unions and kisan sabhas within two months to draw up a line of action.

The Communist Party, it said, must have no hesitation to go into joint action with any party or group on "concrete issues in defence of the masses and of peace, independence and anti-colonialism."

However, there was no question of a "general united front with the ruling Congress Party or parties of Right reaction and communalism."

It stated that non-alignment with its "anti-imperialist content," as enshrined in the declaration of the Cairo Conference, was not safe if the Government of India's "trend of shifting its policies further to the Right is not arrested."

The Conference also adopted a resolution demanding the scrapping of the Government's decision on the Bonus Commission recommendations and withdrawal of the concessions awarded to employers.

It urged the working class to launch a country-wide campaign demanding immediate payment of 10 per cent of the annual earnings as minimum bonus.

In another resolution the Conference asked the Government to review its stand on the situation in Laos and Malaysia. It felt that India as Chairman of the International Commission on Laos had failed to play its role and shielded "American imperialists."

The Left faction of the CPI would retain its name as "the Communist Party of India" and would not make any change with regard to the party flag also.

A "declaration" issued by the CPI said that 422 delegates, representing 104,421 party members had participated in the seventh congress. This was 60 per cent of the total membership on CPI's rolls at the time of its sixth party congress.

The declaration expressed the confidence that "rethinking among those, who today remained formally with the Dange group" would soon take place and that also "those who are remaining unattached, will join us in the course of the next few months during the next stage of our struggle".

On International Affairs:

A resolution passed by the Conference on November 7 urged the Government to "take the initiative to contact the Government of China to break the present deadlock over the border dispute and to arrive at an acceptable basis on which negotiations can start."

The resolution expressed the hope that the Chinese Government would also "take initiative to bring about a settlement of the border dispute in the interest of both countries and the entire people of Asia."

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Mr. M. Basavapunniah, who released the resolution to the Press, explained that it was no use going into the question of the Colombo proposals, and India should not wait for the Chinese to take the initiative.

Asked what should be the next step if China did not respond favourably to Indian suggestions for negotiations, he said that China would have to reckon with world reaction if it did not accept a "reasonable proposal."

Denying that in the resolution the responsibility for breaking the deadlock was assigned in a greater measure to India, he said that as citizens of India they could demand of their Government steps which they could not ask the Chinese Government to take.

In reply to another question, he said that in the political-organizational report, they had described the Sino-Indian border dispute as a "war". In the Congress, some delegates had objected to the use of this term, but the objections were ruled out. The use of the term "dispute" did not, therefore, take away the seriousness of the problem.

Noting that the Government of India was prepared to favourably consider the suggestion that it should start negotiations with China without prejudice to its claims if no civilian posts remained in the demilitarized zone of Ladakh, the resolution suggested that Indian and Chinese representatives should meet to explore the possibility of opening negotiations "on this basis or any other basis."

The resolution said that continuance of the deadlock between the two biggest countries of Asia would only harm the cause of Afro-Asian and anti-imperialist solidarity which had become all the more urgent in view of the "brazenness with which US imperialism had extended the operation of Seventh Fleet into the Indian Ocean area, the Anglo-US efforts to establish military bases in Indian Ocean islands and the flagrant interference of US imperialists, military and otherwise, in many countries of Asia." The deadlock had also serious economic, political and other implications "for our country and people".

Other Resolutions:

In another resolution, the Conference demanded the immediate repeal of the State of Emergency as, in its opinion, there was no justification for the continuance of the Emergency two years after *de facto* cease-fire had been effected on the border.

The State of Emergency was being utilized, it alleged, for suppressing the working class, the peasants and the Opposition.

In a resolution on Congo, the Conference asked the Government to give up its "equivocal" stand and join the other Afro-Asian countries in demanding the immediate withdrawal of the American forces from the country.

It passed separate resolutions on Rhodesia, Angola and Mozambique.

In his briefing, Mr. Basavapunniah said that all talk of Left Communists resorting to an armed struggle were "infantile nonsense." Their objective was to preserve parliamentary democracy and defend it against all attacks.

He saw no reason for their present policy developing into the insurrectionist policy of 1948. The "errors" of 1948 were not so much in policy as in the incorrect reading of the political situation and the sectarian over-emphasis of the movement. Moreover, a majority of the members were in the age group of 40-60. It should be conceded to them that they had learnt by experience.

Within a few days they were going to write to the Communist Party of the Soviet Union asking for recognition as the Communist Party of India and asserting their right to be invited to the proposed conference of world Communist parties.

He said that they would ask the Chief Election Commissioner to allot them the election symbol of the undivided CPI in the coming election in Kerala. They would base their claim on the fact that of the total votes polled by Communist candidates in the last general election, a majority were cast in favour of those who were in the Left group.

He said that the immediate task of the Left Communists would be to agitate for a reduction of food prices and steps to curb the price rise.

Election Of Office-bearers:

Meanwhile, the newly-appointed Central Committee of the Left CPI, at its first meeting on November 8, unanimously elected Mr. P. Sundarayya as General Secretary of the "party".

It also appointed a nine-man politbureau, consisting of Mr. M. Basavapunniah, Mr. E. M. S. Namboodiripad, Mr. A. K. Gopalan, Mr. P. Ramamurthi, Mr. Jyoti Basu, Mr. Promode Das Gupta, Mr. Harkishen Singh Surjeet, Mr. B. T. Ranadive and Mr. P. Sundarayya.

(*The Statesman*, Calcutta and *The Times of India*, New Delhi)

[Prev. ref. 5952:INI:B]

D. CPI (Rightist) National Council Session: The National Council of the Communist Party of India (Rightist), meeting in Trivandrum on November 4, passed a resolution re-iterating its earlier demand that "in the changed conditions of today the proclamation of national Emergency should be forthwith withdrawn and the Defence of India Act and Rules revoked without delay."

The resolution expressed its "indignation and protest" against what it called the continued misuse of DIR by the Government for arresting and detaining without trial persons belonging to opposition political parties and leaders and workers in different States.

It said that DIR had been used recklessly to put down even peaceful and constitutional agitations by the people on economic issues like food scarcity and rising prices and workers' struggles for bonus, and trade union recognition.

It referred to the detention of a number of Communists since the start of the national Emergency, the detention of Leftist Communists in Calcutta on October 30 and 31 and the use of DIR in connexion with food satyagraha and said: "The National Council emphatically protests against all these lawless arrests and detentions and demands immediate release of all the persons involved therein."

The Council, in another resolution, also expressed its "great sense of horror and resentment" at the news of the killing of nearly 400 striking jute mill workers by hired hooligans at Khalishpur in the Khulna district of East Pakistan.

It said that "such organized barbarity is unprecedented in the annals of the labour movement." It hoped the various international trade union organizations would take "due note of the inhuman repression against the Pakistani workers and will take necessary steps to render them whatever relief and assistance is possible."

It also adopted a resolution "viewing with grave concern the alarming food situation in Kerala."

It "strongly" condemned "the inefficient and callous handling of the food situation in the State by the Central and State Governments."

In a resolution adopted on November 8, the National Council welcomed the recent Agreement between India and Ceylon on the question of "Stateless" persons of Indian origin in the Island.

The resolution said that "despite its unsatisfactory features, the Agreement should be welcomed by all persons standing for Indo-Ceylonese friendship and solidarity."

The Chairman of the Party, Mr. S. A. Dange said that the general line of the party in regard to the coming elections in Kerala was to build a "democratic front of the progressive forces" with the aim of defeating the Congress. The party had also to see with whom it made friendship to bring about this defeat.

He said that his party did not wish to ally with communal organizations or Right-wing reactionary forces. He added that they would also have nothing to do with the "Kerala Congress" (formed by Congress dissidents).

Stand On Mr. N. Khruschev's Resignation:

In a statement on the recent resignation of Mr. N. Khruschev from Premiership in the Soviet Union, the National Council said on November 10 that the change in the Soviet leadership "should have been made with better attention to its repercussions on world opinion."

It said: "The bald announcement of Mr. Khruschev's resignation and its acceptance, unaccompanied as it was by any appreciation of his services or even a hint of errors or other compelling reasons that necessitated his resignation apart from reasons of health and age which everyone took to be a minor factor in the development heightened the concern felt everywhere."

The Communist Party of India, as also many other brother parties in the world, shared with progressive world opinion the "surprise and shock" at Mr. Khruschev's resignation.

The Council affirmed that the leadership of the party and the Government was the internal matter of the concerned party. But it became a matter of concern for the whole world and all parties when it reflected world policies and affected the lives of millions.

As leader of CPSU and the Soviet Union, Mr. Khruschev had come to be identified with all world events in a personal way also.

"The rigidity and cold aloofness of the previous regime of personality cult days had been changed to friendliness and warmth. Even certain informality and humane mannerisms stood out under the stewardship of Mr. Khruschev in relations of the Soviet Union with friends and friendly countries. Hence, the change was bound to evoke worldwide interest and anxiety.

"It was also during the period of his leadership that friendship between India and the Soviet Union grew deeper and remained unshaken despite the India-China border conflict."

However, the policy statements of the new leadership had served a great deal in allaying the anxiety felt by Communist parties and friendly countries.

"Nevertheless, the National Council feels that the manner and method of the change of leadership once again highlighted the question of the functioning of socialist democracy and the need for further discussion on the subject."

The Council said that it would continue to determine its programme and policies on the basis of Marxism-Leninism, Moscow Statements of 1957 and 1960 and experience of the party and the people in the historical conditions obtaining in India.

It maintained that the party had always

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"refused to be swayed either by reformism or by dogmatic adventurism."

(*The Hindu*, Madras and *The Hindustan Times*, New Delhi)

[Prev. ref. 5907: INI:B]

E. Chinese Allegations Of Intrusions Into Tibet—Indian Denial: In a Note to the Chinese Government on November 6, India repudiated the Chinese allegations of Indian intrusions into Tibet, contained in a Chinese Foreign Office Note dated September 28, as "nothing but fabrications, pure and simple."

These allegations, the Indian Note said, were "designed to meet the ends of China's propaganda and to keep up tension on the Sino-Indian border."

The Chinese Note had mentioned Tungchula, Peilungla, and Tagi Pass as points at which Indian forces were alleged to have crossed the boundary. "These names do not correspond to the names of any of the passes that the Government of India are aware of on this well-known Sikkim-Tibet border."

The Note stated that the rough map of the so-called Indian intrusions, which was published in Peking Review of October 9, along with the text of the Chinese Note, did not give the co-ordinates of these passes.

It also rejected the Chinese charge that Indian troops had built military structures, 11 on the Chinese side and seven on the boundary, at the so-called Tungchula Pass, saying that it was "totally baseless fabrication".

In a separate Note, presented to the Chinese Embassy on November 6, the Government of India once again lodged its protest against the intrusion by a Chinese patrol into Sikkim on August 27.

(*The Statesman*, New Delhi)

[Prev. ref. 6140:INI:B]

F. Use Of American Arms By Pakistan On Kashmir Border—Indian Charge: A spokesman of the Indian External Affairs Ministry said in New Delhi on November 6 that there was evidence that Pakistan had for quite some time been using American military equipment on the cease-fire line in Kashmir.

The spokesman made this statement while categorically denying a Daily Telegraph report sent from Murree in West Pakistan that India was using arms received from USA on the Kashmir front.

Answering questions, the spokesman said the attention of the US Government had been drawn in the past to Pakistan's use of the US equipment on the Indo-Pakistan border. "We are definitely not using any of the American equipment on the cease-fire line. We are committed not to use it. On the other hand, we have evidence that Pakistan has for quite some time past been using American equipment."

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5990: INI:B]

G. Soviet Equipment For Farakka Barrage Project—Agreement Signed: Under an Agreement signed in Calcutta on November 4, the Soviet Union has agreed to supply equipment for the construction of the Farakka Barrage.

The first consignment of equipment will reach the project site by March, 1965.

The Agreement was signed by Mr. V. P. Molotkov and Mr. M. P. Elistratov on behalf of the Trade Representation of USSR in India and Mr. D. Mukherjee, Chief Engineer of the Farakka Barrage project.

Mr. Zavelev, Soviet Deputy Trade Representative, announced that Soviet foreign trade organizations would send experts to advise the project authorities.

(*The Statesman*, Calcutta)

[Prev. ref. 3866:INI:R]

H. Demarcation Of Assam-East Pakistan Border: Agreement on the demarcation of the Chittagong hill tracts and the Mizo hills sector of the Assam-East Pakistan border was reached at a three-day conference of officers of the Survey of India and the Survey of Pakistan, which ended at Shillong on November 5.

It was agreed at the conference to demarcate the 200-mile-long border consisting of rivers and hilly portions in this very difficult terrain. The boundary includes part of the Karnafuli River.

[Pakistan had earlier constructed a dam on the Karnafuli River at Kaptai in East Pakistan. This had resulted in a controversy between the two Governments as to the level of the water astride the boundary and the areas likely to be flooded by the waters of the Karnafuli.]

(*The Statesman*, Calcutta)

[Prev. ref. 5607: INI:B]

I. Loan From Denmark: The Danish Foreign Minister, Mr. Per Haakkerup, and the Indian Ambassador to Denmark, Mr. K. Menon, signed in Copenhagen on November 7 an Agreement by which Denmark will grant India a £1 million loan at four per cent interest, to be repaid over 15 years after a five-year period.

The loan will be used for purchases of Danish capital equipment.

(*The Times of India*, Bombay)

[Prev. ref. 4800:AOA:E]

J. Trade Agreement With Czechoslovakia: *Prague Radio* announced on November 2 that India and Czechoslovakia had signed a Trade Agreement for 1965.

The Agreement calls for reciprocal trade totalling more than 600 million Czech crowns between the two nations in 1965.

The Radio said Indo-Czechoslovak trade had increased by 400 per cent since 1957.

(*Prague Radio*)

[Prev. ref. 5545: INI:C]

K. Envoy From Sudan: Mr. Mohamed Mirghani has been nominated Sudan's Ambassador to India.

Mr. Mirghani (41) was formerly Assistant Under-Secretary in the Ministry of Foreign Affairs of Sudan.

(*The Times of India*, New Delhi)

[Prev. ref. 3593:INI:B]

L. Rice Agreements With Cambodia And Thailand: The Central Food Minister, Mr. C. Subramaniam said in Coimbatore on November 6 that the Government had entered into Agreements with Cambodia and Thailand for the supply of 25,000 tons of rice each to India.

The Government had signed an Agreement with UAR for 70,000 tons of rice and negotiations were under way with Pakistan for the supply of 15,500 tons.

He told correspondents that the question of introducing rationing was a matter for the Chief Ministers to decide.

He said that till December, it would not be possible to increase the present quota of rice per family per week, irrespective of the size of the family. He would, however, consider increasing the quota of wheat.

(*The Times of India*, New Delhi and *The Hindu*, Madras)

[Prev. ref. 6090: INI:B]

M. Essential Commodities (Amendment) Ordinance Promulgated: The President promulgated on November 5 the Essential Commodities (Amendment) Ordinance providing for the summary trial of traders and public servants contravening orders issued under the Essential Commodities Act.

Summary trials will be conducted by first class or presidency magistrates specially empowered for this purpose. There will be no right of appeal except where the sentence of imprisonment exceeds one month or the fine imposed exceeds Rs. 2,000.

Simultaneously with the promulgation of the Ordinance, the Central Home Ministry issued a notification specifying that foodstuffs in relation to Section 12(A) of the Essential Commodities Act would include edible oilseeds and oils.

The Prime Minister, Mr. Lal Bahadur Shastri, had told the National Development Council on October 26 that an Ordinance to provide for the summary trial of profiteers would be promulgated.

The following is the text of the Ordinance:

"Whereas Parliament is not in session and the President is satisfied that circumstances exist which render it necessary for him to take immediate action.

"Now, therefore, in exercise of powers conferred by Clause (1) of Article 123 of the Constitution, the President is pleased to promulgate the following Ordinance:

"I. (1) This Ordinance may be called the Essential Commodities (Amendment) Ordinance, 1964. (2) It shall come into force at once.

"II. During the period of operation of this Ordinance, (1) The Essential Commodities Act, 1955, shall have effect as if after Section 12 the following Section had been inserted, namely:

"12A (1) Notwithstanding anything contained in Sub-Section (1) of Section 260 of the Code of Criminal Procedure, 1898, any magistrate of the first class specially empowered in this behalf by the State Government or any presidency magistrate shall try in a summary way all offences relating to the contravention of any such order made under Section 3 as the Central Government may by notified order specify in this behalf, and the provisions of Chapter XXII of the said Code shall, as far as may be apply to such trial,

"Provided that in the case of any conviction under this Section, it shall be lawful for the magistrate to pass a sentence of imprisonment for a term not exceeding one year.

"(2) Notwithstanding anything contained in Section 414 of the Code of Criminal Procedure, 1898, there shall be no right of appeal by a convicted person in any case tried, summarily under this Section, in which the magistrate passes a sentence of imprisonment not exceeding one month or of fine not exceeding Rs. 2,000 or both.

"III. The Criminal Law Amendment

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Act, 1952, shall have effect as if after Section 8 the following Section had been inserted, namely:

"8A. (1) Where a special judge tries any offence specified in Sub-Section (1) of Section 6 alleged to have been committed by a public servant in relation to the contravention of any such order made under Section 3 of the Essential Commodities Act, 1955, as may be specified by the Central Government by a notified order made under Section 12A of that Act, then notwithstanding anything contained in Sub-Section (1) of Section 8 of this Act or Sub-Section (1) of Section 260 of the Code of Criminal Procedure, 1898, the special judge shall try the offence in a summary way and the provisions of Chapter XXII of the said Code shall, as far as may be, apply to such trial;

"Provided that in the case of any conviction under this Section, it shall be lawful for the special judge to pass a sentence of imprisonment for a term not exceeding one year.

"(2) Notwithstanding anything contained in this Act or in the Code of Criminal Procedure, 1898, there shall be no appeal by a convicted person in any case, tried summarily under this Section, in which the special judge passes a sentence of imprisonment not exceeding one month or of fine not exceeding Rs. 2,000 or both.

"Under Section 3 of the Essential Commodities Act, if the Central Government is of the opinion that it is necessary or expedient to do so for maintaining or increasing supplies of essential commodities or for securing their equitable distribution and availability at fair prices, it may by order provide for regulating or prohibiting their production, supply and distribution and trade and commerce in them.

"Under Sub-clause 2 of the Section, the Government may issue orders providing for the control of prices at which any essential commodity may be bought or sold, for regulating by licences, permits or otherwise the storage, transport, distribution, disposal, acquisition, use or consumption of any essential commodity and for prohibiting the withholding from sale of any essential commodity ordinarily kept for sale.

"Under the same Sub-clause of Section 3, the Government can also regulate financial transactions relating to foodstuffs, require persons engaged in the supply or distribution of, or trade and commerce in, any essential commodity, to maintain and produce for inspection such books, accounts and records relating to these as may be specified.

"Under Section 3(A) the Government can also by notification fix the prices at which any foodstuffs are to be sold in any particular locality."

(*The Times of India* and *The Statesman*, New Delhi)

[Prev. ref. 6090:INI:B]

N. Movement Of Rice To Kerala: A Food Ministry spokesman said in New Delhi on November 7 that the Centre was moving over 80,000 tons of rice to Kerala by special trains and ships on a "top priority basis", to meet the food crisis in that State.

He added that 10,000 tons of rice was already in transit by special trains from Orissa and should be reaching the State "very soon."

Another 5,000 tons was being moved immediately from a Central depot in Andhra Pradesh.

Special trains would carry to the State another 5,000 tons of rice from Punjab and 4,000 tons from Madhya Pradesh.

Other details of rice movement to the State for the month, as given by the spokesman, were as follows: Kerala would get 20,000 tons of rice from Andhra; Madras would supply 20,000 tons from the Kuruvai crop grown in the Thanjavur area, (Madras, in turn, was getting an allotment of 10,000 tons of rice from the Centre).

One ship was already unloading 2,000 tons of Pakistani rice at Kozhikode. Another ship, the Jagmitra, was loading 5,000 tons of rice at Karachi and it was expected to reach a Kerala port in five or six days. Two ships from USA were expected to reach Kerala in the third week of November with 12,500 tons of rice.

The spokesman said steps had been taken to ensure that there were sufficient supplies to meet the needs of informal rationing in the State. Informal rationing was introduced on November 1 in the municipal towns of Kerala. Other areas were expected to be covered by the end of the month.

The Centre had supplied 230,000 tons of rice to Kerala till the end of October.

(*The Statesman*, Calcutta and New Delhi)

[Prev. ref. 6090:INI:B]

O. Tuticorin Harbour Project Inaugurated: The Prime Minister, Mr. Lal Bahadur Shastri formally opened on November 5 the construction of the Rs. 15-crore Tuticorin harbour project.

Mr. Shastri in a short speech observed that the construction of major ports in India indicated that the country was fast developing industrially and trade and commerce were on the increase.

He noted with pleasure that work connected with the project had been entirely designed by Indian engineers, but he said India had not enough technical personnel and technical knowledge in harbour engineering.

He added: "I do not want to discourage our engineers, but I would suggest, though we have made great progress in the matter of civil, mechanical and electrical engineering, we should have a first rate cadre of port engineers". Foreign experts on technical matters connected with port development should be consulted, if necessary.

Mr. J. I. Coilpillai, Chief Engineer and Administrator of the Tuticorin Harbour Project, explained to newsmen that the scheme involved the construction of six berths, including an oil berth, as the first stage, capable of being expanded to 17 berths later. The scheme was estimated to cost approximately Rs. 14 crores and is expected to be completed by the end of 1969.

Two breakwaters, each about 11,000 feet in length, are proposed to be constructed 4,000 feet apart, so as to form a basin about 9,000 feet by 4,000 feet. The breakwaters will be of the rubble type, and the large stones required for this purpose will be quarried and conveyed from two quarries.

Smaller sized ones will be quarried and conveyed by road from the quarries at Hattaparai, about 20 miles from Tuticorin. The larger stones will be quarried and conveyed by rail from quarries near Ahbasamudram, 60 miles away. It is estimated that a total of three million tonnes of stones will have to be quarried and conveyed from these quarries. The alignment and orientation of these breakwaters have been designed on the basis of the model experiments conducted at the Central Water and Power Research Station, Poona. The harbour is designed for a draught of 30 feet. But it is expected that at least a one-end berth will have a draught of 32 feet.

The width of the harbour entrance has been tentatively fixed as 400 feet clear at sea-bed level. The location of the entrance, which is at present proposed on the eastern side, will be decided after considering wave directions, intensity and other factors based on the model experiments conducted at the CWPS station at Poona.

A metre-gauge railway link will be provided from Milavitan railway station to the harbour site for a length of 12 miles. An expressway taking off from the Tuticorin-Palamcottah road at Mile 28 will connect the harbour with Tirunelvelly and Tiruchendur. This expressway and rail track will be carried on the inner side of the south breakwater to connect the wharves. For this purpose a portion of the 200 feet width within the harbour basin close to the southern breakwater will be filled with sand and the rail and road connexions will be taken on this to the wharves.

The harbour estate will consist of an area of about 2,500 acres and will have its own township. The quarters, now constructed, will house the construction staff and, later the harbour's maintenance staff. The water supply required for the harbour will be 500,000 gallons on completion and 1,000,000 gallons later. The Government of Madras has already proposed to take up a scheme to supply about three million gallons per day exclusively for the harbour area.

Mr. Coilpillai added that the work on the project was put in hand towards the end of 1963, and works, estimated at Rs. 1 crore, were completed during 1963-64. While narrating the salient features of the construction of the Tuticorin harbour project, he added that the rail link from Milaviation railway station up to the Harbour Point had just been completed and trial runs had been made.

(*The Hindu*, Madras and *The Statesman*, Calcutta)

[Prev. ref. 3056:INI:L]

P. Campaign Against Unaccounted Money And Tax Evasion: India's chief tax-collector—the Chairman of the Direct Taxes Board, Mr. J. P. Singh—called a news conference in New Delhi on November 7 to announce the start of a two-pronged campaign against the twin evil of unaccounted money and tax evasion.

He declared that the Government had decided to intensify the search and seizure of black money on the one hand, and to treat with leniency those tax-evaders who might choose to make voluntary disclosures of their concealed incomes on the other—a stick and carrot approach.

He made it clear, however, that only genuinely voluntary disclosures would qualify for lenient treatment; any tax-evader caught at his tricks would not be able to make a "voluntary" disclosure.

In implementing its policy on voluntary disclosures the Government would avoid the pitfalls which had come to light more than a decade ago when a similar experiment was tried by Mr. Mahavir Tyagi, then the Central Minister for Revenue.

At that time, a lot of black money was declared by tax-evaders in the names of their relatives to whom the money did not really belong. By adopting this device, the tax-dodgers were able to pretend that the money was loaned to them or their companies, and they were thus able to pay themselves much more interest than the tax they had to pay to the Government. A repetition of these tactics would not be possible now.

One of the new measures to ferret out unaccounted money, announced by Mr. Singh, was an increase in the amount of cash awards to those giving information about concealed incomes of others.

Hitherto, this incentive had had no impact, largely because of the paltry reward. It had now been increased to thrice to four times the present limit. The pro-

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cedure for its payment had also been simplified.

Mr. Singh said the Government was also thinking of setting up a separate intelligence unit in the Income-Tax Department in order to accelerate the detection of tax-evasion.

Through their out-door survey the Income-Tax authorities had detected a large number of people who should have been paying tax but were not. They were mostly self-employed traders or shopkeepers, although some small private firms were also detected which were not deducting tax from the salaries of their employees.

Newspaper hawkers and pan-sellers had accumulated a lot of wealth on which no tax had ever been paid—like in New Delhi where some of them owned houses in posh localities.

He hoped that at the end of the current year, the number of people on the tax register would exceed two million; this would mean an increase of more than half-a-million over 1963.

It was only some months earlier that the Government had begun to use its powers for search and seizure of black money. As a result of raids on 88 premises belonging to 51 parties, black money in cash or gold worth Rs. 92,00,000 had been seized. Only a third of it belonged to film artistes, although the searches in relation to them had received the maximum publicity.

According to Mr. Singh, the impression that the searches for black money were tapering off was incorrect; what was happening was that the search parties were going out of their way to avoid publicity.

(*The Statesman*, New Delhi)

[Prev. ref. 6056:INI:M]

Q. **New Governors Of States:** A Rashtrapati Bhavan *communique* said on November 9 that Dr. P. V. Cherian, a former Chairman of the Madras Legislative Council, had been appointed Governor of Maharashtra and Mr. K. C. Reddy as Governor of Madhya Pradesh.

The communique stated: "The President has been pleased to make the following appointments:

"Dr. P. V. Cherian to be Governor of Maharashtra in the vacancy caused by the resignation of Mrs. Vijayalakshmi Pandit.

"Mr. K. C. Reddy to be Governor of Madhya Pradesh in succession to Mr. H. V. Pataskar.

"It is expected that Dr. Cherian will assume charge on November 20 and Mr. Reddy towards the end of the year."

(*The Times of India*, New Delhi)

[Prev. ref. 5742:INI:J]

R. **Oil Refineries At Madras And Haldia To Be Set Up:** The Central Government formally decided on November 4 to set up oil refineries at Madras and Haldia and to invite the American International Oil Company for collaboration in the construction and capital structure of the Madras project.

This ended a long-drawn-out series of negotiations in which the list of prospective collaborators ran to 15 but was towards the end narrowed to three or four.

The main rivals of American International, which is a partner of the National Iranian Oil Company, were Gulf of US and the Kuwait Government. Burmah-Shell too had entered an attractive bait, but fell behind in the race some weeks later.

The decision in favour of American International—which was tentative in the sense that the Government had only chosen it for further negotiations—came after a long discussion of the merits of the various offers. The matter was decided only late in the evening when a Cabinet sub-committee pronounced in favour of American International.

The sub-committee was headed by the Central Home Minister, Mr. G. L. Nanda and included the Finance Minister, the Foreign Minister and the Minister for Petroleum and Chemicals.

A decision had to be taken because the National Iranian Oil Company, sponsors of American International, had suggested this as a deadline.

Apart from providing the technical and financial assistance needed for the 2.5-million-ton Madras refinery, the collaborating firm has offered to mobilize a dollar loan for building fertilizer and petrochemical factories.

They may be given the contract for the supply of crude oil on a long-term basis pending the outcome of India's efforts to secure a source of crude oil supply in Iran. The first stage in this respect is expected to conclude by the end of the year when the result of India's efforts to secure an offshore oil concession in partnership with ENI and Philips is likely to be known.

(*The Times of India*, New Delhi)

[Prev. ref. 5861:INI:O]

IRAN

A. **Borrowing From US Banks Approved:** The Majlis (Parliament) passed on October 25 a Bill authorizing the Government to borrow $200 million from United States banks for strengthening Iran's defences.

The United States Government agreed to guarantee the loan and is extending to Iran an additional $50 million grant for military purchases.

The whole sum would cover the purchase of jet aircraft, tanks, armoured cars, and a frigate.

The purchases were part of a plan announced by the Shah two years ago to increase the mobility and fire-power of Iran's Army.

The Prime Minister, Mr. Hassan Ali Mansour, presenting the Bill, said the strengthening of the Iranian Army was necessary because of recent international developments. He hoped Iran-Soviet relations would not be affected by the changes in the Soviet Union.

Referring to the Chinese nuclear explosion, he hoped this would not create new anxieties for other nations and added that Iran looked to the Western Powers, and especially to the United States and Britain, to act to ensure world peace.

He said the Middle East and Persian Gulf regions were of vital importance to Iran. In what was regarded as a reference to President Nasser of the United Arab Republic, he spoke of "ambitious men who disturb world peace and the security of other nations." He said the Iranian Army was ready to reply to any violation of Iran's rights.

(*The Times*, London)

[Prev. ref. 5839:IRN:A]

B. **Inland Route To Caspian Sea:** The 224-mile Volga-Baltic Canal has been officially commissioned after a five-month trial period and the Soviet cargo ship *Kubatly* recently arrived in Szczecin after completing her first trip from an Iranian port on the Caspian Sea.

With the opening of this new transit route, Iranian goods destined for Northern Europe can be sent by truck to Bandar Pahlavi for reloading aboard steamers which will take them through the Caspian Sea and the Volga River to the Baltic Sea without transhipment. The USSR Government has agreed to allow a 10 per cent reduction in freight charges on Iranian exports using this route and it has already been announced that the two countries are to carry out joint improvements at Bandar Pahlavi.

The Volga-Baltic Canal is longer than the Suez and Panama Canals together and can take ships of up to 5,000 tons.

(*Middle East Economic Digest*, London)

[Prev. ref. 3550:AOA:M]

C. **Religious Leader Expelled:** The Iranian religious leader, Ayatollah Khomeini, has been exiled from the country.

He was reported to have gone to Turkey. An announcement said on November 4 that the decision to banish Khomeini was taken "on the basis of reliable information and sufficient evidence of his instigations against the nation's interests, security, independence, and territorial integrity".

Khomeini, a persistent critic of the Government whose centre of activity was the religious city of Qom, had in the past few weeks spoken harshly of a Bill extending diplomatic immunity to American military advisers in Iran.

The Bill was passed by both Houses of Parliament, but not before it had occasioned a debate in the Lower House, where it was approved by 13 votes.

Mr. Hassan Ali Mansour, the Prime Minister, defending the Bill in the Senate on October 31, said that 38 other countries had granted American military advisers similar immunity. He attacked those who —"in the party and from the pulpit"— were criticizing the measure.

The arrest of Khomeini for political speeches in mosques sparked off three days of rioting in June, 1963. He was kept under house arrest for 10 months before returning to his native Qom in April.

(*The Times*, London)

[Prev. ref. 5085:IRN:A]

IRAQ

A. **Agreement To Form United Political Command With UAR:** Iraq and the United Arab Republic have decided that constitutional unity between the two countries should be implemented with the minimum delay in the spirit of the Agreement of May 26, 1964.

According to the Governments of the two countries, it has been proved that "the correct way to establish unity is to unify the political activities and formation of a unified political command...."

The following is the text of the Agreement:

Article 1: A united political command for the UAR and Iraq shall be formed. It will be the highest political authority in the two countries.

Article 2: The duties of the United Political Command shall be:

(1) To follow all objective steps for the implementation of the constitutional

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unity between the two countries within a period of two years.

(2) To follow all objective steps for the implementation of the political unity between the socialist unions in the two countries.

(3) To control foreign policy, armed forces and defence problems, economic planning, culture, information, guidance and education, and national security.

(4) To discuss the internal problems of the countries and to find the proper solutions thereto and to supervise the implementation of the decisions taken.

Article 3: The United Political Command shall be formed by the Presidents of the two Republics with at least six members from each of the two countries. It will have the right to order the formation of any groups deemed to be proper for the conduct of its affairs.

Article 4: The United Political Command shall convene once every two months but may convene at any time if necessity arises.

Article 5: The decisions of the United Political Command shall be binding on the two countries upon their issue, excepting those which require approval of the Legislative Bodies.

Article 6: This Agreement shall come into force upon its approval by the Legislative Bodies of the two countries.

(*The Iraqi Embassy*, New Delhi)

[Prev. ref. 5897:IRQ:A]

ISRAEL

A. De-salination Agreement With USA: A dual-purpose nuclear plant, which will provide between 175 and 200 megawatts of electricity and distil 125 million to 150 million cubic inches of sea-water a year is envisaged for Israel.

The recommendations were made by a joint team of technologists appointed after an agreement in Washington last June between President Johnson and the Israel Prime Minister, Mr. Levi Eshkol, for co-operation in research on desalination of sea-water.

The next step will be an engineering study due for completion in the middle of 1965, Experts say that provision of a reactor of between 1,000 and 1,500 thermal megawatts required for the dual-purpose plant would not be any problem.

However, the capacity of the distillation plant envisaged would be more than 100 times greater than the largest unit in operation anywhere in the world.

The joint team suggested that construction of a prototype desalting plant may be necessary for the successful and economic design of a full-scale model.

Israel will need more water by the end of the decade, when she will have tapped practically all her conventional and semi-conventional sources. The team said the proposed plant would "offer an attractive solution for Israel's short-term water problems and ... would constitute a significant contribution to the development of the art of desalting and further its application in other parts of the world."

(*The Times*, London)

[Prev. ref. 5706:ISR:A]

B. New Town In Galilee: Carmiel in Galilee, Israel's new town, was formally inaugurated on October 29 at a ceremony attended by the Prime Minister, Mr. Levi Eshkol. The town is planned for a population of 50,000.

While the return to the soil had been one of the fundamental aims of the Jewish national revival movement, he pointed out that Israel could not be a mainly agricultural people.

He said: "Only the expansion of the industrial basis of our economy will enable us to absorb those who will return to the homeland.

"From this point of view, Carmiel is symbolic: both as a centre of industry, handicrafts and tourism, and as an urban centre for a large agricultural area in western Galilee. Carmiel and the agricultural development of Galilee constitute a single project to revive the area for the benefit of all its inhabitants, old and new, Jews and Arabs.

"The true interests of every inhabitant of this area lie in development, which will bring with it employment and prosperity for all, and not in the barren defense of backwardness and stagnation..."

He said that Jewish settlement in Galilee had been uninterrupted. "Until the very day the State was established, the last surviving Jewish settlement, whose inhabitants never went into exile, held fast to the soil of Galilee.

"The expansion of Galilee's capacity to absorb immigration and the enhancement of its role in the development of the country constitute an additional link joining the revival of the past of our land and our people with the building of their future."

The Minister of Housing, Mr. Yosef Almogi, said: "This rocky hillside—desolate since the Second Temple, is entering upon a new era of life and activity."

He announced that he had reached an agreement with a world-renowned prefabricated housing firm for the erection of a plant to produce 1,000 houses a year at Carmiel.

(*The Israeli Digest*, Jerusalem)

C. Campaign Against West German Statute: The Knesset has adopted a resolution giving expression to Israel's intention to rally all nations victimized by Nazi brutalities in a campaign against the West German Statute of Limitations, which will prevent bringing war criminals to justice after May, 1965.

The resolution urged the countries concerned to proclaim that there should be no time-limit for the prosecution of those crimes, and called on the Bonn Government not to apply it.

The House also expressed "disappointment and regret" at the failure of the Bonn Government to take adequate measures to withdraw the German scientists who had been helping Egypt to develop rockets and other weapons for aggression against Israel.

The resolutions were adopted by 51 to two with 33 abstentions.

The coalition parties defeated a more strongly worded Opposition resolution which sought to commit Israel to a more active political crusade against the West German Government.

(*The Times*, London)

[Prev. ref. 5888:ISR:A]

JORDAN

A. New Mining Law: Under a new mining law that has come into effect, all minerals found in Jordan, regardless of their location, are the property of the State and applications for investigating permits and prospecting licences will be dealt with by the Director of the Department of Geological Research and Mining.

Following the discovery and registration of minerals, the Minister of National Economy, with the approval of the Council of Ministers, will grant a mining right. Investigation permits, prospecting licences and mining rights may not be granted to foreigners except by special agreements concluded between them and the Minister with the consent of the Council of Ministers.

The new law replaced the mining law of 1926 and the quarries law of 1953.

(*Middle East Economic Digest*, London)

B. Development Of Aqaba: A plan to promote Aqaba as a first-class Winter resort was launched in the third week of October when King Hussein opened Jordan's first water carnival.

Some 10,000 people attended the two-day event, including foreign tourist agency officials who were guests of the Ministry of Information. American and Lebanese experts pronounced Aqaba beach "most suitable for international water skiing."

King Hussein also inaugurated work on a housing project near Aqaba consisting of 1,000 houses to accommodate 25,000 people. The scheme covers an area of 125 acres, expropriated for the purpose by the Aqaba Port Authority, and will take two years to complete at a cost of JD1 million. The houses will be sold on ten-year mortgages.

(*Middle East Economic Digest*, London)

KUWAIT

A. New Labour Law: A new Labour Law governing workers in the private sector has been promulgated, which, for the first time in Kuwait, gives workers the right to form trade unions.

No non-Kuwaiti may join such a union unless he has lived in Kuwait for a period of five years after the passing of this law. Unions are prohibited from engaging in political, religious or ideological matters but have the right to join any Arab or international labour federation whose interests are held to be in common with theirs.

The law provides for compulsory conciliation and arbitration in labour disputes, but nowhere mentions the possibility of strike action. The overall terms of employment set out in the law are comparable with those prevailing in Western Europe and in some cases, such as the payment of compensation for dismissal owing to redundancy and the payment of full wages for six months during illness, Kuwait is ahead of Western countries. Women workers doing the same job as men are to be paid equal wages.

Workers of the Kuwait Oil Company at Ahmadi have already applied to the Ministry of Social Affairs and Labour for permission to form a union. At the end of 1963 the Kuwait Oil Company employed 3,596 workers of whom 1,179 were Kuwaitis, 1,303 other Arabs and 1,109 Indians, Pakistanis and other nationalities.

(*Middle East Economic Digest*, London)

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MALAYSIA

A. Measures To Beat "Speculative" Imports: The Government has extended protective tariffs under the Malaysian Common Market to 101 commodities under 24 classifications.

The comprehensive list, published simultaneously in all the State capitals on October 24, covers a wide range of goods from rubber and synthetic products to household items such as eggs, cigars, cheroots and liquid soaps.

The Central Government also announced precautionary measures to regulate the levels of imports of the specified items.

The controls necessary in each of the six customs areas—the States of Malaya (except Penang), Sabah, Sarawak and the three free ports of Singapore, Penang and Labuan—promulgated on the recommendations of the Tariff Advisory Board, vary from area to area and are more extensive where the danger of speculative imports is greatest.

Public inquiries will be held to consider the inclusion of these items within the Malaysian Common Market. The first hearing opened in Kuala Lumpur on November 23, the second in Singapore on November 30, and the third and fourth in Kuala Lumpur again on December 7 and 14 respectively. Traders and manufacturers wishing to be heard were asked to inform the Board.

In the six Customs areas, goods at present moving from one area to another are subject to Customs duty, regardless of whether they are made in Malaysia, or imported originally and subsequently transferred. Once the Common Market is established in respect of any commodity, a common Customs duty would be applied on foreign imports at the point of entry into Malaysia. Such duty-paid goods as well as Malaysian manufactures can move freely within Malaysia without being subject to licensing or Customs duty.

The Government statement said: "Publication of this notice could provide an opportunity for 'speculative' imports to be stock-piled in the free-ports and low-duty areas of Malaysia. It is quite clear that during the period of the Tariff Advisory Board is considering inclusion of the commodities within the Malaysian Common Market, and pending a final decision by the Central Government on the Board's recommendations, an opportunity is created for speculators to import abnormally large quantities of the commodities concerned into the free ports as well as low-duty areas in anticipation of the Common Market being established.

"Abnormal or speculative imports would seriously affect industries and employment within Malaysia as they would render ineffective the tariff protection for Malaysian industries since they would have been imported either free of duty or on payment of low-duty before the Common Market is established. Similarly, traders in high-duty areas would have been imported either free of duty or on payment of low-duty before the Common Market is established. Similarly, traders in high-duty areas would be faced with unfair competition from duty-free stocks that have been built up prior to the Common Market. Speculative imports could also complicate the revenue-earning arrangements between the Central and Singapore Governments, and finally, these stocks could force a delay in the establishment of the Common Market in any commodity until abnormal stocks of such commodity have been exhausted.

"To counter these dangers, the Tariff Advisory Board has recommended and the Governments have agreed to take temporary precautionary measures by regulating the levels of the imports. Quotas, where specified, have been carefully designed to take account of both normal consumption needs and known stocks already existing within the country."

(*The Malaysia High Commission*, New Delhi)

[Prev. ref. 6058:MAL:A]

B. Leaflet Raid Over Indonesia: In what was described as the first retaliatory action from Malaysia in the undeclared war with Indonesia, British and Malaysian military aircraft flew together on November 2 in a leaflet raid over Indonesia.

An official statement said aircraft dropped thousands of leaflets warning Indonesians not to engage in any fresh raids against the Malayan peninsula.

In Singapore, a British military spokesman said some British aircraft and crews had taken part in the raid. He explained that the operation was "planned and conceived by the Malaysians", but "we provided them with some planes".

The United Nations had been informed of the leaflet raid, the Malaysian Foreign Ministry said. The raid denoted no change in policy, but was designed to inform Indonesians that they should not plead ignorance of the true situation if they were sent into Malaysia and seized.

The Prime Minister, Tengku Abdul Rehman described the leaflet raid as a great success. He told newsmen that about 2,500,000 leaflets had been dropped, but declined to say precisely where.

It was generally presumed that the targets were in East Sumatra and islands in the Java Sea near Singapore.

He said the crews of the aircraft had seen flashes below, but could not be sure they were hostile gunfire. All the aircraft returned safely. He agreed that the raids were a violation of Indonesian air-space, "but they had a peaceful intent, and were not like the Indonesian paratroop drop at Labis (a south Malayan railway town) where they sent men to kill us".

The leaflet contained an appeal by the captured officer in command of an airborne landing force at Labis, Second Lieutenant Soetikno Tjitrosomarto, who said he was "lucky to be alive", and listed the numbers killed and captured in raids on Malaysia.

"None of the tasks assigned by the authorities in Djakarta have been carried out, and the whole campaign is a complete flop", the Lieutenant's statement said. "Those who have died have died for nothing.

"We were told by the high authorities in Djakarta that we would be welcomed by the local people as liberators. But what actually happened was that the people treated us as aggressors and assisted the Malaysian security force to capture us.

"I see that the people of Malaysia live in a prosperous State and are free and give full support and absolute loyalty to the Malaysian Government. It is rather the people of Indonesia who need to be liberated from poverty and misery."

The leaflet raid followed three Indonesian guerrilla assaults on south Malaya in less than three months. Altogether, 256 Indonesians and Malaysian renegades had come ashore. The casualty list so far was 47 Indonesians and five members of the Malaysian-Commonwealth forces killed, 185 Indonesians captured, and four allied soldiers wounded.

For the whole unofficial war, which opened with rebellion in Brunei, British Borneo, in 1962, the number of dead was believed to be around 400.

(*The Times*, London and *The Malayan Times*, Kuala Lumpur)

[Prev. ref. 6126:MAL:A]

C. New TV Project: The Minister for Information and Broadcasting, Mr. Senu bin Abdul Rehman, opened on October 1 a (M)$600,000 television station in Kedah State.

He said that people in the northern states of Malaya would now be able to enjoy the most modern mass-communications facility available in Malaysia. Television in developing countries was considered an urban luxury, intended mainly for the people in the cities and towns. But, he said, "the Malaysian Government wants to make it an amenity not only for towns but also for rural people, who are the backbone of our economy and social system."

"Television would be an important instrument of our social revolution. It would be a means of informing the people about the progress in the various sectors of our national life and about progress outside Malaysia."

He said that television service in Kuala Lumpur and other places had already made good progress in quality and variety of the programmes.

(*The Malayan Times*, Kuala Lumpur)

[Prev. ref. 5636:MAL:C]

MONGOLIA (Outer)

A. Mr. J. Tsedenbal's Visit To Poland: The Prime Minister, Mr. Jumjagiin Tsedenbal, visited Poland from October 23 to 29 at the head of a party and Government delegation.

The delegation was given a warm reception wherever it went. Mr. Tsedenbal and his party, apart from visiting educational, agricultural and industrial centres, held talks with the Polish Premier, Mr. W. Gomulka and other Polish leaders.

Speaking at a rally arranged in honour of the visiting delegation, on October 28, Mr. Gomulka said: "Mongolia is a living example of the truth that under-developed countries that enter the road of socialist development can, with the assistance of the countries of the Socialist camp, liquidate their centuries-long backwardness and attain a dynamic rate of development on this road."

Mr. Gomulka, also made a reference to his recent meeting with the new Soviet leaders. He said he was fully satisfied with their explanation of the background to Mr. Khruschev's dismissal and the reasons for it. He said that Mr. Khruschev had presided over the meeting which voted him out of office and there were "justified grounds" why his resignation was accepted. The changes in Moscow were in keeping with "Leninist principles of internal party democracy."

He called upon Russia and China to settle their differences.

Joint Communique:

A joint *communique*, issued on October 20 on the talks between the Mongolian delegation and Polish leaders, said:

"Problems connected with the further development of the Polish-Mongolian political, economic and cultural co-operation, as well as with the relations between the Polish United Workers' Party and the Mongolian People's Revolutionary Party, were discussed during the talks. The participants in the talks carried out also

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an exchange of opinions of the current problems of the internal situation and the international Communist and workers' movement. The talks were conducted in a friendly atmosphere and they confirmed the complete unanimity of views of both sides in all problems under discussion.

"The two sides stress that the liquidation of the dangers of thermo-nuclear war and the preservation of peace constitute the key problem of the present times. The policy of the Socialist countries aimed at the practical implementation of the policy of peaceful co-existence of States with different social systems, as well as the active struggle of the peaceful and democratic forces of the world, are the basic factors influencing the development of the international situation.

"The struggle for the preservation of peace and peaceful co-existence is linked inseparably with the striving of nations for freedom, independence and social progress. In co-operation with the Soviet Union and other Socialist countries and with all forces of peace and progress, the Polish People's Republic and the Mongolian People's Republic are striving for international agreement arresting the armaments race and the creation of conditions for peaceful co-operation between nations.

"The Mongolian side states with satisfaction that the proposals put forth by the Government of the Polish People's Republic, concerning the creation of an atom-free zone in Central Europe and the freeze of nuclear armaments in Central Europe are pervaded by sincere concern of Poland for alleviating the international tension and the consolidation of universal security. The two sides have stressed the necessity of a peaceful settlement of border disputes among States on the basis of the existing frontiers, recognition of the two German States and the commitment of the two German States to renounce nuclear weapons and enter the road of disarmament.

"In the interest of peace in Europe and the entire world, it is necessary to strive for the conclusion of a Peace Treaty with the two German States and the regulation of the problem of West Berlin. The two sides state that West German militarism, which is striving for the revision of the existing frontiers and the absorption of the German Democratic Republic, constitutes one of the chief obstacles on the road to international detente. Ignoring the experience of history and the growing resistance of world public opinion, the United States is giving direct support to these aspirations of West German imperialism.

"The creation of the so-called multilateral nuclear forces sponsored by the United States would open for the German Federal Republic access to nuclear weapons and constitute a serious threat to peace in Europe and the world.

"The two sides are for complete and immediate liquidation of the rotten colonial system and for the granting of independence to all countries and nations which are still under foreign domination. Poland and Mongolia support the efforts of the nations of Africa and Latin America in their struggle for freedom and national independence, they are in solidarity with young independent States fighting for the consolidation of their political and economic independence, condemn determinedly the policy of neo-colonialism.

"Poland and Mongolia have welcomed with satisfaction the resolutions of the Conference of non-aligned countries in Cairo.

"The two sides stress the necessity of the restoration to the Chinese People's Republic of her rightful place in United Nations. An end should also be put to the occupation of Taiwan by the United States.

"The two sides are for the development of peaceful international economic co-operation, free from any discrimination, in the name of the consolidation of peace and the acceleration of the progress of the developing countries.

"The representatives of the Polish United Workers' Party and the Mongolian People's Revolutionary Party state with satisfaction that the two parties are developing a close brotherly co-operation based on the common ideology of Marxism-Leninism. The two sides consider that the ideological differences existing in the ranks of the Communist movement should not be carried to the relations between States. The Polish United Workers' Party and the Mongolian People's Revolutionary Party stress that the determined strengthening of the unity and cohesion of the entire socialist community and the international Communist and workers' movement on the basis of the principles of Marxism-Leninism and proletarian internationalism constitutes the basic condition of the successes."

The communique was signed on the Polish side by Mr. Wladyslaw Gomulka, and Mr. Jozef Cyrankiewicz, and on the Mongolian side by Mr. Jumjagiin Tsedenbal.

(Polish Facts On File)

NEPAL

A. Progress Of Indian-aided Projects—Communique: Greater participation by the Nepalese Government in the execution of Indian-aided projects in the country was one of the important decisions reached at the two-day talks between the official delegations of the two countries which ended in Khatmandu on October 30.

The talks were held to review the progress of these projects.

[Indian-aided projects in Nepal are at present executed either directly by the Indian Aid Mission or through autonomous boards in which the Nepalese Government is also represented. The Aid Mission came into being in 1956. Lately, Nepal had been insisting that she should have a greater say in the execution of these projects. There had also been a demand to associate an adequate number of Nepalese technical personnel with these projects at the execution stage. When the Indian Foreign Minister, Sardar Swaran Singh, came to Nepal, a periodic review of Indian-aided projects was decided upon "to ensure their expeditious implementation". The talks which ended on October 30 were in accordance with this decision.]

The Indian delegation at the talks was headed by Mr. M. C. Kaul, Joint Secretary, External Affairs Ministry. Eleven Indian officials, including the Director of the Indian Aid Mission, Mr. D. R. Kohli, participated in the talks. The 11-member Nepalese delegation was led by Mr. Begh Bahadur Thapa, Economic Planning Secretary. According to spokesmen of both delegations, both sides were satisfied with the talks and there was no disagreement at any stage.

While the talks covered all Indian-aided projects in Nepal, there was a special discussion on the Trisuli hydel project, which is scheduled to go into operation in 1965.

According to a joint communique issued at the end of the talks, it was agreed that various boards, now responsible for the implementation, should continue to function as an administrative device to provide forums for decisions, co-ordination and review only. Execution would become the responsibility of the Nepalese departments. The functioning of the boards and the need for their continuance would be reviewed from time to time.

The delegations decided that members of the Indian Aid Mission, who were advisers to the Nepalese Government, would be given the necessary facilities by the departments. The engineering division of the mission engaged in the construction of a number of projects would be transferred to the Nepalese Government.

It was also agreed that major projects like the Trisuli, the proposed Sunauli-Pokhra road, Chatra canal and the Khatmandu water supply would continue to be the responsibility of agencies of the Indian Government entrusted with their execution.

The two delegations agreed that suitable Nepalese personnel be made available both for active duty and training on the Indian-aided projects so that they would be in a position to take over and maintain the projects after their completion.

The Government of Nepal agreed to take the necessary steps to select and recruit personnel from among the young Nepalese returning from India after completing various courses of study and training in technical and specialized fields.

(The Times of India, New Delhi)

[Prev. ref. 5281:NEP:D, 6059:NEP:B]

B. Progress Of Lhasa-Khatmandu Road: The Lhasa-Khatmandu Road linking the capitals of Tibet and Nepal will be opened for traffic by the end of December.

Hitherto Nepal's contact with the outside world was by a mountain road to India.

The only Chinese-aided project in Nepal, the road is estimated eventually to cost Rs. 4.75 crores.

The other projects promised by China—a cement factory, a paper mill and leather works—have not materialized. The Chinese have expressed their inability to fulfil these commitments.

About 500 Chinese have been working on the road project employing local labour. They are being retained in the mountain Kingdom for another year to make the road a black-top all-weather highway.

For the time being the 104-km section of the Road on the Nepal side connecting Khatmandu with the Tibetan border at Kodari Pass can be used only by jeeps and light vehicles.

With the opening of the Road, the travelling time between Khatmandu and Lhasa will be reduced to three or four days. At present, travel by the traditional mule tracks takes three weeks.

The Nepalese believe that the Road will help in increasing their trade with China. There is, however, apprehension that it will be used much more to smuggle into Tibet essential goods needed for the occupation army there. Cement, steel and kerosene are the commodities in short supply in Tibet. These are now being smuggled into Tibet through caravan routes. Nepal depends entirely on India for its supply of these articles.

(The Times of India, New Delhi)

[Prev. ref. 5045:NEP:B]

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ASIAN RECORDER

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BURMA

A. Restoration Of Mandalay Regalia: Britain returned to the Burmese Government on November 13 the priceless gold "Mandalay Regalia" captured when Mandalay fell to the British and Indian forces in the Third Burmese War of 1895.

Mr. Patrick Gordon Walker, Britain's new Labour Foreign Secretary, handed to the Chairman of the Burmese Revolutionary Council, General Ne Win, a sheathed dagger in London. Known as Than Lyet, it is the most important historical and sentimental object in the art collection.

Mr. Gordon Walker told General Ne Win: "I hope you will receive it not only as a token of the whole Regalia but also as a symbol of the increasingly close relations between our two countries to which we attach very great importance.

"May our future friendship always be as close as the sheath and the dagger".

General Ne Win, who was in London on a private visit, said that the handing back of the Regalia would "add another firm knot to the ties of friendship already existing between our two countries."

The Regalia is the most important single collection of Burmese art in existence, consisting of 167 ceremonial articles, mostly in gold, and dating from the 18th and 19th centuries. They include ewers, salvers, urns, and many large receptacles (some in the form of sacred geese), as well as various articles of apparel worn by Burmese kings and queens.

The most important object from an historical and sentimental point of view is one of the plainest. It is a sheathed dagger known as Than Lyet, revered in Burmese tradition as one of the five emblems of Buddhist kingship, and said to have been handed down by the founder of the dynasty, King Alaungpaya of Shwebo (1752-60) to his successors.

Other articles of special interest are gold title-plates worn on ceremonial occasions by kings and queens of Burma, including King Bodawpaya (1781-1819), King Mindon (1853-1878), and King Thibaw (1878-1885). Of particular beauty is a large vessel carved in solid amber in the form of a sacred goose (hansa). Most of the goldwork is elaborately ornamented in a style which, though borrowed freely from Indian and sometimes from European tradition, is yet individual to Burma in its general character.

The Regalia was seized by military command from the palace of the Alaungpaya dynasty when Mandalay fell to British and Indian forces in the Third Burmese War of 1885. In the following year the Regalia was brought to the United Kingdom for display in the Colonial and Indian Exhibition in London.

When the Exhibition closed, the Secretary of State for India appointed a sub-committee to advise on its disposal, the intention then being to sell it by public auction in partial recompense for the costs of the military campaign. However, the sub-committee emphasized the unique historical interest of the Regalia and this persuaded the Secretary of State for India to ensure preservation of the collection intact.

(*The Nation*, Rangoon and *The Times*, London)

B. New Envoy To France: U Zahre Lian, former Minister of Chin Affairs and founder of the Chin Congress, has been appointed Burmese Ambassador to France.

After the 1960 General Election he was first made Minister for Chin Affairs and later Minister for Housing.

U Lian (41) was the third Minister of U Nu's Government to be made an Ambassador. The other two were U Ba Saw, now in Moscow, and Sama Duwa Sinwa Nawang, Ambassador-designate to China (see page 6171).

(*The Nation*, Rangoon)

C. Income-tax Act Amended: The Income-Tax Act has been amended to include a special provision for the purpose of levying tax on the owner or charterer of ships on account of carriage of all passengers, livestock or goods shipped out of the country.

An official announcement said: "The amendment is notwithstanding anything contained in other provisions of the Income-Tax Act for levy of tax in case of any person residing out of Burma and carrying on business as owner or charterer of a ship".

(*The Statesman*, Calcutta)

CAMBODIA

A. Prince Norodom Sihanouk's Call For Four-Nation Conference—Independence Day Celebrations: In a speech marking Cambodia's 11th year of Independence from French colonial rule, the Head of State, Prince Norodom Sihanouk, said on November 9 that his political movement—Sangkum—was asking all "the parties and patriotic movements of North and South Viet-Nam and Laos to attend a conference to discuss American role in South-East Asia."

He called such a conference "the best method of compelling the United States to accept a peaceful solution for our region and so prevent the war in South Viet-Nam from degenerating into an international conflict that would sound the knell for humanity."

At the end of his address, Prince Norodom sent greetings to the Neo Lao Haksat, the political arm of the Pathet Lao, and to the National Liberation Front of South Viet-Nam.

Western observers agreed that members of the Neo Lao Haksat and the National Liberation Front would accept the invitation. They felt also that plans for the conference probably had been laid during his recent visit to China.

After he finished speaking Prince Norodom walked from the reviewing stand to the Independence monument, a block away. There, with delegations from France, China, North Viet-Nam and Eastern Europe, he re-kindled the symbolic flame. On the steps below, guards released cages of doves and cut loose pink, blue and bright green balloons.

Thousands of people lining the streets greeted Prince Norodom enthusiastically.

The principal guest of honour at the Independence Day celebrations was China's Deputy Premier and Foreign Minister, Marshal Chen Yi.

Exhibition Hall Opened:

On November 11, Prince Norodom formally opened an exhibition hall dedicated to Cambodian arts, agriculture and industry.

In a prepared speech on the occasion, he thanked the countries which had given economic aid.

He said: "If we do not find one (a solution to a troublesome soft spot in the economy) our country will be forced either to align itself with the very rich United States so that they can meet the annual deficit of our national budget—as they have done for instance with Thailand—or open its doors to Communism which has approved methods for cases of this kind.

"Our failure would in any case be the end of the non-alignment of our regime."

He did not go through the full text of his speech because of heavy rain. He guided the diplomatic corps and other special invitees through the hundreds of wall graphs and show-cases, explaining how well Cambodia had done since its Independence 11 years ago.

(*The New York Times* and *The Times of India*, Bombay)

[Prev. ref. 5840:CAM:A]

B. Britain Urged To Resign As Co-Chairman Of Geneva Conference: The Government, in a *communique* issued on November 6, demanded that Britain should resign from her role as co-Chairman of the Geneva Conference on Indo-China.

It denounced what it termed a "new British plot to hinder the calling of a conference" on Cambodia.

The **communique** recalled that the British Foreign Office, replying to the Soviet demand for a conference on Cambodia, had asked if the Soviet Union was willing to fulfil the function of co-Chairman under the 1954 Agreements.

The Government said it considered the British demand was made to gain time in order to ascertain the United States attitude.

(*The Times*, London)

[Prev. ref. 5663:CAM:A]

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CEYLON

A. Prorogation Of Parliament And Newspaper Bills: The Governor-General prorogued Parliament from November 13 to 20 on the advice of the Prime Minister, Mrs. Sirimavo Bandaranaike.

Mrs. Bandaranaike said on November 13 that the prorogation of Parliament had been found necessary "to correct the procedural shortcomings" on two important measures that had recently been presented in Parliament.

These two measures were the Bill for the establishment of a Press Council and a Press Tribunal and the appointment of a Press Commissioner as well as the Bill to take over the Lake House group of newspapers. With the prorogation of Parliament, these Bills, along with others before the Parliament, lapsed.

She said that her Government proposed to re-introduce these Bills when Parliament reassembled on November 20.

The step was described by Opposition leaders as "an abuse of machinery of Parliament". Some of them demanded that Parliament be dissolved and fresh elections held immediately.

Mr. Philip Gunawardene, leader of the Mahajana Eksath Peramuna, pointed out that this was the second time the Government had resorted to prorogation of Parliament to tide over a crisis.

He said that no prorogation could solve an economic and political crisis and demanded that Parliament be dissolved and a free and impartial election held and the Press permitted to operate as a free Press.

Mr. S. J. Chelvanayagam, leader of the Federal Party, said that the dissolution of Parliament was the correct course to adopt.

The Press Bill, he said, was important enough to be left to the decision of the people in a General Election.

(*The Hindu*, Madras)

[Prev. ref. 6123:CEY:A]

B. Separate Register For Citizens Of Indian Origin: In a lengthy statement made in the Senate on November 10, the Prime Minister, Mrs. Sirimavo Bandaranaike, claimed that the Agreement concluded with India on persons of Indian origin in Ceylon (see page 6163) was in every respect a great advance over the Agreement concluded in 1954 by the then Prime Minister, Sir John Kotelawala.

She said that first India had undertaken to confer Indian citizenship on those who were to be repatriated and secondly, Ceylon was not now bound to offer any inducement to would-be repatriates. Further, concept of State-lessness would not bedevil a solution of the problem.

She said: "During my discussions with the leaders of the Opposition parties, it was agreed that those granted Ceylon citizenship should be placed on a separate electoral register. When they are on a separate register it will be possible for them to select their representatives. This arrangement will also safeguard the political interests of the indigenous population.

"The question of separate electoral register for persons of Indian origin who are registered as Ceylon citizens was not discussed at the Delhi conference as this is a matter solely for determination by our sovereign Parliament. The Indian Government extended the greatest co-operation in the attempts to find a solution. The closest co-operation and collaboration between the two Governments is essential for the successful implementation of the Agreement. Equally essential is the co-operation and support of all the political parties and the people."

She said that people of Indian origin in Ceylon behaved as a separate community, hardly intermingling with the indigenous population. "It is our hope and desire that in due course of time those granted Ceylon citizenship will get culturally assimilated with the people of the area in whose midst they live."

She cited statistics of the total population of persons of Indian origin which "should disprove the fantastic figures cited by Mr. K. M. P. Rajaratne and Mr. R. G. Senanayake". According to the Prime Minister's figures, a total of 1,15,135 persons have obtained Ceylon citizenship under the Indian and Pakistani Citizenship Act and 6,000 under the Ceylon Citizenship Act since 1953. A total of 1,31,878 Indians have left Ceylon for good since 1953. The balance of persons of Indian origin now in Ceylon is 9,87,461.

She said that a Bill to control acquisition of land by non-Ceylonese had already been introduced in Parliament. A Bill to control employment of non-Ceylonese would be introduced shortly. A third Bill to enable Government to eliminate the menace of illicit immigration by the issue of identity cards to all persons over the age of 18 would also be submitted to Parliament.

The repatriation of persons of Indian origin under the Indo-Ceylon Agreement would begin from 1965.

On the preparation of registers of persons to be repatriated and to be granted Ceylon citizenship, she pointed out that the Indian official delegation, which was in Ceylon in September, 1964, considered the basis of selection of persons of Indian origin, who were to be granted Ceylon citizenship and Indian citizenship.

"Due to the complete information available at my Ministry" she said, "I do not expect any delay or difficulty in preparing the registers for the 825,000 persons, whose status has been settled."

She thanked the Indian Prime Minister, Mr. Lal Bahadur Shastri, the other Ministers associated with him in the talks and the Indian officials "who made it possible to complete these talks within a short space of six days by their willingness to meet our delegation at any time of the day or late at night and sometimes even during the small hours of the morning."

Details:

According to a report published in *The Statesman* (Delhi and Calcutta) on November 12, about 50,000 registered citizens of Indian origin will be taken off the general electoral register and placed on a separate register along with the 3,00,000 to be granted citizenship under the new Indo-Ceylon Agreement.

For this purpose, the Ceylon Government will shortly place before Parliament a motion to amend the Constitution.

Of the 1,34,000 registered under the Indian and Pakistani Citizenship Act, about 50,000 are over 18 years of age. They were placed on the general electoral register following an amendment to the Constitution in 1959. This amendment was incorporated in the Constitution on the recommendation of a Parliamentary Select Committee headed by the former Premier, Mr. S. W. R. D. Bandaranaike.

Earlier, in terms of one of the provisions of the Indian and Pakistani Citizenship Act, people of Indian origin who were registered under the Act were placed on a separate electoral register for 10 years from 1954. But the 1959 amendment superseded that provision. During the March and July, 1960 general elections, the votes of these citizens of Indian origin, newly transferred to the general register, the deciding factor in several upcountry constituencies. The Government is now seeking to remove them again from the general electoral register.

In this separate General Elections they will have, the number to be elected may be limited to four or five.

Commenting on the move to have a separate electoral register for people of Indian origin, Mr. S. Thondaman, MP, who is a leader of the most influential trade union representing estate workers said: "One cannot imagine that a Government which has an international reputation for fighting the apartheid policies of South Africa would ever think of discriminating so blatantly against a section of its citizens. The move to oust 50,000 citizens from the electoral register is shocking. To say the least, what is contemplated is definitely against the spirit of the recent Delhi pact."

Mr. A. Aziz, President of the Democratic Workers' Congress, which represents mainly plantation workers of Indian origin, said that "it is reprehensible for the Prime Minister to go back on the spirit of the agreement when the ink has hardly dried on the signature."

He called the step "undemocratic and slightly uncivilized."

Criticism By Ceylon Democratic Workers' Congress:

The Ceylon Democratic Workers' Congress denounced on November 27 the Indo-Ceylonese Agreement on the future of people of Indian origin in Ceylon and charged its authors with treating the settlers as "a commodity rather than human beings in an effort to solve a political tangle."

The Congress, one of the two main organizations representing the interests of plantation workers of Indian origin, pointed out three defects in the Agreement:

(1) It contained a provision for compulsory repatriation which denied to the people the right to choose between Ceylonese and Indian nationality.

(2) The aim of a full and final settlement has not been achieved as the future of 1,50,000 people was still left in the balance.

(3) Even the future of the 8,25,000 people which it claimed to have settled was left in suspense for 15 years as they were denied their fundamental rights and their children employment rights during their stay in Ceylon, while the children of even those who were to be absorbed by Ceylon were not assured of these rights during the interim period.

In a resolution, the Congress appealed to the Governments of India and Ceylon to take these facts into consideration while hammering out a procedure for implementing the Agreement "so that the positive aspects of the Agreement could be realised."

The resolution assailed the Ceylonese Government for deciding to "repatriate such a large number of workers, not only throwing the principles of human justice to the winds but also failing to realize the dangers that might befall Ceylon's economy as a result of the departure of those able-bodied and well-equipped workers who would be an asset, particularly in view of the need for accelerating farm output."

The resolution made the following suggestions:

(1) Initially, people should be allowed to choose their nationality.

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(2) If, in doing so, the numbers do not conform to the figures in the Agreement, the two Governments, in consultation with representatives of the "State-less," should devise a workable procedure to make up the difference either way.

(3) The Ceylon Government should grant citizenship to 3,00,000 people on completion of the prescribed register. The Government of India should issue Indian nationality certificates or other travel documents to the 5,25,000 persons to be repatriated to India.

(4) The people to be repatriated should have the right to leave for India if they so desire even in excess of the number arrived at on an evenly phased basis.

(5) The children of those remaining in Ceylon during the 15-year period or up to the age of 55 years as envisaged by the Agreement should be given every employment facility until their repatriation.

(6) People who desire to send their families or children for education to India in advance of their repatriation should be given facilities to make remittance from their earnings until their final departure.

(7) Those who are to be repatriated should be given facilities to travel freely between India and Ceylon pending their final departure.

(8) The Government of India should organize State-aided rehabilitation programmes for the repatriates.

Indian Reaction:

In New Delhi, official circles were surprised by Mrs. Bandaranaike's announcement that the Indian settlers to be granted Ceylonese citizenship would be placed on a separate electoral register, distinct from the general list of voters of Ceylon.

A Government spokesman said it violated the understanding reached between the two Prime Ministers in October, 1964 on the grant of Ceylonese citizenship to the people of Indian origin. The spirit underlying the Shastri-Bandaranaike Agreement was that these people would not be subjected to any kind of discrimination. But Mrs. Bandaranaike's statement implied that the Indian settlers to be granted Ceylonese citizenship would be constituted into a separate class of voters unable to participate in that country's general election on an equal footing with the rest of the population.

The announcement of the Ceylon Government's decision to maintain a separate register for citizens of Indian origin came in for bitter comment in India. Indian critics of the measure felt that the separate register would create a group of second class citizens.

Ceylon Clarification:

Following the criticisms, the First Secretary of the Ceylon High Commission in New Delhi, Mr. D. Samarasekera, gave the following clarification in a letter to the Indian Press:

"The Ceylon Government's proposal to place on a separate electoral register persons of Indian origin who have already been registered as Ceylon citizens under the Indian and Pakistani Residents (Citizenship) Act as well as those who are to be accepted as Ceylon citizens under the Indo-Ceylon Agreement of October 30, 1964 has been criticised in sections of the Indian Press as being discriminatory. It has even been implied that the proposal offends against the spirit of the recent Agreement.

"The High Commission for Ceylon in India would like to place the proposal in its correct perspective for the benefit of the Indian public, lest any misconception should provoke controversy and prejudice the smooth implementation of the Agreement of October 30, 1964.

"The proposal which is now impugned is not of recent origin. In January, 1954, the late Pandit Nehru agreed that all persons of Indian origin who are registered as Ceylon citizens under the Indian and Pakistani Residents (Citizenship) Act may be placed by the Government of Ceylon on a separate electoral register, particularly in view of the fact that the bulk of them do not speak the language of the area in which they reside. This arrangement was to last for a period of only ten years. On that occasion, the Government of Ceylon also agreed that 'in certain constituencies where the number of registered citizen voters is not likely to exceed 250, they shall be put on the national register.'

"The device of a separate electoral register far from being an odious form of discrimination could, in the case of closely-knit and homogeneous groups like the Indian community in Ceylon, give them the incalculable advantage of electing persons of their own choice and of their own group who would more effectively represent their special interests and aspirations and thereby vastly promote and accelerate the process of assimilation into the surrounding society.

"On the other hand, the inclusion of these persons in the general electoral register would diffuse and dissipate their voting strength to an extent that would completely obviate the hope and the possibility of direct and authoritative representation of their interests.

"Special representation of minority interests, secured through the exercise of the same franchise as is accorded to the general body of electors, and not through official nomination, is of the true essence of democracy. It should not be confused with communal representation of the type that was fostered under colonial legislatures. I can find no greater authority in support of this proposition than the Indian Constitution itself.

"In conclusion, **verbum sapienti**, persons of Indian origin who secure Ceylon citizenship will have exactly the same rights as other citizens of Ceylon, except that, for the time being, the voters among them will be on a separate electoral register."

(*The Times of Ceylon*, Colombo, *The Hindu*, Madras and *The Times of India*, New Delhi)

[Prev. ref. 6162:INI:A]

CHINA

A. Mr. Chou En-lai's Visit To Moscow: The Prime Minister, Mr. Chou En-lai, arrived in Moscow on November 5 at the head of a seven-man party and Government delegation for talks with Soviet leaders and to attend the celebration of the 47th anniversary of the October Revolution.

Observers said the fact that Mr. Chou En-lai and not a lesser figure represented China was a significant development. The talks, it was stated, were made possible by the removal from power of Mr. N. Khruschev.

[Mr. Chou last visited Moscow in October, 1961, when he attended the 22nd Congress of the Soviet Communist Party. This was before the emergence of the Sino-Soviet dispute. The last time the Chinese and Soviet leaders held publicly announced meetings at a high level was in July, 1963 when a Chinese delegation spent more than two weeks in Moscow in fruitless talks with Mr. Mikhail Suslov, the chief Soviet ideologist.]

The Soviet Prime Minister, Mr. Alexei Kosygin, was at the airport to greet Mr. Chou and other members of the delegation, which included Marshal Ho Lung, a Deputy Prime Minister.

On the eve of the Chinese leader's arrival, **Pravda** re-affirmed Russia's view on peaceful co-existence, and the non-violent development of world communism. [China has claimed that dependent territories and peoples can be liberated and world socialism achieved only by warlike means. This has become one of the bitterest issues dividing the two Capitals.]

The article indicated that while the new Soviet leadership wanted to stem the flow of abuse and ideological argument between Peking and Moscow, it was not prepared to yield on their basic principle of peaceful co-existence.

The new Soviet regime appealed on November 6 to the leaders of world communism to discuss their differences at a new conference of communist parties.

Mr. L. Brezhnev, the Soviet party leader, made the appeal in an address to 6,000 party workers in the Kremlin.

Behind him, listening impassively, sat Mr. Chou En-lai, one of the men to whom the Soviet appeal was chiefly addressed.

Mr. Brezhnev re-iterated many of Mr. Khruschev's policies, including some which have been under attack by the Chinese. But he did so in carefully measured and conciliatory terms without polemical overtones. The potentially divisive passages of the speech were completely overshadowed by the emphasis on the need for unity within the communist camp.

The Soviet leaders considered it their "sacred duty" to strengthen the unity of the communist world, he said. The way to bring this about was to seek a common point of view. There was an "urgent necessity" for a new world conference of communist parties.

He repeatedly emphasized the equality of all members of the communist bloc and declared that no communist party or government should try to impose its will on other parties and countries.

He defended the past foreign policy of the Soviet Union as "consistent and immutable" as well as correct from the point of view of true Leninism. He listed the principal aspects of this foreign policy in the following order of priority: unity of the communist camp; friendship and support of the national liberation movements fighting against imperialism and colonialism; co-operation with the non-aligned States of Asia, Africa, and Latin America; peaceful co-existence; and "delivering mankind from war."

His speech contained the first reversal of a specific policy of Mr. Khruschev—a move to enhance the importance of private farming as an effective form of raising agricultural output and a decision to continue increased capital investment in agriculture and in farm implement and fertilizer factories as well as in retail trade and consumer services, long a neglected sector of the Soviet economy.

Acknowledging that "farm production still falls short of the growing requirements of our society", he declared: "It would be wrong to disregard the potentialities of private plots cultivated by collective farmers, industrial workers, and office employees to satisfy their personal requirements. Unwarranted limitations have been imposed in this sphere in recent years.... These limitations have now been removed."

Mr. Chou stared stonily ahead without applauding when Mr. Brezhnev expressed readiness to develop Soviet-American relations in the interests of world peace. He had joined vigorously in the general ap-

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plause when Mr. Brezhnev vowed to maintain " the glorious Soviet Army" at the highest level necessary for defence.

After visiting the Lenin mausoleum, Mr. Chou went to Stalin's grave in a gesture which underscored the fact that his visit in itself had not dispelled the basic ideological disagreement between the communist parties of the two countries. Stalinization is an important issue in the disagreement.

Talks With Soviet Leaders:

Mr. Chou En-lai's talks with Soviet leaders were held in utmost secrecy.

Moscow reports quoting a reliable Soviet source said on November 13 that Mr. Chou En-lai and the Soviet leaders had agreed to adjourn *sine die* the preparatory meeting of 26 Communist Parties scheduled for December, 1964.

The source added that the resumption of bilateral talks between representatives of the Soviet and Chinese Communist Parties in Peking early in 1965 had been envisaged. However, it was indicated that no definite decision had been taken on that point.

Mr. Chou En-lai left for Peking on November 13. His talks with the Russians on world Communist policy seemed to have taken some of the sting out of their ideological quarrel.

But a communique issued three hours before the Chinese were due to leave said that their talks with the Moscow leadership had proceeded in a "frank and comradely atmosphere."

The statement on the Sino-Soviet meetings, issued by Tass, said that the entire seven-man Chinese delegation, headed by Mr. Chou En-lai took part in the talks.

The Soviet side consisted of Mr. Leonid Brezhnev, Party leader, Mr. Alexei Kosygin, Prime Minister, the Soviet President, Mr. Anastas Mikoyan, Mr. Nikolai Podgorny, a leading member of the Soviet Party Presidium, Mr. Yuri Andropov and Mr. Boris Ponomarev, both experts in relations with other Communist parties, and Mr. Andrei Gromyko, Soviet Foreign Minister. (The New China News Agency also reported that meetings had taken place, and listed the participants, but without any remark on how the talks had gone).

The same day (November 13) Pravda underlined three aspects of Soviet Union's policy: its friendly ties with India, its support for the Partial Test Ban Treaty and non-proliferation of atomic weapons and its policy of peaceful co-existence with capitalist States.

It had been re-iterating almost every day the basic tenets of Soviet policy.

Observers said such re-iteration was a very clear indication that Russia was firm, despite the talks Mr. Chou was then having with the Soviet leaders.

(*The Times*, London, *The New York Times* and *The Times of India*, Bombay)

[Prev. ref. 5376:CHI:A]

B. Mr. Dean Rusk On US Policy: The US Secretary of State, Mr. Dean Rusk, warned China on November 11 that if she was not prepared to leave her neighbours alone in South-East Asia "there is trouble ahead."

In a television interview, he said: "We have made it very clear we are not going to pull away and leave South-East Asia to be overrun by these people from the north."

There were no basic changes in US policy towards China. It would be up to the Chinese communists to change their policies before any relaxation of tensions could be affected.

He said: "We feel that they must come to the decision to leave these people alone in South-East Asia. If they do not, then there is trouble ahead. If they will, then there are not any problems there that cannot be solved by the ordinary processes of discussion with the nations of South-East Asia."

Asked in what circumstances it would be possible for USA to join China in disarmament talks, he said that the possibility of taking immediate steps that would open up prospects for serious talks leading to the reduction in arms "is not something on the immediate horizon."

He expressed the view that there was need for some progress in the disarmament talks already under way in Geneva. "We've seen very little interest on the part of Peking in disarmament".

As for the view that if China were admitted to United Nations it would be easier to deal with her, he said: "I am very doubtful about that. In the first place, the United Nations is not a reform school." China's militant doctrine and harsh policy had caused great problems within the Communist world itself, apart from the concern it had created in the 'free world.'

He re-affirmed that USA had no intention of turning over 11 million 'free' people of Formosa to the Chinese Communist regime. When this was made clear to Peking at the various Ambassadorial talks since 1955, the talks had produced no forward motion.

He said it was up to China to decide whether she was prepared to have peaceful relations with her neighbours and the rest of the world. "If they are not prepared to do so, I think we should not encourage them by rewarding them for a policy contrary to the prospects of peace."

He said that he had not seen much blue sky ahead in the attitude of Peking. China had attacked India, and was putting pressures on her neighbours in South-East Asia, and continued to refuse to renounce the use of force in the Formosa Straits.

Opposition To Sale Of British Aircraft To China:

A US State Department spokesman said in Washington on November 11 that USA remained opposed to the sale of aircraft to China by Britain.

The Press Officer, Mr. Robert J. McCloskey, commenting on Press reports that two British manufacturers were said to be trying to sell jets to China, said: "We are only aware of the Press report."

Asked if there was communication in the past between the US Government and Britain when a British firm sold Vickers Viscount short-range jet aircraft to China, he replied: "Yes, we stated our opposition to that transaction, which was in keeping with our policy of trade with China and the British Government is aware of our position." The US position remained unchanged.

Australia Suggests "Detente" With China:

Australia's Defence Minister, Mr. Paul Hasluck, said in London on November 12 that the first priority in Asia was to establish with China the same kind of *detente* which the Western allies had achieved with the Soviet Union.

Mr. Hasluck was in UK for talks with British Ministers and to attend the Colombo Plan Conference on November 17.

In a prepared statement he said world peace since the last War had depended mainly on a detente between the Soviet Union and the Western alliance, under which the countries of Europe had been able to prosper.

"Today in Asia, however, the actual and potential power of China and its aggressive policies pose enormous and growing problems to the whole world.

"In order to establish in Asia the sort of conditions under which Western Europe has developed in the past few years, we first must establish the same sort of detente with the Power that is the major cause of fear among the nations of Asia today."

He said the aim must be to give Asian countries the opportunity to develop their political, economic and social structures in the ways of their choosing without fear of aggression. Freedom from fear could not be achieved in Asia by a nuclear deterrent alone. There were many situations in Asia where nuclear arms would be irrelevant.

He added: "A combination of the nuclear deterrent and the carefully calculated use of conventional means of defence will be required for some time in Asia."

(*The Times*, London, *The New York Times* and *The Times of India*, Bombay)

[Prev. ref. 5400:CHI:A]

C. Skull Of Ape-man Found: A well-preserved skull of an ape-man believed to be 500,000 to 600,000 years old has been discovered at Kungwangling, about 36 miles from Sian, in Central China.

Peking Radio said that Chinese palaeontologists estimated that the skull and mammal fossils found with it belong to the early middle pleistocene period, possibly earlier than Peking Man, which is 400,000 to 500,000 years old.

(*The Times*, London)

INDIA

SUMMARY: Mr. Nehru's Birth Anniversary; Trade With Eastern Europe; Army Appointments; Northern Zonal Council Meeting.

A. Mr. J. Nehru's Birth Anniversary Celebrations: The late Prime Minister, Mr. J. Nehru's 75th birth anniversary was celebrated throughout the country on November 14.

On the occasion the President, Dr. S. Radhakrishnan released Jawaharlal Souvenir volumes at Vigyan Bhavan. The volumes entitled "Jawaharlal Nehru, a Pictorial Album", and "The Emerging World" were published by the Jawaharlal Nehru Souvenir Volumes Committee, headed by the Vice-President, Dr. Zakir Hussain.

Dr. Radhakrishnan said that what had stirred the young Nehru was Garibaldi, the Italian liberator, whose biography he had received as a good conduct prize while in school in England. Garibaldi had inspired Mr. Nehru to work for the freedom of his country. And when he returned from England he was attracted to Mahatma Gandhi who championed a novel way to attain freedom. Mr. Nehru then was an impetuous, angry young man, but Gandhiji "toned him down."

Dr. Radhakrishnan said Mr. Nehru had realized that political freedom would not be complete without ensuring economic and social equality. He turned to science as an instrument for the betterment of mankind. He wanted the people to cultivate a scientific approach to eradicate the various ills, social as well as economic.

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The 260-page volume, "The Emerging World", contains articles from Dr. Radhakrishnan, Dr. Albert Schweitzer, Miss Pearl Buck, Mr. Ilya Ehrenburg and other distinguished personalities. The foreword was also written by Dr. Radhakrishnan.

A 40-minute film on Mr. Nehru's interview with an American in 1958 was also shown.

Mr. Lal Bahadur Shastri's Broadcast:

In a broadcast to the nation on November 14, the Prime Minister, Mr. Lal Bahadur Shastri said that it was only through science and technology that India could lift herself out of the centuries of stagnation and the depths of poverty.

At the same time, he said, it should not be forgotten that science and rationalism, divorced from human values, could produce ruthless efficiency symbolized by the atom bomb.

It was not enough to have the mind of a scientist if one did not have the heart of a humanitarian. It was the greatness of Mr. Nehru that he had them both.

He said that Mr. Nehru had only one thought in his approach to international problems—to promote peace. He did not take up positions calculated to help India in one way or another but rather he thought of humanity as a whole. The same peaceful approach was to be found even when India herself was a party to dispute.

"Twice in his life-time India was exposed to naked aggression. Even while fighting invaders with the force of arms and the gallantry of our soldiers he never abandoned the peaceful approach.

"He went to the UN over Pakistan's aggression. For Nehru no other course was possible, for he believed in peace and in settling international disputes through peaceful methods. 'We cannot be enemies for ever' he declared, referring to Pakistan in 1950. This is as true today as it was when he uttered it. And in the same spirit of peace he accepted the Colombo proposals regarding the Chinese invasion. We must, he used to say quoting Gandhi, look at international problems not with bloodshot eyes but with eyes which are clear.

"His scientific approach was not something different from his human approach, but it was an integral part of it. He was at once a visionary and a scientist."

Mr. Shastri added: "It will be for the youth of today to assume the responsibility tomorrow of running the affairs of this great country. And so, to the youth of the country on the 75th birth anniversary of Jawaharlalji, I say, the future is yours. Let the humanism and the scientific spirit which Jawaharlalji had in such abundance enrich your hearts, ennoble your minds and guide your actions."

(*The Statesman*, New Delhi)

[Prev. ref. 5879:INI:A]

B. Trade With East European Countries—Trade Delegation's Visit: A 25 per cent increase in India's trade with four East European countries is expected as a result of the recent visit of an Indian trade delegation to these countries.

The delegation, led by the Deputy Minister for Commerce, Mr. S. V. Ramaswamy, recently returned after a four-week tour of Czechoslovakia, Rumania, Bulgaria and Hungary.

Addressing a news conference in New Delhi on November 15, Mr. Ramaswamy described his mission as "fruitful" and said that he expected the trade with the four countries to go up from about Rs. 41.5 crores a year at present to Rs. 52 crores in 1965.

The delegation reviewed the working of the Trade Agreements with these countries and explored possibilities of increased trade in 1965.

The most important achievement of the delegation, according to Mr. Ramaswamy, was the interest it created in Eastern Europe for Indian heavy engineering goods, particularly railway wagons. Czechoslovakia wanted to buy about 1,500 wagons and a delegation from that country was already in India to work out the details of the deal. Hungary also was keen to buy Indian wagons and its delegation was due to arrive in India on November 19 for negotiations. These countries were impressed with the tremendous progress made by India in the field of industry and its capacity to export a variety of manufactured goods, chemical intermediates and equipment. For instance, Czechoslovakia had for the first time learnt with interest that India could export vitamin intermediates and hormone intermediates.

The trade with Czechoslovakia from January to October, 1964 was worth Rs. 15 crores each way. This was expected to go up to Rs. 24 crores in 1965.

Czechoslovakia had agreed to utilize all its funds in India for buying goods in this country.

India would buy from Czechoslovakia more tractor components and spare parts.

The trade with Rumania in the first nine months of 1964 was not up to expectations, but the delegation had completed arrangements for a step-up of purchases on both sides during the remaining months. The trade in 1965 was expected to be worth Rs. 8 crores, representing a 15 per cent increase. The delegation was able to strike a deal with Rumania for import by that country of Indian iron-ore worth Rs. 4.1 crores in 1965 as against Rs. 2.6 crores in 1964. Textile exports, including handlooms, from India would be worth Rs. 1.5 crores. India would buy from Rumania 10,000 tons of caustic soda, another 10,000 tons of heavy and light soda ash, urea worth Rs. 40,00,000 and axle oil for railways worth Rs. 90,00,000.

The trade with Bulgaria, worth about Rs. 4.5 crores each way now, was expected to rise to Rs. 5.5 crores in 1965. India would import zinc worth Rs. 30,00,000 and buy larger quantities of caprolactum, a raw material for making nylon. Bulgaria had agreed to import more iron-ore from India.

The trade with Hungary was likely to go up from Rs. 12 crores each way this year to Rs. 14.5 crores in 1965. India's exports would continue to be mainly cotton textiles, footwear, chemical products and engineering goods. Hungary would buy larger quantities of these in 1965.

(*The Times of India*, New Delhi)

[Prev. ref. 5750:INI:G]

C. Telephone Link With Malawi: According to a statement in Blantyre on November 14, Malawi has opened a direct telephone link with India.

Formerly, telephone calls to India were routed through Salisbury and London.

(*The Times of India*, New Delhi)

D. Imports Of Rock Phosphate—Agreement With Jordan: India and Jordan signed a long-term Agreement in Amman on November 15 providing for increased imports of rock phosphate into India.

The Agreement, valid till the end of 1967, also provides for an increase in the export of Indian goods to Jordan.

It was also agreed that an Indian mission should be established in Jordan shortly.

(*The Statesman*, New Delhi)

[Prev. ref. 5854:INI:E]

E. Diplomatic Appointments: Mr. Bhagwan Khemchand Massand, Indian High Commissioner to Australia, has been appointed Ambassador to Chile.

Mr. S. Krishnamurthi, Joint Secretary in the Central Finance Ministry, has been appointed High Commissioner to the Republic of Zambia.

Mr. Krishnamurthy (49) is expected to assume charge of his new assignment early in 1965.

(*The Statesman*, New Delhi)

[Prev. ref. 6102:INI:H]

F. Army Appointments: Lt.-Gen. S. H. F. J. Manekshaw took over on November 16 as General Officer Commanding-in-Chief, Eastern Command, in place of Lt.-Gen. P. P. Kumaramangalam.

Lt.-Gen. Kumaramangalam relinquished the post early in November to take over as the Deputy Chief of the Army Staff.

Lt.-Gen. Manekshaw was earlier General Officer Commanding-in-Chief, Western Command, at Simla.

(*The Times of India*, New Delhi)

[Prev. ref. 6029:INI:H]

G. Northern Zonal Council Meeting: Presiding over a meeting of the Northern Zonal Council in Jaipur on November 12 the Central Home Minister, Mr. Gulzari Lal Nanda, appealed to the States forming the Zone to make vigorous efforts to mobilize their financial and physical resources to meet the needs of the Fourth Five-Year Plan.

He said that efficient administration of Plan projects and raising of the standards of administration generally were indispensable for the realisation of the Plan targets.

As many of the problems facing this zone are inter-linked, he suggested that the entire area should be regarded as one region for the purpose of "forward planning."

He drew attention to floods and water-logging which had impeded the development of many areas in this region. He said that adequate provision should be made by the State Governments for flood control and anti-waterlogging measures.

He referred to the special development needs of the border hill areas and the work done there. While the development of these areas had been satisfactory, there were "shortfalls in key sectors of development, particularly under agriculture and irrigation."

He also referred to the serious food shortage in the country, the rise in the prices of essential commodities and the steps taken by the Central Government to curb profiteering.

The meeting was attended by the Chief Minister of the Punjab, Mr. Ram Kishen, the Home Minister, Mr. Darbara Singh, the Public Works Minister, Mr. Rizk Ram; the Premier of Jammu and Kashmir, Mr. G. M. Sadiq, Mr. G. L. Dogra, the Finance Minister of Kashmir, and Mr. Ayub Khan, Revenue Minister; the Rajasthan Chief Minister, Mr. Mohanlal Sukhadia, Mr. Mathura Das Mathur, the Planning Minister, Mr. Bal Krishna Kaul, the Finance Minister; Mr. Bhagwan Sahay, Lt-Governor of Himachal Pradesh; and Bawa Bachittar Singh, the Mayor of Delhi.

Decisions:

On November 12, the Council approved the recommendation of its

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Standing Committee to have uniform sales-tax in the member-States and replace sales-tax with additional excise duty.

It also accepted the recommendations of the Committee pertaining to uniformity in excise policy, including the limits of retail sale and private possession of liquor. But this would be subject to the restriction proposed by the representatives of Delhi that movement of liquor between Faridabad and Delhi, even to the extent of permissible limits of retail sale and private possession, should be regulated by permits.

The Council accepted all the recommendations made by the Chief Secretaries' Committee. One proposal was to establish three zonal institutions to impart training in revenue, police and accountancy to administrative service personnel of North Zone States.

It was tentatively decided to hold the next meeting of the Council in May-June, 1965 in Srinagar.

During the discussions the Punjab Chief Minister, Mr. Ram Kishen agreed to release 3 mw more of power to Kashmir.

He said that vehicles registered in Kashmir and plying on the Jammu-Pathankot road would be exempt from passenger and goods tax if Kashmir gave the same concession to Punjab vehicles.

The Lt-Governor of Himachal Pradesh, Mr. Bhagwan Sahay, said that in his territory the problem of corruption was not of such magnitude as to justify the establishment of a vigilance commission.

The Mayor of Delhi, Bawa Bachittar Singh, claimed that as a result of measures taken by the Government, most malpractices had ceased and the situation in Delhi had improved radically.

(*The Statesman*, New Delhi)

[Prev. ref. 3002(corrected):INI:E]

H. Plan For Modernization Of Railways: A New Delhi despatch on November 15 said that the Indian Railways proposed to go off steam in a phased programme of three to four decades.

A beginning would, however, be made with tapering off the manufacture of steam locomotives with a view to ceasing their production by 1970-71.

With growing accent on modernization of railways, the Railway Board was said to feel that steam locos should be replaced by diesel and electric locos, operationally more efficient and economical.

Railways in many advanced countries had gone ahead with the switchover, leaving James Watt's discovery of steam energy for other uses.

In India, a large coal-producing country, the switch-over was not that easy. It would take many years to manufacture the requisite number of diesel and electric locos for replacing steam locos.

However, the present idea is to reduce progressively the manufacture of steam locomotives at the Chittaranjan locomotive works and stop their production completely by the end of the Fourth Five-Year Plan.

The average life of a steam locomotive is about 40 years and reckoned on this basis, the Indian Railways should be off steam in the beginning of the next century.

Manufacture of steam locos at Chittaranjan began in 1950. The original target was to produce 96 broad-gauge main line goods locos. This target was subsequently raised to 169 locos a year. The revised target was reached in 1957-58 and even surpassed later.

At present, the Indian Railways have more than 10,600 steam locos against 349 diesel and 217 electric locos.

The limitations of steam energy are its low hauling capacity, limited speed, use of steam even when the train is not running, and longer time taken for acceleration and de-acceleration.

Even in the Second Five-Year Plan, the Railway Board found it necessary to resort to diesel and electric traction to cope with the phenomenal increase in freight traffic in the coal-steel belt in Eastern India.

By the end of the Third Five-Year Plan, the Railways are likely to operate about 500 diesels on the broad-gauge and 167 on the metre-gauge. It was estimated tentatively that in the Fourth Plan about 1,200 diesel locomotives (both B.G. and M.G.) would be required.

The Varanasi loco factory would go into production by 1967-68 and would produce 150 locos a year. Later it could produce up to 250 diesel locos a year. Hence, it was expected that the Railways' requirements would be met fully by this factory.

As regards electric locos, the Fourth Five-Year Plan requirements were estimated at 500 by 1970-71.

The Chittaranjan locomotive works has already turned out 21 DC electric locos and has taken up the manufacture of AC locos which will be required in larger numbers as the electrification programme is carried out. At present, the majority of the electric locos on the Railways are imported.

By the end of the current (Third) Plan period, Chittaranjan would have produced 90 electric locos. The rate of production by 1965-66 is likely to be 72 a year. Plans for expanding the production capacity to 150 electric locos a year are under consideration.

According to the Railway Board, one diesel or electric locomotive is equal to more than two steam locos in terms of efficiency. Hence, it was believed that if the Railways want to substitute diesel and electric locos for steam locos on all major lines, it could not be done in a few years.

It was stated that 70 per cent of the additional freight traffic in the Third Plan had been carried by diesel and electric locos and a major portion of the increased freight in the next Plan period would also be carried by these.

At present, the Railways are putting diesel and electric locos to use mainly for freight traffic, but the day is not far off when even long-distance passenger trains will be hauled by these locos.

The motto of the Railways, according to the Railway Board, is to assure passengers "travel without tears."

(*The Times of India*, New Delhi)

[Prev. ref. 5056:INI:O]

I. Kiriburu Iron-ore Project Inaugurated: The Vice-President, Dr. Zakir Hussain, inaugurated in Kiriburu (Orissa) on November 12 the Kiriburu iron-ore project, one of India's most modern and mechanized ore mining institutions designed to boost up the country's export trade.

Mr. N. Sanjiva Reddi, the Central Minister for Steel and Mines, who welcomed the guests, requested the Japanese delegation leader to consider the possibility of starting a steel plant in India with Japanese aid.

Speaking on the occasion, Mr. Leonid Weiss, Counseller for Economic Affairs, US Embassy in India, said that India's iron reserves were eight times more than those of USA. India had great and rich reserves of iron-ore which could make a great contribution to the development of the country's economy.

The President, Dr. S. Radhakrishnan in a message to the National Mineral Development Corporation and those who had contributed to the fulfilment of the project said: "The execution of a scheme of such magnitude in so remote an area is an achievement of which those who have contributed to bringing this project to fulfilment can justly be proud."

He added: "The long-term arrangement for the supply of ore to Japan will be a further link between our two countries to the mutual benefit."

The Prime Minister, Mr. Lal Bahadur Shastri, said in a message that the Kiriburu project was an "outstanding example of international co-operation" and expressed the hope that the completion of the project would further foster and strengthen India's trade relations with Japan.

He added: "The Kiriburu iron-ore mine is a part of a multi-purpose project involving the expansion of port facilities at Visakhapatnam and provision of rail links over a distance of 200 km and is an outstanding example of international co-operation with financial assistance in the form of yen credit from Japan and a loan from the US President's fund for Asian economic development."

He congratulated the National Mineral Development Corporation and the staff and workers of the Kiriburu project on the successful completion of the project.

(*The Times of India*, New Delhi)

[Prev. ref. 5777:INI:Q]

J. Nagaland An "Independent" State—Rebel Leaders' Claim: Rebel Naga leaders claimed on November 16 that Nagaland had never been part of India and should be considered a sovereign, independent State.

In a letter given to the Naga Peace Mission, they said that the area had been forcibly annexed by the British Army, and it could not be claimed that the right of conquest had been transferred from Britain to India.

They added: "We have never been conquered by the Indian Army or ruled by the Indian Government."

They said that if the Government of India could not agree to the claim of independence, it should be referred to the International Court of Justice or any other international body by India or any other nation.

The letter, signed by all three rebel leaders taking part in the Chedema peace talks, was in reply to a request by the leader of the Central Government delegation, Mr. Y. D. Gundevia, to state the terms which could be considered for a political settlement.

The three-page reply contained the following 12 points:

"(1) Our right of self-determination belongs to us separately as a people of sovereign independence from the same British imperialism which first overpowered Naga resistance a century ago. Up to that time the Naga people had never been conquered. Their territory had never been conquered. It was forcibly annexed by the British.

"(2) We declared our determination to be independent before the grant of independence to India in 1947. We were never conquered by the Indian Army or ruled by the Indian Government.

"(3) Since 1947, in spite of all the bloodshed and violence that has been inflicted upon us by the Indian armed forces, we have not been conquered by the Indian Army, nor can it be claimed that the right of conquest was transferred from the British to India.

"(4) One of the declared principles for which World War II was fought and was enshrined in the Atlantic Charter was that populations could not be transferred from the jurisdiction of one State to another without their consent. This is a

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principle which has been vindicated by the UN in subsequent emancipations of people from imperialism and colonialism in Asia, Africa and South America.

"(5) Therefore, in demanding recognition of our independence, we are demanding nothing more than what India herself demanded and herself heroically struggled for under the historic slogan of Swaraj.

"(6) The tale of suffering and violence that has followed in the wake of India's attempt to subjugate the Naga people and to rule their territory by military occupation has been told in many documents submitted by us to the Nagaland peace mission and by scores of villages all over Nagaland visited by Rev. Michael Scott and some of them visited by Mr. Chaliha and Mr. J. P. Narayan.

"(7) We have asked that these documents be reproduced and communicated to the Government of India delegation together with the report and comments of Mr. Scott as those of an outside observer, and, if they wish to make them, those of Mr. Chaliha and Mr. Narayan as Indians of well-known integrity and independence of view.

"(8) Many of the documents referred to above represent the tragedy of Nagaland since India's independence which has not yet been told. It should be told, for without it the side depicted by the chief delegate of Government of India at Chedema would, to say the least, be incomplete.

"(9) The consequences of suppressing the truth of what has been happening in Nagaland during these past years have been tragic, not only for the Nagas but for the Indian people also, and have nullified so much of effort and material wealth which have been expended in Nagaland in an endeavour to vindicate the name and prestige of sovereign, independent India.

"(10) By devices of legal sophistry, it may be argued that the Naga people's sovereignty was transferred by Acts of British Parliament to that of India, in which the Naga people were not represented, but this would not be in accordance with moral right with the experience of history or with the concept of sovereignty accepted by international jurists today.

"(11) If this is denied, let India herself in the name of justice and peace submit this case to the International Court of Justice or let any nation among those concerned in the UN to uphold the right of peoples to self-determination submit the matter to an international body for an advisory opinion or an adjudication of any matter which must surely be a matter of great consequence to humanity in the necessary task of bringing the rights of peoples within the scope of rule of law and if bringing the right of self-determination of deprived peoples within the reach of those people by peaceful procedures.

"(12) Whatever be the outcome of our long political conflict with India at such human cost, peace and people's (rights) everywhere will still require to be vindicated. To this end our struggle (whether by war or law) will, we trust, have played some part."

Sardar Swaran Singh's Comment:

The Minister for External Affairs, Sardar Swaran Singh, said on November 17 that the claim made by Naga hostile leaders that the Naga region had never been a part of India was absolutely intolerable and would never be accepted by the Government.

He told the Rajya Sabha that he was waiting for official information about the Naga hostile leaders' letter embodying this claim and the demand for complete independence, which had been handed over to the Peace Mission in Nagaland. After finding out the exact stand of the hostiles, the Government would take a considered decision on the question.

He was replying to a series of indignant questions on the report regarding the hostile leaders' letter to the peace mission. Mr. A. B. Vajpayee (Jan Sangh) also asked how more than 1,000 armed Nagas managed to cross into Pakistan recently. Sardar Swaran Singh said he had no information that the armed rebels had actually crossed into East Pakistan. It was reported that they were trying to do so. If anything of this kind happened, it would be a flagrant violation of the peace terms.

He said that during the negotiations the peace terms had, by and large, been observed. However, some complaints of intimidation of peaceful Nagas by the hostile elements had been received. A strong warning was then given that such intimidation would not be tolerated.

Sardar Swaran Singh stated in the Lok Sabha on November 18 in reply to a call-attention notice by 20 members that the talks between the hostiles and a Government of India Mission at Chedema had not broken down. He pleaded with the members not to press for a pronouncement until after the next round of talks which were due to be held some time after November 27.

He affirmed having received a letter from the Naga underground leaders demanding an independent and sovereign Nagaland. But he categorically declared that such a demand was untenable. He also turned down the hostiles' demand for third party observers at the Chedema peace talks.

No Affinity Between Nagas And Indians—Rev. M. Scott's Allegation:

In a statement on November 17, Rev. Michael Scott drew a distinction between Nagas and Indians as two different people.

He said that violent means of conflict had brought about what he described as a tragic dilemma that had existed between the Nagas and the Indians for so long.

He justified the underground Nagas having brought in the element of international ethics in consideration of the problem.

He called the cease-fire agreement between the Government of India and the underground Nagas as an international cease-fire agreement.

He said that despite complaints from both sides regarding the observance of cease-fire and conditions of the agreement, "it must be in fairness of things that not a shot has been fired by either side and this is a marked contrast to the observance of cease-fire agreements elsewhere in the world."

Mr. Lal Bahadur Shastri's Comment:

The Prime Minister, Mr. Lal Bahadur Shastri, said in Lucknow on November 16 that Rev. Michael Scott's statement that there was no affinity between Indians and Nagas defeated the very purpose of peace efforts in Nagaland.

He said that he took "strong exception" to Rev. Scott's statement and added that he would inquire about it when Rev. Scott returned from Kohima.

He said that Rev. Scott, being a member of the Peace Mission, "cannot make such a statement."

He appealed to the Naga leaders to give serious thought to the question of Nagaland before the peace talks broke down.

He assured them that his Government was desirous of settling the dispute peacefully across the table.

He said, "He (Rev. Scott) is one of the members of the Peace Mission along with Mr. Jaya Prakash Narayan and the Chief Minister of Assam, Mr. Chaliha. He is not there in an individual capacity and hence he cannot make such statements as in that case he defeats the very purpose of peace efforts. I shall ask Rev. Scott about it when he returns from the mission."

He said that Nagaland was part and parcel of India. "We have accepted it as a State like other States in the Indian Union. It will have an Assembly duly elected and we have also assured the Nagas to protect their culture."

He said that India was keen on solving the question of Nagaland by peaceful means and negotiations and the Naga leaders would commit "a blunder" if they ignored India's peace efforts. "I am told that there are two sections of the Nagas and the one in the majority is in favour of a peaceful settlement in the interests of the people. But the other section is reported to have crossed over to Burma and other places to get some arms. In an armed conflict the border guards may fight but the people in general suffer.

"I do feel that the Naga leaders will think seriously over the problem before the peace talks break down."

He added that during the lifetime of the late Prime Minister, negotiations with the Naga leaders had started and in recent days they had made much headway. "I want to assure the Nagas that we are desirous of settling disputes peacefully across the table and this is the only democratic way to settle a dispute."

Area Between Kohima And International Boundary Declared "Disturbed":

The Governor of Nagaland has declared the area between Kohima and the international boundary "to be a disturbed area".

The recent crossing of 1,300 Naga hostiles to East Pakistan was viewed with serious concern both by the Government and the Nagaland Peace Mission.

The Chief Commissioner of Manipur by an order on November 19 declared the whole area of Ukhrul sub-division, three miles from the international border, to be a disturbed area for a period of two months with immediate effect.

(*The Statesman* and *The Times of India*, New Delhi)

[Prev. ref. 6068: INI: I]

K. Mr. K. R. Arya Appointed Minister In Rajasthan Cabinet: Mr. Kumbha Ram Arya was sworn-in on November 14 as a Minister in the Rajasthan Cabinet by the Governor, Dr Sampurnanand, at Raj Bhavan in Jaipur.

The Sukhadia Ministry now has nine Ministers and 10 Deputy Ministers.

Mr. Arya was allotted the portfolios of Revenue and Relief and Rehabilitation. The Revenue portfolio had been held by Mr. Sukhadia and the Relief and Rehabilitation Department under the charge of Mr. Bhika Bhai.

Mr. Arya was recently elected to the State Legislative Assembly in a by-election.

While no major re-shuffle of portfolios was made, the Transport Department was transferred from Mr. Haribhau Upadhyaya to the Minister of Planning, Mr. Mathura Das Mathur.

Mr. Mathur also took over the Printing and Stationery Department from Mr.

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Harish Chandra and the Jail Department from Mr. Sukhadia.

(*The Times of India*, New Delhi)

[Prev. ref. 5991:INI:I]

L. **Mr. S. V. Sonavane Appointed Prohibition Minister In Maharashtra Cabinet:** It was announced by the Maharashtra Chief Minister, Mr. V. P. Naik in Bombay on November 10 that Mr. Shankarrao Vithalrao Sonavane, member of the State Legislative Assembly, had been appointed the new Prohibition Minister in the Cabinet.

Mr. Sonavane was sworn-in on November 11.

This was occasioned by the "removal" from the Ministry of Mr. D. Z. Palaspager on charges of misconduct.

(*The Times of India*, Bombay)

[Prev. ref. 6080:INI:O]

M. **New Maharaja Of Cochin:** It was announced in Ernakulam on November 15 that His Highness Rama Varma Kunhukidavu Thampuran, the Elaya Raja, had succeeded His Highness Rama Varma Pareekshit Thampuran, who died recently, as the Maharaja of Cochin.

Although the political and administrative powers of the Maharaja of Cochin had been diverted under the integration covenant, the successors are entitled to privy purse, palace and other privileges.

(*The Hindu*, Madras)

N. **Sangeet Natak Akademi Awards:** *The President, Dr. S. Radhakrishnan, distributed the Sangeet Natak Akademi's annual awards to eminent artistes at a function in New Delhi on November 12.*

While complimenting the award-winners, he asked them not merely to guard the country's artistic inheritance but to advance it.

Birju Maharaj, at 27, was the youngest recipient of the Sangeet Natak Akademi's award this year. The oldest award-winner, K. N. Chinnaswamy Iyer (82), could not attend the function.

There was one woman among the new fellows and one among the award-winners.

The following were the new fellows of the Akademi:

Mr. P. V. Rajamannar (63), Chairman of the Sangeet Natak Akademi from 1953 to 1961; Mr. T. L. Venkatarama Aiyer (71), an eminent musicologist; Dr. V. Raghavan (56), Professor of Sanskrit at Madras University; Mr. Birendra Kishore Roy Choudhury (61), musician and musicologist; Mr. B. R. Deodhar (62), Chairman of the Gandharva Mahavidyalaya Mandal; and Mrs. C. Saraswathi Bai (70), one of the foremost exponents of Harikatha Kalakshepam.

The award-winners were: Birju Maharaj (27), Kathak; Haradi Rama Ganiga (62), Yakshagana; Mrs. K. Venkatalakshamma (58), Bharata Natyam; P. Mani Madhava Chakiar (65), Chakiar Koothu; Keshav Trimbak Date (75), stage acting; T. S. Rajamanikkam (58), direction; Rahimuddin Dagar (63) and Chittoor Subramanyam (64), vocal music; and K. N. Chinnaswamy Iyer (82), instrumental music.

Shivkumar Joshi (48), Vasant Shankar Kanetkar (41) and Gopala Rao Amancharia (57) received prizes in play-writing.

(*The Times of India*, New Delhi)

[Prev. ref. 5365:INI:I]

INDONESIA

A. **New Indonesian Company In Amsterdam:** A formal ceremony was held in Amsterdam on October 8 to mark the founding of a new company which would act as the central chartering office for ships on behalf of Indonesian shipping.

Partners in the company are the Department of Central Bank Affairs, the Department of Trade, the Department of Sea Communications, the Central Trading Company at Hamburg, Initrade at Rome and Indonesische Fracht GMBH at Dusseldorf.

The company's capital will be about 1,000,000 guilders of which about 400,000 guilders will be issued immediately.

The head office will be at Amsterdam and eventually branch offices will be established elsewhere in Europe.

(*Information Service Indonesia*)

[Prev. ref. 6069:IND:A]

B. **British Nationals Advised To Leave:** The British Government has advised British subjects to consider whether they should remain in Indonesia.

A British Foreign Office spokesman said on November 13: "In the light of recent events in South-East Asia, the British Government has for some time been advising British subjects to consider whether they should remain in Indonesia or make arrangements for their wives and children to return to the United Kingdom.

"This was a routine measure of precaution.

"The British Government has no desire to exacerbate relations in the area but has a duty to protect and advise British subjects living overseas."

Authoritative British sources said that it was not the British Government's intention to encourage British subjects, engaged in essential services in Indonesia, to leave for home.

The sources said that the advice was given in September, 1964 after the Security Council debated the Indonesian "confrontation" policy against Malaysia.

Asked why the advice had not been made public, the sources said that the British Government was anxious to avoid exacerbating the situation and increasing tension. The British Government, therefore, did not give a public warning but merely conveyed it discreetly to British subjects in Indonesia.

The sources said that as a result of British advice a number of British subjects had made private arrangements to leave.

The sources said that the number of British subjects in Indonesia, including those in the British Embassy, at the end of July was 752. At the end of September, the total was 443.

(*The Times*, London and *The Statesman*, Calcutta)

[Prev. ref. 6043:IND:A]

JAPAN

A. **Mr. Eisaku Sato Elected Prime Minister:** Mr. Eisaku Sato was elected on November 9 Prime Minister by the Diet in succession to Mr. Hayato Ikeda, who had resigned after four years and four months in office (see page 6169) because of a throat tumour.

Mr. Sato announced on November 9 that he was keeping the Cabinet unchanged, except for the post of Chief Cabinet Secretary, to be assumed by Mr. Tomisaburo Hashimoto.

Mr. Ichiro Kono, Mr. Sato's closest rival for the succession, remained a State Minister, when some had expected him to become Deputy Prime Minister, and the third candidate, Mr. Aiichiro Fujiyama was left out altogether.

Informed sources said that the speed with which the Cabinet was formed was partly to forestall further factional pressure within the Liberal-Democratic Party, already divided by the struggle for succession.

Mr. Sato was born 63 years ago into a middle-class family, the second son of a sake brewer in Tabuse, a small town on the Inland Sea coast. He was a colleague at high school of Mr. Hayato Ikeda, though their paths soon parted—Mr. Ikeda going into the Finance Ministry, and Mr. Sato graduating in law at Tokyo University to enter the less glamorous Ministry of Railways. He stayed there for the next 28 years, marrying the niece of Mr. Matsuoka, Foreign Minister in the Konoye Cabinet who walked out of the League of Nations and signed the Axis pact.

While his brother, Mr. Nobusuke Kishi became a wartime Minister, Mr. Sato stayed on unnoticed in the railways. After 1945, amid the purges of General MacArthur's occupation, came Mr. Sato's chance for rapid promotion. He became Deputy Minister for Transport and had such success in negotiating with and calming turbulent railwaymen that he was offered a chance of a Diet seat by the Socialists then in power. Mr. Sato declined, and soon afterwards, on the fall of the Socialists, was picked out—along with Mr. Ikeda—by Mr. Yoshida, the conservative elder statesman, to be Cabinet Secretary.

Under such a patron he has hardly ever looked back. He was elected to the Diet in 1949 and held a succession of ministerial and party posts—the latter are often promotions in Japan.

In 1954 the Public Procurator sought to question him in connexion with a shipbuilding bribery case, but Mr. Yoshida, then Prime Minister, exercised the Government's right to waive proceedings, even though this case, with others, led to the final downfall of the Yoshida Cabinet. Once the Diet session was over the Government relaxed its waiver, and interrogations continued sporadically until an amnesty for political offences marked Japan's entry into United Nations in 1956.

Mr. Sato stayed loyal to Mr. Yoshida in the party wilderness and accompanied him on his world tour in 1954. When his brother gained power in 1957 Mr. Sato at last joined the Liberal Democratic Party (formed in 1955) and the Government. Until Mr. Kishi's fall in 1960 he was a pillar of the Cabinet, and during his two years as Finance Minister was known as Mr. Kishi's "chief of staff".

In spite of his close association with his brother's handling of the Security Treaty ratification, which led directly to the rioting in 1960, such are the ways of Japanese politics that Mr. Sato was able to contend the succession with Mr. Ikeda. He did so unsuccessfully again this year, and gained his chance through Mr. Ikeda's untimely illness.

During the Ikeda administration he served two years as Minister of International Trade and Industry, and then as Minister of State in charge of science, technology, atomic energy, Hokkaido development, and Olympic affairs—a multifarious post which he lost after his defeat in this Summer's party election.

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Policy Statement: A prompt assertion that Japan would have a stronger voice in international affairs came on November 10 from Mr. Sato, the new Prime Minister.

At his first news conference, his assertions were mostly implicit, as he was at pains to proclaim his adherence, with nuances, to Mr. Ikeda's policies.

He made it clear enough, however, in answer to several questions that he felt that Japan's voice had not hitherto been in proportion to its economic strength. He did not think it was enough to leave the balance of peace with the nuclear guardians.

"Japan, Canada and West European countries which do not possess their own nuclear weapons should make more use of their right to a say in the international sphere", he said. "It is here that our own foreign policies have scope for development."

He mentioned Asia specifically as one area which Japan should no longer regard from purely the trade point of view; instead it should realize that efforts to reduce world tensions there were urgently needed. He listed China and normal relations with South Korea as his Cabinet's most pressing problems.

He regretted the Chinese atomic test. He said he was not denouncing China for it, but wondered why it had not utilized its scientific efforts in the cause of peace. However, if China, through being a member of the nuclear club, could contribute to relaxing tensions, he thought that might be a good idea.

To say there were two Chinas would be an interference in domestic policies, he said. Japan also had a Peace Treaty with the Nationalist regime—"whether fortunately or unfortunately, I do not know". They would not forget General Chiang Kai-shek's generosity towards Japan after the last War, "but we should not deal with this problem by sentiment alone".

Economic and cultural exchanges with Peking would be advanced, but "the basic issues are difficult" and could not be discussed lightly.

He was unimpressed by recent Left-wing demonstrations with a firm statement that the visit of the US nuclear-powered submarines "is quite natural", now that Japan had been assured that there were no radio-active hazards, or at least that none would go undetected.

Unexpectedly he went out of his way to commend as respectable the condemnation by the Japan Socialist Party in China recently of all nuclear tests. This never emerged in the Joint Statement in Peking (see page 6171). Mr. Sato said it provided common ground for talks on the matter with the Government.

He gave a firm commitment that he would never allow nuclear weapons to be brought into Japan; he denied that he would be high-handed with the Opposition; and he promised he would add "harmony" to the Ikeda doctrines of "patience and tolerance".

(*The Times*, London and *The Japan Times*, Tokyo)

B. Demonstrations Against Visit Of N-powered Submarine: Demonstrations were held throughout Japan by Socialists and students on November 12 protesting against the first visit to the country of a US nuclear-powered submarine.

The 2,552-ton Sea Dragon nosed her way through heavy rain to dock at the Tokyo base.

As 1,800 policemen dealt with some 2,000 Socialists and students outside the base, demonstrators in Tokyo broke the windows of armoured police cars and blocked traffic on main streets.

The national police estimated that about 27,000 Left-wingers staged demonstrations in 23 other Japanese cities.

They said that 37 policemen were hurt, many of them by flying stones, 34 students were arrested and at least nine students injured.

About 12,000 persons attended a protest rally in Tokyo organized by Communist-led organizations. The crowd marched without incident through the streets to the Diet building to submit petitions against the Sea Dragon's visit.

Thirteen armoured cars blocked the three main gates of the park where the rally was held.

In Kobe, about 3,700 students clashed with 800 policemen guarding the United States Consulate. The police said that 18 policemen were slightly injured and 16 students arrested.

Organizers of the demonstrations alleged that visits by nuclear-powered submarines were the first step towards the introduction of nuclear weapons into Japan.

(*The Statesman*, Calcutta)

[Prev. ref. 6058:JAP:A]

C. Shipping Incentive: The Japanese Government is planning to introduce direct tax reductions in 1965 for domestic importers who favour Japanese-owned shipping.

The incentives disclosed on November 4 envisage a budgetary tax cut of some 4,000 million yen which would be made through exemptions on profits for those firms preferring to "ship Japanese".

One example cited is that oil and steel concerns which imported more than half their foreign needs in Japanese vessels would enjoy tax exemptions on profits equivalent to 10 per cent of the freight charges.

The move is yet another intended to reduce Japan's chronic $350 million annual freight account deficit, which forms a large part of the overall invisible trade deficit. There is some doubt how far this proposal, which departs from previous practices of tax postponement, can be aligned with international commitments and national tax requirements.

It is probably being aired to sound reactions of foreign shipowners, who are likely to feel increasingly sharp competition in this flourishing trade as the Japanese fleet grows rapidly.

(*The Times*, London)

[Prev. ref. 5849:JAP:B]

D. Rise In Exports: Japan's October (1964) exports rose to a new post-War high of $691,580,000, according to statistics based on bank certification of export declarations, exceeding the previous record of $652,707,000 reached three months earlier.

Exports during October were 10.2 per cent above the previous month and 29.1 per cent over the same month of 1963.

The improvement was attributed chiefly to a steady growth in sales to the United States, a sharp advance in exports to the Soviet Union and Australia, active ship deals and smooth progress in sales of chemical fertilizers, machinery, steel products, and man-made textiles.

The Trade Ministry said it was expecting a decline of about $5 million in exports to Britain as a result of the import surcharge. Total exports in the current financial year ending March 31, 1965 were likely to reach about $7,200 million.

(*The Japan Times*, Tokyo)

[Prev. ref. 6125:JAP:D]

E. Expulsions From Communist Party: The Japan Communist Party's organ *Akahata* (*Red Flag*) announced on November 12 the expulsion from the party of 10 members who had criticized its pro-Peking trend.

Twelve members, signing themselves as "a cultural group", had issued statements criticising the party leadership for "extremist prejudices and bureaucratic leadership", pointing to its toeing of the Chinese line.

Two of them, Mr. Arata Togo, a sculptor, and Mr. Miyajina, a movie cameraman, had since then agreed to undertake "self-criticism" and had been forgiven.

Those expelled included Dr. Akashitide, philosopher and former professor at Tokyo University, Mr. Hiroshi Roma, a novelist well-known for his description of life in the old imperial army, and Miss Ineko Sata, also a writer.

(*The Statesman*, Calcutta)

[Prev. ref. 5996:JAP:A]

KOREA (South)

A. British Assistance For Nuclear Project Sought: The Minister for Industry, Mr. Chung Hun Pak, said in Seoul on November 28 that South Korea wanted British help in building a nuclear power plant by 1970.

He was speaking before he left at the head of an economic mission on a 40-day visit to Europe.

He said he would ask for assistance in the nuclear power project in formal talks with British officials.

(*The Times*, London)

LAOS

A. Alleged Military Provocations —Soviet Accusation Against USA: On November 10 *Izvestia* accused USA of increasing military provocations in Laos and instigating the preparation of a major Rightist offensive.

In an article entitled "Who is stirring up trouble?" Izvestia said: "Disturbing news is coming from Laos. Recently, USA and its agents have increased military provocations directed against the Neo Lao Haksat (pro-Communist Pathet Lao troops) and against the population living in the regions controlled by patriotic forces.

"As is stressed by the statement of the Neo Lao Haksat Armed Forces High Command, the Rightist group, acting in co-operation with South Viet-Namese authorities and at the direct instigation of the Americans, is now launched on the preparation of a major offensive in central and southern Laos."

Izvestia cited Neo Lao Haksat statements and the charge of increased activity by US planes based in Laos and South Viet-Nam and infantry concentrations by the Laotian Rightists.

It quoted the Neo Lao Haksat statement that these operations "represent a serious violation of the cease-fire order of June 24, 1962."

(*The Times of India*, New Delhi)

[Prev. ref. 6126:LAO:A]

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MALAYSIA

A. Tengku Abdul Rehman's Retaliation Warning To Indonesia: In a statement in the November 8 issue of *Merdeka*, the official organ of the United Malay National Organization (UMNO), the Prime Minister, Tengku Abdul Rehman, gave a warning of immediate retaliation if Indonesia bombed Malaysia and declared: "The time has come when blood must be repaid with blood."

He said that during the leaflet drop on Indonesian bases, the Djakarta regime's claims of heavy aerial defences had proved to be empty. Indonesian forward bases could have been easily destroyed. Members of the Royal Malaysian Air Force, who dropped the pamphlets, had appealed to him for a bigger role in facing Indonesian aggression. Indonesia might try to drop leaflets in Malaysia but if the Indonesian leaders lost their heads "they might even bomb us and we shall retaliate immediately." Anti-aircraft gun sites had been established round Kuala Lumpur and their state of readiness had been tested at the week-end.

Letter To Security Council:

Meanwhile, the following letter was delivered by Malaysia's Ambassador to USA, Dato Ong Yoke Lin, to the President of the Security Council on October 31:

"I have the honour on the instructions of my Government to submit to you for the information of the Security Council details of further acts of blatant and inexcusable aggression committed by Indonesia against Malaysia since the conclusion on September 17, 1964 of the Security Council debate on my Government's complaint of Indonesian aggression. These details are set out in the attached annexure.

"I regret to have to address you again on this matter so soon after the Security Council had considered my Government's complaint of September 3, but my Government has found it necessary to draw the Council's attention to the increasingly grave and dangerous situation created by the continuing and deliberate acts in the landing by sea of an estimated number of 55 heavily armed invaders in the early morning of October 29, on the border between the states of Johore and Malacca on the south-west coast of mainland Malaysia.

"These acts of barefaced aggression are in violent contravention of the United Nations Charter and constitute a cynical defiance of the provisions of the Norwegian draft resolution which was endorsed by nine out of the 11 Security Council members at its 1152nd meeting on September 17, 1964. In committing these acts, Indonesia is furthermore violating the principles of the Charter of the Organization of African Unity, of the Bandung Declaration and of the Declaration of the Conference of Non-Aligned Countries of October 10, 1964, all of which call upon States to refrain from the threat or use of force and to respect the territorial integrity and political independence of other States.

"In drawing the Security Council's attention to this grave situation my Government wishes in particular to emphasize that there is mounting evidence that Indonesia is determined to continue its policy of armed aggression against Malaysia, thereby provoking the people of Malaysia and wantonly increasing the risk of major hostilities in the region.

"I should be grateful if this letter together with its annexure is published as a Security Council document."

Three lists were attached to the letter giving details of alleged Indonesian aggression and capture of Indonesian arms.

Re-iteration Of British Support:

Speaking at the annual luncheon in London of the Malaysian Commercial Association, an organization of British companies trading in Malaysia, the Minister of State for Commonwealth Relations, Mr. Cledwyn Hughes, declared on November 12 that Britain was determined to go on supporting Malaysia in her struggle to maintain her independence and territorial integrity in the face of Indonesian attacks.

He said that Malaysia knew she could count on the sympathetic support of the Commonwealth as a whole, and on the direct and active assistance of Britain, Australia and New Zealand.

Dealing with Indonesia's "confrontation" policy against Malaysia, he described the last Indonesian landing on the mainland of Malaya as "a fiasco". Virtually the entire band of 52 men, more than half of them paratroops of the Indonesian Air Force, were successfully mopped up within 36 hours.

"But fiasco or not," he added, "this fresh attempt was, as the Malaysian Government put it in their letter to the United Nations Security Council, a 'cynical defiance' of the overwhelming consensus of the Security Council as expressed in the resolution vetoed by the Russians when the Council met in September to consider Malaysia's complaint about the earlier landings.

"I wish I could say that I could foresee an early solution to the problem created by Indonesia's hostility towards Malaysia. The quarrel is not one of Malaysia's making nor of ours, but a solution can only flow from the calling off of 'confrontation', and this will require an Indonesian change of heart, of which we can see no sign as yet.

"Meanwhile, we have our obligations to discharge. As the Foreign Secretary said in a statement to British journalists on October 22, we are not trying to determine what will happen in that part of the world, but we are determined to go on supporting Malaysia in her struggle to maintain her independence and territorial integrity against Indonesia attacks.

"We have a Treaty obligation to assist our Commonwealth partner in her external defence, and we mean to discharge this. Malaysia may not be one of the most powerful of nations in the military sense, but she knows that she can count on the sympathetic support of the Commonwealth as a whole, and on the direct and active assistance not only of ourselves but of Australia and New Zealand too."

(*The Malayan Times*, Kuala Lumpur and *BIS*)

[Prev. ref. 6154:MAL:A]

B. Philippines' Claim To Sabah—Sabah Assembly Votes Against Talks: The Sabah Legislative Assembly unanimously passed a motion on November 2 urging the Central Government not to engage in further talks with the Philippines over its claim to Sabah.

The Assembly unanimously put on record that the people of Sabah had chosen to link their destiny with that of Malaysia and that their decision was irrevocable.

The motion was moved by the Chief Minister, Dato Donald Stephens who said the claim had no legal basis. The motion was supported strongly by other Assemblymen.

The motion read: "The Assembly having taken note of exchanges that have been taking place in recent months regarding sovereignty of this State between the Central Government of Malaysia and the Government of Philippines Republic expresses its concern that notwithstanding the clear voices in which the people of Sabah in whom alone that sovereignty rests have on more than one occasion in the past spoken directly and through their elected representatives in this Assembly that they have irrevocably taken decision to join Malaysia as a constituent State these exchanges are permitted by the Central Government to take place.

"This Assembly now once again places on record its unshakeable conviction that the people of Sabah have already chosen to link their destiny with that of Malaysia and that this decision is irrevocable, whatever theoretical claims to sovereignty over Sabah is alleged by any other state to exist in itself; that this Assembly further requests the Central Government in Kuala Lumpur not to engage in any talks with any State designed directly or indirectly to modify or nullify this irrevocable decision of the people of Sabah who are sovereign in their own State."

(*The Malaysian High Commission*, New Delhi)

NEPAL

A. Dr. Tulsi Giri's Visit To Yugoslavia: A joint *communique* issued in Belgrade on November 6 at the end of the Chairman of the Nepal Council of Ministers, Dr. Tulsi Giri's seven-day visit to Yugoslavia said that President J. B. Tito had accepted an invitation to visit Nepal.

The communique said that Yugoslavia and Nepal had decided to raise their diplomatic missions to Embassy rank.

It supported the proposal for a World Disarmament Conference under UN auspices and stressed the need for greater efforts to achieve general and total disarmament.

It also welcomed the Moscow Agreement on a limited test ban and suggested that all the Governments should join it.

During the talks, Mr. Peter Stambolic, President of the Federal Executive Council, and Dr. Tulsi Giri emphasized the significance of United Nations for the non-aligned countries and said the world Organization should be adapted to the changing world situation.

(*Tanjug*)

B. "Ganesh" Peak Climbed By Japanese Expedition: Five members of the Kyoto University Himalayan expedition were reported on November 8 to have climbed the 7,200-metre-high *Ganesh* Peak.

The climbers reached the summit, known as **Annapurna III**, in two groups on October 13 and 15.

The three members who reached the summit on October 13 were H. Yoshino, M. Kumura and U. Ageta.

On October 15, Prof. Higuchi and S. Yigeo reached the summit, accompanied by Sherpas Karim and Mimgma Tsering.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 3410:NEP:A]

C. Indian Aid For Chatra Canal Project: Under an Agreement signed in Khatmandu on November 2, India will give Nepal Rs. 4 crores for the Chatra canal project.

To be executed by the Kosi project authorities, it will irrigate 182,000 acres of

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land in Nepal's Morang district with Kosi water.

The project envisages the construction of the head regulator at Chatra and a 35-mile-long main canal with 16 distributaries.

The Indian Aid Mission has completed nine projects providing irrigation for 44,000 acres of land. Six more are to be completed in 1965 with an irrigation potential of 70,000 acres.

The Agreement was signed by the Indian Aid Mission Director, Mr. D. R. Kohli, and the Nepal Government's Planning Secretary, Mr. Begh Bahadur Thapa.

(*The Statesman*, Calcutta)

[Prev. ref. 5225:NEP:B]

D. **Envoy To USSR:** The appointment of Mr. Damodar Shamsher as Ambassador to USSR was officially announced on November 1.

He replaced Mr. Jharendra Narain Singh who took over as Foreign Secretary.

The diplomatic re-shuffle was necessitated by the resignation early this year of Nepal's Ambassador to USA and Permanent Representative at UN, Mr. M. P. Koirala. That post was filled in October by Maj-Gen. P. B. Khetri, till then Foreign Secretary.

(*The Times of India*, New Delhi)

[Prev. ref. 3956:NEP:C]

E. **Yeti's Footprints Discovered:** Mr. Peter Taylor, an Australian mountaineer, recently returned from *Langtang Lirung* in western Nepal, on October 25 revived the Yeti legend by saying that he had seen thousands of footprints of a two-legged creature on snow beyond an altitude of 20,000 feet.

He told newsmen in Khatmandu that he had photographed the footprints.

Asked if they were Yeti's footprints, he said: "I am quite sure it is part of the Yeti legend. But I am not sure, none is sure, whether the Yeti exists."

The footprints, which were nine inches long and four inches wide, showed impressions of four toes, one of them longer than the rest.

Mr. Taylor and Ang Tempa, sherpa leader, sighted the footprints on the morning of October 4. The footprints disappeared when the snow started melting next day.

The footprints showed that the creature had descended from a narrow pass into the Langtang Valley overlooking Tibet and later returned to the pass.

Mr. Taylor added that a lieutenant of the Nepalese Army, who had acted as liaison officer of the expedition, was so scared of the footprints that he would not talk about them.

Ang Tempa said he could not recall seeing any creature that could leave such footprints.

Mr. Taylor claimed that he had found a new south-western route to the 23,770-foot Langtang peak. He said he had gone up to an altitude of 20,000 feet.

(*The Times of India*, New Delhi)

[Prev. ref. 4164:INI:F]

PAKISTAN

A. **New Constitution Promulgated In "Azad" Kashmir:** A Jammu despatch on November 10 said that the recently-promulgated Constitution of the so-called "Azad" Kashmir debars migrants from Kashmir, now living in various towns of Pakistan, from participating in the administration of "Occupied Kashmir".

They have also been disallowed to participate in the elections of Basic Democracies in Pakistan. This has caused widespread resentment among the migrants who style themselves as "Stateless" citizens.

Gen. Chaudhury Ghulam Abbas, a supporter of Kashmir's accession with Pakistan, has accused Pakistan of designs to grab "Azad Kashmir" by denying these rights to the migrants. The "Azad Kashmir" Muslim Conference has fully endorsed this statement.

In his speech at Muzaffarabad, Gen. Ghulam Abbas, who was the former head of the "Azad Kashmir" Government, made some startling disclosures highlighting his "struggle" against the high-handedness of the Pakistani authorities during the last several years.

He revealed that once he had to tell Mr. Akhtar Hussain, the then Pakistan Minister for Kashmir Affairs: "I will continue to treat Manzur Qader, Foreign Minister, as our enemy even if you imprison me for 20 years under the Martial Law".

Gen. Ghulam Abbas, who presided over the public meeting at Rawalpindi last May to greet Sheikh Abdullah, also said: "In a way I had betrayed my friend Sheikh Abdullah that time. I did not disclose to him how Kashmiris were being humiliated in Pakistan."

His patience, he said, was now exhausted. He would never permit Kashmir's integration with Pakistan. He only favoured its accession in regard to three subjects: defence, foreign affairs, and currency. "And till accession is achieved properly, Kashmir will remain independent and we will resist every attempt to integrate her with Pakistan."

He also disclosed that Mr. K. H. Khurshid was recently dislodged as President of "Azad Kashmir" for his leanings towards an independent Kashmir.

(*The Mail*, Madras and *The Indian Express*, Bombay)

[Prev. ref. 5820:PAK:C, 6009:PAK:F]

SAUDI ARABIA

A. **Crown Prince Feisal Proclaimed King:** Crown Prince Feisal, who is also the country's Prime Minister, was proclaimed King on November 2.

An official broadcast over **Mecca Radio** said that the Council of Ministers and Consultative Assembly had decided to depose King Saud and proclaim Prince Feisal king.

The statement said the two councils met at 4.30 a.m. and considered a petition by members of the Royal Family to the ulema (religious leaders). The petition conveyed the Saudi family's decision to dethrone King Saud and proclaim his brother, Prince Feisal, "King of country and Imam of the Muslims," and asked the ulema to rule on this from the view-point of Muslim law.

The ulema met on October 31 under the Mufti of Saudi Arabia. The conference on November 2 considered their ruling and decided to depose King Saud and ask Prince Feisal to accept his public proclamation as King.

The effect of all this should be to seal King Saud's eclipse. For 6½ years the two brothers had seesawed, but for the past seven months Crown Prince Feisal had had full governing powers, his elder brother remaining nominal ruler only. The Crown Prince had been approached before to have himself proclaimed king, but had refused. More than once it was thought that King Saud would go into complete seclusion, partly on account of ill-health, but he had a way of re-appearing.

The two men are among the 33 sons of King Abdul Azız Ibn Saud, who created Saudi Arabia and died in 1953. Before his death Feisal and other sons had agreed that the eldest son, Amir Saud, should succeed. Saud is 62 and Feisal was born in 1905.

After five years of King Saud's rule, Crown Prince Feisal was given overriding authority in the Government, but two years later his elder brother made himself Prime Minister. In October, 1962, after the revolution in Yemen created a crisis for Saudi Arabia, Crown Prince Feisal once more took control. The uneasy relationship continued, and after King Saud had been to Cairo for the first Arab "Summit" meeting last January there was a showdown. King Saud's supporters, chiefly his own sons, were outweighed by Crown Prince Feisal's both in the palace and among the ulema and tribes.

Crown Prince Feisal's more modern policy of internal government is set on its course and a reformation challenge abroad by princes led by a half-brother, Prince Talal, has long since petered out, the princes concerned having been glad to return to their country.

The latest declaration took care to present Crown Prince Feisal as the religious head as well as the secular ruler. This is obviously important in a country where the holy cities of Mecca and Medina are situated.

Crown Prince Feisal has also not had good health, and already there is speculation on who will succeed him. King Saud is expected to retain his considerable income, but it is not known whether he will stay in Saudi Arabia.

The new King gave a pledge to speed up economic, social and administrative reforms in Saudi Arabia. He also promised, in an address to the nation, to steer his country's foreign policy towards closer co-operation with other Arab countries and non-aligned nations.

He said that he had refused to be proclaimed King before, not to avoid responsibility but in the hope that "things would take their natural course". "Now that God has granted us the blessing of stability we shall double our efforts towards the achievement of target reforms in all domains—political, administrative and economic."

He declared that Saudi Arabia supported disarmament and attempts to spare humanity the hazards of destructive arms. She called for self-determination for all peoples, and settlement of internal problems peacefully on a basis of justice and right. She sought the utmost co-operation with Arab States, implementation of resolutions of the two Arab summit conferences this year, and the "liberation of all parts of the Arab homeland still under imperialism".

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She supported the United Nations Charter and the resolutions of the Bandung and non-aligned conferences.

He ordered the present Cabinet to remain in office. Prince Khalid bin Abdul Aziz, Deputy Prime Minister, and other Ministers were asked to continue in their posts.

(*The Times*, London)

[Prev. ref. 5804:SUA:A]

B. Steel Pipe Manufacturing Project: The Foreign Investment Commission of the Ministry of Trade and Industry has recommended that approval be given to a project for setting up a plant to manufacture steel pipes under the terms of the Foreign Investment Law.

The pipes would be used in Saudi Arabia and neighbouring countries and the company concerned has requested protection for the new industry by the imposition of an import ban on similar products. This is being given careful consideration by the Government.

Mr. Ahmad Zaki Yamani, Saudi Oil Minister, recently called for the formation of a committee of Riyadh businessmen to study the possibility of constructing a 156-mile pipeline to transport natural gas from the Uthmaniyah gas-oil separation plant to Riyadh, where it would be used as fuel for the Riyadh power station and for domestic purposes. The scheme is not a new one and preliminary studies have already been made by the Oil Ministry.

(*Middle East Economic Digest*)

C. Uranium Find: An announcement in Riyadh on October 21 said that uranium ore had been discovered on the Red Sea coast, about 230 miles north of Jeddah.

(*Dawn*, Karachi)

THAILAND

A. Conference Of Asian Economic Planners: Steps to harmonize Asian development efforts were urged by Asian economic planners who met in Bangkok from October 20 to 26.

At the Conference, sponsored by ECAFE, the delegates observed that in the current UN Development Decade, economic progress in almost all Asian countries had been "disappointing." The rates of growth in the first half of the Decade had dropped below the planned rate, and also below the rates achieved in the 'fifties except for one or two countries. To reverse this process, Governments would have to "identify themselves more closely" with planning processes, it was suggested. Planning bodies should be closely associated with public opinion through universities, business organizations, etc. Workers and peasants should be well aware of national planning goals and activities.

As a first step towards "harmonization" of national development plans, the delegates proposed pooling of information and experiences in planning and setting up of working group of experts from different countries who would examine development plans in their initial stage. National plans could thus be drawn up to fit into wider regional planning efforts.

They also suggested the setting up of a permanent body within ECAFE to provide a standing machinery for co-ordination of development plans.

The delegates found the difficulties in economic development planning were caused by inadequate or misleading statistical information, absence of sufficient number of trained administrators and technical personnel, ineffective utilization of domestic saving and foreign exchange, and insufficient emphasis on intensification of agricultural production.

The Conference welcomed the establishment within ECAFE of a Regional Centre for Economic Projection and Programming. Support was also forthcoming for the proposed Asian Development Bank which, it was stated, would help to co-ordinate specific regional projects.

Opening the Conference, the Thai Prime Minister, Mr. Thanom Kittikachorn, described it as an Asian summit meeting on economic development and planning and emphasized the operation and practical aspects of development planning. He stressed the benefit the Asian countries could gain through closer regional co-operation.

U Nyun, Executive Secretary of the UN Economic Commission for Asia and the Far East, said that the 1964 United Nations Conference on Trade and Development in Geneva had set the stage for tackling "north-south" economic problems of the world for the first time. The developing countries had expressed community of interests in pursuing their economic goals through joint action. The industrialized countries had joined the developing countries in their effort to find constructive solutions.

The idea of economic planning adopted in Asian countries in the 1950's, he said, was an attempt to break away from century-old stagnation. Some countries had achieved remarkable success in speeding up economic development especially in the latter half of the decade. The 4 per cent growth rate of the 1950's compared favourably with the virtual stagnation of the pre-world war period. The pace of economic progress, however, had slowed down more recently. The economic growth in the region (excluding Australia, Japan and New Zealand) had fallen short of planned targets and also dropped below the growth rates of the 1950's. Food production in particular had not been able to catch up with the population growth and the deteriorating terms of trade had aggravated the situation still further.

The economic policy makers, he said, must ask themselves if this slowing down was only of a temporary nature or whether it pointed to more deeply seated difficulties. It was imperative for Asia's economic planners to identify the obstacles obstructing economic progress and devise means to remove them.

He observed that national planning authorities were aiming at a considerable higher growth rate, viz., 6 per cent for a period up to 1980. The Asian planners would have to design policies and measures for necessary structural changes to bring the growth rates within reach.

The inescapable and cheerless conclusion, he said, was that unless strong remedies were successfully applied, the relative position of economic welfare in the region would deteriorate further. This economic reality had to be faced squarely. He called for co-operation among the countries of the region, but said that the initiative for harmonization of economic policies and plans would have to come from the Governments themselves.

The Conference elected Dr. Pu I. Ungphakorn of Thailand Chairman, and Mr. T. P. Singh, Secretary of the Planning Commission of India and Dr. M. N. Huda of Pakistan as Vice-Chairman. Represented at the Conference were: Afghanistan, Burma, Ceylon, Formosa, France, India, Indonesia, Iran, Japan, Republic of Korea, Malaysia, Mongolia, Nepal, Netherlands, New Zealand, Pakistan, Philippines, Republic of Viet-Nam, Thailand, USSR, United Kingdom and the United States. The Federal Republic of Germany and Israel participated in a consultative capacity.

(*UN Newsletter*)

[Prev. ref. 5761:IRN:A]

B. Anti-Government Plot Alleged: The armed forces were placed on the alert on November 9 after the police had uncovered what was said to be a plot to overthrow the Government.

The Deputy Prime Minister and Minister of the Interior, General P. Charusathien, said the step had been taken because of "internal and external dangers."

The alert was a precautionary measure to maintain peace and order. Communists had stepped up their aggressive activities, mainly in countries around Thailand, he said, and in Thailand they had increased subversive activities and incitement of anti-Government feeling.

(*The Times*, London)

C. Effect Of Chinese Atomic Explosion On Extinct Volcano: According to the President of Thailand's National Research Council, Lt.-Gen. Phya Salvitaran Nithet, shock waves from nuclear explosions in China may activate an extinct volcano in northern Thailand which had been extinct for the last 60 years.

The existence of the volcano, situated in Narn province, adjoining Laos, was found 60 years ago by a survey party.

Gen. Nithet said that the effect of the Chinese nuclear explosion on October 16 on the extinct volcano was now being studied. Graphs of the shocks of the recent nuclear blast taken by the Chiengmai seismographic station, the world's third most sensitive station, had been sent to USA for evaluation of its intensity. If the study showed danger of a fissure in the volcano which would re-activate it, people in the locality would be given a warning.

(*The Statesman*, Calcutta)

[Prev. ref. 6148:CHI:A]

D. Kra Canal Project Shelved: The Government has shelved an ambitious plan to cut a major shipping canal across the Kra peninsula.

The National Security Council has also dissolved the canal study committee.

The plan would have involved cutting across the peninsula in southern Thailand, linking the Indian Ocean and South China Sea and shortening the East-West shipping route which now goes around the southern tip of the peninsula at Singapore.

(*The Statesman*, Calcutta)

[Prev. ref. 3739:THI:A]

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PAKISTAN

A. Election Of 'Basic Democrats': Heavy polling was reported from West Pakistan on October 31 as electors cast their votes on the first of a ten-day voting period for the election of a 80,000-member electoral college, which will choose the new President in elections due in March, 1965.

The electoral college will also return members of the National Assembly and the Provincial Assemblies of East and West Pakistan.

In the first phase of the election, an estimated two crore voters in West Pakistan returned 40,000 "Basic Democrats" who will form one-half of the members of the Electoral College.

The second phase will open in January, 1965, when the 80,000-member Electoral College will give their choice in favour of either of the two main contestants for the office of the Head of State—President Ayub Khan representing the ruling Muslim League and Miss Fatima Jinnah of the five-party Combined Opposition.

Riots:

Violence marred polling in Karachi on November 7 and the police had to order a lathi charge in Khudad Colony.

A mob of hirelings pulled down tents of Opposition candidates, and generally ran away before police intervened and restored order.

A Press release of the Opposition quoting a report from Landhi, a Karachi suburb, said that a queue of the Opposition voters was attacked, stoned and dispersed by the Conventionist League (ruling party) Party supporters. More than a dozen persons were injured. Four of them were admitted to hospital. An election fracas also took place in the federal area.

Two more persons were shot dead in an election brawl in Lahore on November 4, raising the known death toll in the poll in West Pakistan to 10.

In another incident in Lahore the same day, Mansur, a defeated candidate, received bullet wounds when, it was alleged, he was fired at by his rival Hatimshah. Mansur was removed to hospital in a precarious condition.

In other election fracas, two persons sustained stab injuries when they were attacked by supporters of their rival candidate in Mozang area of Lahore. Twenty-nine persons had received minor injuries in election clashes in various parts of Lahore earlier.

Forty-three persons died and 500 received injuries during the 10-day polls in West Pakistan, which ended on November 9.

This was revealed in Karachi on November 16 by Maulana Maudoodi, leader of the Jamaat-i-Islami.

He told a news conference that figures of the dead and injured quoted by him were based on Press reports and revealed the "dangerous and anti-democratic" trends in the country's political life.

He said the situation which had led to violence and brawls, augured ill for the future of democracy in the country and should be avoided in the ensuing second and third phases of the elections.

He claimed overwhelming victory for candidates of the Combined Opposition in the elections.

Polling In East Pakistan:

The 10-day polling for the election of 40,000 Basic Democrats was held in East Pakistan from November 10 to 19.

Out of these, 2,500 candidates were elected unopposed.

It was not known how many of the 1,20,000 candidates held party tickets. But both the Government Party (Conventionist Muslim League) and the Combined Opposition claimed a majority of them as their own.

Nine persons, including an Opposition candidate, were injured in an election clash in Chittagong on November 10.

In Narayanganj, two Opposition candidates disappeared following a clash on November 8 between their supporters and the rival group. Opposition newspapers alleged that the candidates had been kidnapped by the other party.

About 78 per cent of registered voters took part in the polling—that is, 21 million out of a total of 27 million voters.

A Dacca message on November 10 said that a number of important members of the ruling Conventionist Muslim League had been defeated on the first day of polling (November 10).

Among the notable defeats were: Mr. Ali Amjad Khan, sitting member of the Pakistan National Assembly, who lost to a milk-man in Dacca, and Syed Muhaseen Ali, Treasurer of the Provincial Conventionist Muslim League.

Electoral Rules:

With 2½ months left for the Presidential election by 80,000 Basic Democrats, the Central Government made public on November 18 elaborate rules in consultation with the Chief Election Commissioner.

These rules, in pursuance of the Presidential Election Act passed by the National Assembly three months earlier, made provision for issuing identity cards to each of the 80,000 Basic Democrats, who will have to produce them before the presiding officers at polling booths so as to eliminate impersonation and other malpractices in the Presidential election.

According to the Act, not more than four candidates, including the present incumbent of the Presidential office, can run for the Presidency.

The rules also indicated election symbols, including "aeroplane", "bicycle", "flower", "horse", and "lamp.

Blind or otherwise physically disabled electors could take their companions in marking ballot papers, or by the presiding officer if they so choose, provided that such companions are not electors themselves.

By this Act, each Presidential candidate is entitled to receive Rs. 100,000 for his or her campaign, but if any candidate retires from the contest, he or she will have to refund the sum to the Government.

The rules also provided for appeal against rejection of nomination.

President Ayub Khan Retires From Army:

An extraordinary issue of the Defence Ministry *Gazette* of Pakistan on November 8 announced the retirement from service as from February 16, 1960 of the President, F-M Ayub Khan.

The Gazette was dated October 20, 1964. It did not indicate any reasons for the belated announcement that the President had been put on the pension list retrospectively.

An official spokesman of the Combined Opposition parties, supporting Miss Fatima Jinnah as Presidential candidate, said the move had been taken to satisfy the constitutional provision which bars the President from holding an office of profit during his tenure.

A Karachi despatch on November 14 said that the post facto legalization of an apparent constitutional disqualification of four years was certain to be exploited by the Opposition Parties in the weeks ahead.

Mahmudul Huq Usmani, member of the Central Committee of the Combined Opposition parties, contended that such a belated administrative manoeuvre had no legality behind it.

It was pointed out that a Field-Marshal does not retire in Britain or in America where he is known as the Five-Star General.

Article 115 of the Constitution clearly forbids the President from holding any office of profit. This, said a commentator, was bound to cause political uproar and may hurt his chances of election.

In any case, the argument that he had been holding an office of profit since the day of commencement of the Constitution till October 20, when the Defence Ministry placed him on the pension list, was of considerable weight and could not be lightly brushed aside.

"Revolution If Miss Jinnah Wins"—President Ayub Khan's Warning:

President Ayub Khan told a news conference in Dacca on November 8 at the end of his eight-day tour of East Pakistan that there would be a second revolution if the Opposition Parties came to power.

Though he based his prediction on the premise that the Opposition regime would be tyrannical and people would not tolerate oppression, the menacing tone underlying his statement could not escape attention.

He told the news conference that he would hand over the reins of powers to the Opposition should it win elections, because "that is the constitutional position."

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He, however, added: "But if they continue their injustice and tyranny and bring back the chaos that existed before the revolution (military take-over), there may be another revolution."

According to him, the Martial Law regime was "mild and humane", but the next "revolution will be much harsher."

However, ten days later, he denied that he had any intention to re-impose Martial Law.

A Rawalpindi despatch on November 18 said that with the challenge to him from the Combined Opposition parties growing, particularly in the East Wing, President Ayub Khan had come out in defence of himself against "misrepresentation and vilification" by the rival Presidential candidate, Miss Fatima Jinnah.

He assured Pakistanis that he had no desire to re-impose Martial Law.

Rebutting Miss Jinnah's charge that he was keen to "rule by force in complete disregard of the law of the land", he said that if this were the case he would not have voluntarily withdrawn the Martial Law administration two years ago and set the country on the course of general election in accordance with democratic processes.

He charged the politicians supporting Miss Jinnah with not holding any election in Pakistan until 1958, when he assumed power.

Vilification Of India In Election Campaign Alleged:

On November 18, India lodged a protest with the Pakistan Government against persistent attempts by members of the Government and leaders of the ruling Party to involve *India in the election campaign.*

A Karachi despatch to an Indian newspaper said:

"The latest instance which is also the most blatant in its cynical disregard to international etiquette, is a full-page advertisement in the Karachi paper, **Dawn.**

"The advertisement, which carries extracts from editorial comments on Pakistan's general elections by several Indian newspapers carries the headline—Why do Pakistan's enemies want Ayub defeated?

"The answer to the question runs thus: 'Because Hindu India wants Pakistan to relapse into instability and chaos; because Pakistan's enemies hate Ayub for making Pakistan strong and respected in the world; because India fears Ayub and considers him the biggest obstacle to Hindu conquest of Pakistan.'

"The advertisement was issued by the Pakistan Muslim League, the President of which is Mr. Ayub Khan himself."

The previous week, Mr. Abdul Waheed Khan, Central Minister of Information, spoke at an election rally of "Indian designs" in regard to the elections.

The same theme that India was engaged in aiding the Opposition Parties had been repeated by Khan Bahadur Habibullah, the Home Minister, and others.

The Acting Indian High Commissioner, Mr. Vijaya Raghavan, on November 18 called on the Pakistan Foreign Office and handed over the protest Note.

He also drew the attention of the Foreign Ministry officials to the disrespectful language employed by the Foreign Minister, Mr. Z. A. Bhutto, the previous week when he had described the late Indian Premier, Mr. Nehru, as "ambitious, cynical and senile".

(*Dawn*, Karachi, *The Times of India*, Bombay and *The Statesman*, Calcutta)

[Prev. ref. 6047:PAK:B]

TURKEY

A. Mr. F. C. Erkin's Visit To USSR: The Foreign Minister, Mr. Feridun Cemal Erkin, paid an official visit to the Soviet Union from October 30 to November 6.

Observers attached much significance to the visit. They saw in the visit the beginning of a new phase in the relations between the Soviet Union and Turkey.

A **communique** issued in Moscow on November 6 on the visit said: "The exchange of opinions showed that the views of the Soviet Government and the Government of the Turkish Republic coincide on the need of contributing in every way to the establishment of a lasting peace and relaxation of international tension."

It said both sides had reached agreement to "promote the consolidation of good-neighbour relations between the two countries on the principles of respect for independence, territorial integrity and equality." They "regard the policy of peaceful co-existence of States with different social systems as a way to the achievement of these lofty goals."

The **communique** noted that the talks which he concluded with the Soviet leaders proceeded in a friendly atmosphere. They confirmed the great importance of the consolidation of United Nations, noted the need of strict abidance by the UN Charter.

Both sides went on record for the peaceful settlement of the Cyprus issue on the basis of respect for the sovereignty and territorial integrity of the Republic of Cyprus and observance of the lawful rights of the two national communities.

The two sides also discussed Soviet-Turkish trade and expressed a desire for using all opportunities for its development. The Soviet Union will increase its imports of Turkish goods such as tobacco, nuts, and citrus fruit. Turkey, for its part, will import more Soviet goods she needs, particularly machinery and equipment.

Turkish officials said in Ankara on November 4 that they expected a Cultural Agreement to be signed between Turkey and the Soviet Union. A Turkish draft Agreement had been submitted to the Russians.

This provides for the exchange of artistes, actors, musicians, and scientists, which has in fact been going on already for some years. This would be the first Cultural Agreement signed between the two countries. Informed sources said that the Russians had proposed an exchange of students between the two countries, but that the Turks had refused this, presumably on the ground that such an exchange would expose their students to ideological subversion.

Turkish Press reports on Mr. Erkin's visit were optimistic on the subject of getting Soviet support for the Turkish position on Cyprus. They took the line that the Soviet Government had confirmed its opposition to enosis (union with Greece) and some papers suggested that the Russians also favour the Turkish thesis of a Federation of Cyprus, based on the separation of the Turkish and Greek communities.

Mr. Metin Toker, son-in-law of Mr. Ismet Inonu, the Turkish Prime Minister, writing for the Istanbul newspaper **Hurriyet**, said that the Russians favour federation for Cyprus because their own regime in the Soviet Union is a federation in which 15 different nations live side by side.

There is also talk of increased trade between the two countries and the possibility of Soviet economic aid for various Turkish projects. Turkey is examining the question of selling to Russia exports which she cannot get the West to buy.

(*Tass* and *The Times*, London)

[Prev. ref. 4413:TUR:A]

B. New Rail Project: A new railway line 62 miles long in Eastern Turkey was opened on October 25 to passenger traffic by Mr. Ismet Inonu, the Prime Minister, bringing one of the major development projects of the Central Treaty Organization (CENTO)—the linking of the rail systems of Turkey and Iran—a stage nearer completion.

The railway from Europe towards the east, which previously ended at the Turkish town of Mus, has now been extended to Tatvan, on the western shore of Lake Van. The route will continue from there by train ferry across Lake Van to link up with the Iranian railways at Sharafkhaneh.

It is expected to complete the link by 1967, making it possible for the first time to travel from London to Tehran by train without having to go through the Soviet Union.

The opening ceremony at Tatvan was attended by six Ministers of the Turkish Government, the Secretary-General of CENTO, Dr. Abbas Khalatbary, the British Ambassador, Sir Denis Allen, and representatives of the United States, Iran and Pakistan.

Vessels to act as train ferries across Lake Van are being built in Istanbul. They will later be transported to Tatvan and assembled on the Lake. The water crossing of about 50 miles from Tatvan to the town of Van on the eastern side of the Lake will take about 3½ hours. Construction of the 30-mile section from Van to Khotur on the Iranian frontier will begin next Summer and will connect with the stretch being built westwards by Iranian engineers. The United States announced a loan of $10,500,000 for this section earlier this year.

The most difficult part of the new line, from the construction point of view, has been between the Iranian frontier and Sharafkhaneh, the Iranian railhead from Tabriz. Here 80 miles of track have had to be blasted through almost impenetrable mountains. In one 11-mile section three million tons of rock had to be displaced, and the stretch includes 126 bridges and four major tunnels.

Here the line rises in only 20 miles from below sea level to 10,000 feet up in the mountains of western Iran, in a series of spirals. About half the stretch is now completed. For this section the United States made a loan of about $8 million this year. Britain, which has taken an interest in the railway throughout, has supplied £100,000 worth of bulldozers, excavators and other equipment.

When completed in 1967, the railway will have great economic importance through the development of untapped mineral and agricultural resources in Eastern Turkey, and in bringing life to inaccessible regions. It will also provide a valuable new trade outlet for Iran, to Istanbul and Europe.

(*The Times*, London)

C. Proceedings Against Authors: Proceedings have been opened against nine well-known Turkish writers, including Yashar Kemal, author of the best-selling novel *Memed, My Hawk*, after a protest march by the writers against the banning of a Turkish translation of a book by the 18th-century French Revolutionary author, Babeuf.

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The nine writers made a silent protest march across Istanbul, and laid a wreath on the statue of Kemal Ataturk, at Taksim Square, in the centre of the city. They were detained by the police on a charge of contravening the law governing demonstrations.

Meanwhile, there has been a violent reaction by the Right-wing Press to the publication by the Left-wing weekly **Yon** (Direction) of some poems written by the Turkish communist poet, Nazim Hikmet.

Hikmet, probably Turkey's greatest poet of the century, spent most of his life either in prison or in exile. He died last year.

The newspaper **Yeni Istanbul**, organ of an extreme Right-wing faction of the Opposition Justice Party, asserted on November 2 that the present rapprochement between Turkey and the Soviet Union was encouraging communist elements in Turkey.

(*The Times*, London)

VIET-NAM (RVN)

A. Election Of Head Of State And Premier: The High National Council at a meeting in Saigon on October 24 chose Mr. Phan Khac Suu, a 63-year-old engineer and elder statesman, as Head of State.

The Council, a 17-man body appointed in August to set up a Government, maneuvred for days before naming a Head of State.

After several false starts, the Council rejected Maj-Gen. Duong Van Minh, who almost until the last minute was considered the most likely choice.

Mr. Suu's election was welcomed by the US Ambassador, Gen. Maxwell D. Taylor and the American Mission as "another positive step towards the objective of establishing an effective civilian Government."

Leaders of the country's two main religious groups—the Buddhists and the Roman Catholics—voiced a similar view. Two religious delegations paid formal calls on the Council, the body set up to draft the new Constitution and elect the Head of State.

Mr. Suu designated Mr. Tran Van Huong, a 61-year-old nationalist politician, as Premier.

Mr. Huong replaced Maj-Gen. Nguyen Khanh, who had led a "caretaker" Government since he was forced to step down amid rioting and confusion in Saigon late in August.

Mr. Suu, the fifth Head of State in the country's 10 years of existence as an independent ratio, was officially installed on October 28. The ceremony brought to an end 360 days of military rule.

In a brief ceremony in Gia Long Palace, Mr. Suu accepted the resignation of Maj-Gen. Nguyen Khanh as Premier and the resignations of all the Ministers of the "caretaker" Government that had ruled the country on an interim basis.

Maj.-Gen. Duong Van Minh also submitted the resignation of the military triumvirate that had accumulated the functions of Head of State at the height of the political rioting that toppled General Khanh's Presidential regime two months before.

Mr. Tran Van Huong formally took charge as Premier on October 31.

In keeping with the terms of the new Constitution, Mr. Huong was selected by the Head of State, Mr. Phan Khac Suu. Mr. Huong must present a summary of his policies to the 17-member Council before it approves him.

New Government Formed:

Mr. Tran Van Huong completed on November 4 formation of the new Government and presented the Cabinet list to the Head of State, Mr. Suu.

The Cabinet includes 14 members, among whom are two Ministers of the outgoing Cabinet headed by Gen. Khanh.

Maj.-Gen. Nguyen Khanh, the outgoing Premier, will be Commander-in-Chief of the armed forces, but he is not in the Cabinet.

The new Foreign Minister is Mr. Pham Dang Lam, who was Secretary-General of the Foreign Affairs Ministry under the Diem regime and was Minister in the short-lived Government that followed the expulsion of President Diem a year ago.

Neither of the main religious groups, the Buddhists and the Roman Catholics, was enthusiastic about the selection. It appeared that there would be criticism also from political and student groups.

Several prominent politicians associated with Mr. Huong declined to take part in the Government, apparently feeling that it lacked necessary support from the main pressure groups.

Some of the new Ministers had held high civil service posts in the Diem administration.

A United States Mission spokesman in Saigon described the formation of the Government as "a further orderly step in the programme announced on August 27 to establish a sound new basis for government in this country."

He said the support of the entire nation would be required in facing the "critical tasks of eliminating the Viet-Cong threat and developing the nation."

The new Government includes:

Premier and Minister of National Defence—Mr. Tran Van Huong;

First Deputy Premier and Minister of Interior—Mr. Nguyen Luu Vien;

Second Deputy Premier and Governor of the National Bank—Mr. Nguyen Xuan Oanh;

Minister of Foreign Affairs—Mr. Pham Dang Lam;

Justice—Mr. Lu Van Vi;

Information—Mr. Le Van Tuan;

Economic Affairs—Mr. Nguyen Duy Xuan;

Finance—Mr. Luu Van Tinh;

Rural Affairs—Mr. Ngo Ngoc Doi;

Public Works—Mr. Le Si Ngac;

Culture and Education—Mr. Phan Tan Chuc;

Health—Dr. Tran Quang Dieu;

Social Welfare—Mr. Dam Sy Hien;

Labour—Mr. Nguyen Huu Hung; and

Minister at the Premier's Office—Mr. Pham Van Toan.

The new Government found itself faced with a challenge to its authority immediately after its formation.

The acting Chairman of the High National Council, Dr. Nguyen Xuan Chu, announced his resignation over the new civilian Government.

His grounds were that the Cabinet did not enjoy the people's confidence and contained personalities connected with the old regime.

A Cabinet of "technicians" had some justification during the first military junta's rule, with policy-making functions tightly in the army's hands; a repeation of the exercise in the present circumstances was another matter.

This was not entirely Mr. Huong's fault. The small coterie of acceptable politicians who have not been besmirched by the past did not wish to prejudice their political future by early association with a shaky administration.

Mr. Huong, therefore, had to content himself with a purely functional Cabinet.

(*The Statesman*, Calcutta and *The New York Times*)

[Prev. ref. 6106: RVN: A]

B. Floods: About 1,000 persons lost their lives in floods in Central Viet-Nam in the second week of November.

Refugees poured into major cities and American officials reported that up to 45,000 were homeless in the city of Da Nang alone. Viet-Cong guerrillas shot low-flying helicopters carrying out relief missions, but no casualties were reported.

Special security checks were set up for refugees moving into the cities in an attempt to prevent Viet-Cong agents mingling with them. Mass immunization programmes were undertaken at refugee centres.

The floods struck the central coastal plain a few days after the harvesting of a good rice crop had been completed.

Military units mostly turned from combat to relief operations with US Army helicopters playing a key role.

Several outlying districts of Binh Dinh province were in a serious plight, and an American spokesman said medical help was needed. In the neighbouring Quang Ngai province 70 to 90 per cent of the coastal plain, where more than 500,000 people live, was under water.

United States Army Lieutenant-Colonel John C. Hughes, Commander of the 52nd Aviation Battalion, which had been flying helicopter missions in Binh Dinh, said: "We are being shot at more than 50 per cent of the time by Viet-Cong."

(*The New York Times* and *The Times*, London)

C. Viet-Cong Attack On American Base: On November 1 four US personnel were killed and 32 wounded when Viet-Cong guerrillas attacked the Bien Hoa air base, 30 kilometres north-east of Saigon.

Reports said that 27 aircraft were set on fire when about 100 mortar shells fell on the air base in less than 15 minutes. The bombardment seemed to have been prepared carefully, judging by the accuracy of the shooting. The firing came from only one position situated in a jungle area some 3,300 metres north of the Bien Hoa base.

The alarm was given soon after the shelling started. Simultaneously sky-raiders took off to neutralize the Viet-Cong positions, but the guerrillas seemed to have withdrawn immediately after their attack. Viet-Namese Government land forces went into action after the attack, pursuing the Viet-Cong.

The Bien Hoa base is the biggest in South Viet-Nam which accommodates several squadrons of B-57 bombers and sky-raider fighter-bombers as well as an unknown number of U-2 reconnaissance planes.

US military sources said the attack on the key US installation at Bien Hoa could be repeated at a dozen or more bases in South Viet-Nam.

"What is surprising is that the Viet-Cong did not strike sooner", an American Major at Bien Hoa said. "When it suits them, I am sure, they will do it again".

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On November 2, the US President, Mr. Lyndon Johnson, sought means to tighten defences against mortar attacks such as raked the Bien Hoa air base. He immediately replaced the jet bombers destroyed in that strike.

The President's post-attack steps were announced by the White House after a 75-minute meeting between Mr. Johnson and top aides including the Secretary of State, Mr. Dean Rusk, the Secretary of Defence, Mr. Robert McNamara, and others.

The US Administration tended to regard the affair as serious because of the loss of life and planes, but not as a major development in the long-drawn-out war against the insurgents. It was seen as an episode of a type difficult to prevent in such a war where the enemy had many opportunities for such hit-and-run surprise attacks.

Authoritative sources said that "appropriate further steps" were being considered by the US advisers in Saigon in co-operation with the Viet-Namese Government.

Mass Raids On Guerrilla Base:

Air Force fighter bombers launched on November 7 mass raids with 50-lb bombs, rockets and napalm against a communist guerrilla base, 12 miles north-east of Bien Hoa. The base was later reported to have been wiped out.

The raids were in retaliation for the November 1 mortar attack by Viet-Cong forces on Bien Hoa air base in which six Americans were killed or wounded and 28 aircraft damaged or destroyed (see above).

The Air Force Commander, Brig.-Gen. Nguyen Cao Ky, who flew on one mission himself, said the raids were highly successful.

An Air Force spokesman said three separate air strikes were ordered against the Communist base over a ten-hour period. The attacking force of 24 Sky-raiders met Communist ground fire, but received no damage.

Reconnaissance planes which flew over the area later reported that the base had been wiped out.

The Air Force spokesman said the Viet-Cong base had included about 150 buildings and an ammunition dump.

Government Casualties In Guerrilla Warfare:

An American military spokesman said in Saigon on October 18 that Government forces had lost 11,215 dead or wounded in 14 weeks. This equalled the casualties for the first six months of the year.

Observers called the figure unprecedented for such a short period in the guerrilla war.

Viet-Cong casualties for the same period were 5,355 compared with 9,000 for the six months of the year.

The spokesman said, however, that an estimated 75 per cent of the Viet-Cong casualties were fatalities compared with the Government's 25 per cent.

On October 24, a US military spokesman said an American Air Force C-123 transport plane with seven men aboard was brought down by Viet-Cong ground fire in the rugged Quanc Du province, 100 miles from Saigon. The aircraft caught fire after crashing and rescue planes saw ammunition aboard it exploding.

North Viet-Nam Complaint To ITSC:

Meanwhile, on October 7, the North Viet-Namese Army High Command complained to the International Truce Supervisory Commission (ITSC) that 180 fishermen had been killed and 200 wounded in bombing and strafing attacks made on a fishing fleet in North Viet-Nam by aircraft of the South Viet-Nam Air Force.

The complaint, routed through Col. Ha Van Lau of the North Viet-Nam liaison mission, to Mr. M. A. Rahman, Indian Chairman of ITSC, said that some 400 fishermen were fishing as usual in Ong Keo river in the border province of Bien Hoa a week before when the group of vessels came under air attack. As villagers were assisting the survivors, the planes returned and attacked the fleet for a second time. The whole area then came under artillery fire from South Viet-Nam military contingents.

The incident was described as a bloody massacre by the North Viet-Namese who saw US instigation in the bombings.

The Note asked the Commission to condemn the incident as a violation of the Geneva Agreement by the Khanh administration and USA.

The Commission was also requested to take urgent steps to ensure from the South Viet-Nam authorities immediate medical care for the victims of the attack and compensation for their families.

(*The Statesman*, Calcutta, *The Times of India*, Bombay and *The New York Times*)

[Prev. ref. 5933:RVN:A, 6022:RVN: B, 6106:RVN:A]

D. Request To UN For Arbitrator: South Viet-Nam has asked the UN Secretary-General, U Thant, to appoint a renowned jurist as arbitrator between South Viet-Nam and Cambodia.

The request was made in a Note dated November 3, but published on November 12.

The main task of the arbitrator will be to put a stop to the repeated border incidents between the two countries.

South Viet-Nam said the incident of October 28 in which eight Cambodians were killed by shots fired from planes had been caused through an error by the pilot and by the nuclear delineation of the border.

The Note repeated the suggestion that the border be marked and an international police force be entrusted with its supervision.

(*The Statesman*, Calcutta)

[Prev. ref. 6052:CAM:A]

ASIA OUTSIDE ASIA

SUMMARY: "Summit" Conference Of Non-aligned Countries; Mr. N. Khruschev Resigns From Soviet Premiership; Mr. L. B. Johnson Elected US President; Nobel Prizes.

A. "Summit" Conference Of Non-Aligned Countries In Cairo: The Second Conference of Heads of States or Governments of non-aligned countries began on October 5 in the Cairo University Auditorium.

President G. A. Nasser of UAR, as Head of State of the host country, inaugurated the Conference, welcoming the delegations of 46 African, Asian, European and Latin American countries, together with 10 delegations of observers. Representatives of 10 liberation organizations, including the Palestine Liberation Organization, and a large number of diplomats were also present.

President Nasser said this was one of a chain of conferences of international importance, others being those held in Bandung, Addis Ababa and Belgrade.

Referring to the first Non-aligned "Summit" Conference held in Belgrade in 1961, he said the main issue then had been war and peace. World tension and the 'cold war' were at their height and there was a danger of a devastating nuclear catastrophe. Imperialism in Africa was fighting to maintain its position and nuclear tests were resumed on the same day the Conference met in Belgrade.

He paid tribute to the memory of the late Mr. Jawaharlal Nehru of India who, at that Conference, had made an appeal for freedom. There had been vast changes since then. Tensions had relaxed and many people had obtained their freedom. Many voices were heard now which said that non-alignment had lost its raison d'etre in view of the relaxation of tensions between the two world blocs.

But, he said: "First, non-alignment is not bargaining in the struggle between the two camps, seeking to get as many concessions from each as possible. This is not the case as we spent our greatest effort to reduce that strife.

"Second, non-alignment is not a policy which seeks to isolate itself from world problems. We have contributed to discussing these problems and proposed solutions."

He said that changes in the international situation did not affect the policy of non-alignment, which in the final issue was a grouping for peace based on justice. This aim had not yet been achieved. But some ground had definitely been covered. There was great progress in the scientific field and in the means of nuclear destruction and nuclear missiles carried by rockets. Every one had realised there was no alternative but either living in peace or the suicide of the human race.

He added: "Imperialism in all its forms must be eliminated. Imperialism is an explosive element in our time. There are vast differences between the standard of living of the developed and the underdeveloped countries.

"For many centuries past, our wealth was taken from us. We demand justice in a world which is becoming closer together and as one. The operation of confrontation against the peoples which aim at liberation and advancement must stop.

"The small wars are there in South America, Asia and Africa. Trade in mercenaries is being carried on without caution or shame. The United Nations must be ready to fulfil the hopes of all nations like China whose place is empty in the United Nations".

Agenda:

The Foreign Ministers of the non-aligned countries had earlier approved the draft agenda of the Conference.

An official spokesman said that the meeting had unanimously decided to accept Zambia as a full member and give the right to the members of the regional organizations, namely, the Arab League and the Organization of African Unity, to deliver speeches at the Conference.

It was also decided by the meeting that two committees should be formed. The first

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was the Political Committee and the other was the Economic and Cultural Committee.

The following subjects were included in the agenda of the Conference:

(1) General discussion of the international situation.

(2) The preservation of world peace and security, supporting this peace and developing the positive role of new countries and the national movements in the settlement of international problem.

(a) Undertaking joint action for the liberation of satellites as well as destroying imperialism, neo-colonialism and colonialism;

(b) To respect the right of peoples to self-determination to denounce the use of force in preventing peoples from enjoying this right;

(c) Racial discrimination and segregation policy;

(d) The settlement of differences without threatening or using force, in accordance with the UN principles;

(e) The respect of the sovereignty of countries and the unity of their territories, and the problems of divided nations;

(f) Peaceful co-existence and the control of its principles by the UN;

(g) Complete and total disarmament, the use of atomic energy for peaceful purposes, ban on all nuclear tests, establishment of denuclearized zones, prevention of the spread of nuclear weapons and total destruction of existing nuclear weapons;

(h) Foreign military pacts, troops and bases; and

(i) The UN, its role in international affairs, implementation of its resolutions, and modification of its Charter.

(3) Economic development and co-operation.

(a) Effects of disarmament on world economic development;

(b) The UN Trade and Development Conference.

(4) Cultural, scientific and educational co-operation, and re-inforcement of world and regional organizations working to this end.

(5) Other topics.

Main Speeches:

A warning of impending conflict between the powerful, wealthy nations of the world and the under-developed countries was sounded at the Conference on October 6.

The Conference heard the Indonesian President, Dr. Sukarno, Marshal Tito of Yugoslavia and the Tunisian President, Mr. Habib Bourguiba, outline the possible conflict as a military one or an economic explosion between the world's well-fed minority and the hungry majority.

President Sukarno sprang a surprise by what was thought in Cairo as a projection of the Chinese thesis that peaceful co-existence was a problem between Powers of unequal strength and not between those of equal strength.

He asked how co-existence could be applied to situations in Malaysia, Cyprus, Viet-Nam and Cambodia, complaining that in all these cases military bases and sometimes economic institutions too, which were established by forces trying to maintain the vested interests of the old order of the world, were being used against developing countries.

In a speech, considered by observers as accepted in favour if Peking, he told the non-aligned statesmen that "peaceful co-existence cannot be imposed." "Peaceful co-existence must be and always will be practised in the concrete condition of balance of forces. There will be peaceful co-existence between developing countries and imperialist States only when we can face them with equal strength." The main purpose of the Conference was to improve the lot of mankind. "Do not we all dream of a new world?"

Stressing the results achieved by the non-aligned nations since the Bandung meeting in 1955, he observed that "new forces are emerging" in the world.

He urged the setting up of a Co-ordinating Committee to work for "genuine liberation of the newly independent people."

He denounced what he called the "new forms of intervention" by the Great Powers.

President Tito of Yugoslavia called on the Conference "to demand resolutely that a beginning should be made in solving the question of general disarmament."

He referred to all the demands continually voiced by the non-aligned nations —eradication of colonialism and racial discrimination, sanctions against South Africa and aid to developing countries being an obligation of the developed countries—and warned that "events have occurred of late, which jeopardize the relaxation of tensions that has already been achieved."

He re-iterated Mr. Khruschev's thesis that border conflicts should be solved in a peaceful manner through negotiations between the countries directly concerned, and called for a solution to the German problem by direct talks between the two German States.

On racial discrimination, he said: "Racial discrimination and its most odious form, apartheid, in the Republic of South Africa, are a disgrace to mankind today. We must strive to have the sanctions against the Government of the Republic of South Africa, demanded by the United Nations and the Organization of African Unity put into effect."

He said there had recently been interference in the affairs of South-East Asia, Congo and Cuba. There had even been unjustified military interference. He expressed concern over what he described as "interference in South-East Asia because it threatened a spread of the dispute."

He suggested that the Conference should study the adoption of the policy of peaceful co-existence through UN.

President Bourguiba of Tunisia warned the non-aligned countries not to belittle the "new atmosphere of relaxed tensions between East and West, no matter how limited it may be."

But one of the world's great problems was the increasing gap between the prosperous minority and the hungry majority. "If this situation continues, we fear the weak and hungry peoples will have no course open but revolution. We must take action now before it is too late."

The Laotian Premier, Prince Souvanna Phouma condemned the "brutal type of foreign intervention" which, he said, his strife-torn nation had undergone. "Old and new imperialism are as alike as two brothers."

He called on the Conference to ask all the signatories of the 1962 Geneva Agreements on Laos to abide by its terms and help bring peace to South-East Asia.

He urged "concerted action" by the non-aligned nations to foster disarmament and the banishment of any threat or use of force in settling disputes.

He thanked India for what he said was her understanding of Laos' problems, and helping us to regain neutrality."

Mr. Lal Bahadur Shastri's Speech:

The Indian Prime Minister, Mr. Lal Bahadur Shastri, told the Conference on October 7 that the "time has now come to formulate a positive programme in the furtherance of peace."

He said: "We are meeting in this celebrated capital of a historic land. It is our esteemed friend, President Gamal Abdul Nasser who—together with President Tito and Prime Minister Sirimavo Bandaranaike —took the welcome initiative which has brought us all to Cairo from the four corners of the globe.

"Many of my distinguished colleagues have referred feelingly to the passing away of one of the founding fathers of the non-aligned movement, namely, our late Prime Minister, Pandit Jawaharlal Nehru. His departure has left an aching void in the hearts not only of his own countrymen but also in those of all the peace-loving peoples of the world. There is perhaps not one of us who does not miss his presence in this Conference, to whose aims and aspirations he had contributed so much. His voice, alas, is silent; but his message will continue to inspire all those striving for peace, international understanding and the freedom and dignity of man.

"It is indeed a unique gathering that we have here. What unites us and brings us together is not any pact, not any alliance, not even a common allegiance to any particular dogma or doctrine. By being non-aligned we have asserted and proclaimed the right to think for ourselves and to speak for ourselves. Our voice is not an echo. It is the authentic voice of the people we represent and for whom we speak. And we and our people share and agree upon certain ideals and certain objectives. First and foremost, we believe in peace, in the settlement of all disputes through peaceful means, in the abolition of war and more particularly nuclear war. Secondly, we believe in freedom—freedom for the people of each country to follow their destiny without external interference, and above all, we believe in the dignity of man as an individual, whatever his race, colour or creed, and his right to a better, fuller, and richer life.

"The non-aligned nations have the supreme task to chalk out in the light of the latest developments in the world a programme of action which should be followed in pursuit of their common objectives. The time has now come to formulate a positive programme in furtherance of peace. The main elements in the programme in our view should be the following five points:

"(1) Nuclear disarmament;

"(2) Peaceful settlement of border disputes;

"(3) Freedom from foreign domination, aggression, subversion and racial discrimination;

"(4) Acceleration of economic development through international co-operation; and

"(5) Full support for the United Nations and its programmes for peace and development.

"Many of those assembled here might recall how strongly the first Non-aligned Nations' Conference at Belgrade felt on the subject of nuclear tests and how separate missions were sent to USA and to USSR to persuade them to desist from further tests. With this background in mind, this Conference should consider the recent disturbing indications which suggest that China is about to explode a nuclear device.

"I would propose that we might consider sending a special mission to persuade China to desist from developing nuclear weapons. I say this not because India and China have their differences today; these differences must sooner or later be resolved. But the threat to humanity from one more country having nuclear

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weapons at its disposal is a far more serious matter.

"We in India stand committed to use atomic energy only for peaceful purposes and even though in a purely technical and scientific sense, we have the capacity of developing nuclear weapons, our scientists and technicians are under firm orders not to make a single experiment, not to perfect a single device which is not needed for the peaceful uses of atomic energy. Despite all our differences, may I venture to take this opportunity of appealing through this Conference to China to accept a similar discipline."

Referring to countries under colonial rule, he said: "While we stand pledged to the right of self-determination for dependent territories under colonial rule, I would like to sound a note of caution. Self-determination is the right of any country that is dominated by another. But there can be no self-determination for different areas and regions within a sovereign and independent country, for this would lead only to fragmentation and disruption, and no country's integrity would be safe."

Other Speeches:

President Ahmed Ben Bella of Algeria proposed the convening of a new non-aligned conference to discuss primarily the problems of economic development.

He also advocated the convening of a World Disarmament Conference.

He vigorously supported UN, which he termed as an instrument of peace, and advocated its strengthening. "Democratization of UN will be reached if the widest possible circle of Asian, African and Latin American countries take their seats in UN."

He also supported China's admission to UN.

President Kwame Nkrumah of Ghana submitted a five-point proposal:

(1) The non-aligned countries should appeal to UN and request it to adopt a declaration to abolish all remnants of colonialism and imperialism. All dependent countries should be immediately granted independence.

(2) The UN's peace role should be expanded.

(3) The 77 nations which drew up the declaration on economic development at the recent Geneva Conference on Trade and Development should extend its scope in the interests of more rapid economic development.

(4) China should be admitted to UN before the end of the year.

(5) All kinds of nuclear tests, including underground tests, should be banned.

Nigeria's Minister of State, Mr. Bamali Nuhu, said that the Conference should concentrate on "a sober re-appraisal of world problems" instead of propagandistic declarations.

He said that the Nigerian Government was "concerned at the short-sighted, intransigent attitude of the rulers of South Africa". It was "dedicated to restoration of human dignity there."

He asked the Conference to support a move for stopping all trade with South Africa and declare the situation in that country "a threat to international peace and stability."

The Prime Minister of Burma, Gen. Ne Win, said the world faced an "ominous prospect of fall-out from yet more nuclear tests to come" and urged non-aligned countries to work for a complete halt to all nuclear testing.

Speculation in USA that Peking was near to exploding its first nuclear device had an impact among delegates but none, including Gen. Ne Win, condemned China by name.

President Tubman of Liberia warned the Conference that it was not enough that the danger of nuclear war should create an era of superficial peace. A new spirit must prevail over the world because man could not live in fear of war.

Expressing his country's belief in justice, freedom and independence, he said that non-aligned nations must form an effective moral force and great international road on which nations would find amicable settlement of disputes and a world peace based on justice and equality.

Rejecting the idea that the interests of one nation entitled it to interfere politically and militarily in the affairs of a neighbouring or distant country, President Sekou Toure of Guinea said that non-alignment should prevent the division of the world into spheres of influence.

The Conference should affirm that no nation was more responsible than another in international politics. Big Powers should be made to understand the collective will for real independence which makes impossible any phenomenon of imperialism.

The Cambodian Prime Minister, Prince Norodom Kantol, attacked US policy and warned that the Indo-China problem could develop into a world war.

The tragedy of Indo-China was caused by the blunder of Big Powers refusing to fulfil the letter and spirit of the Geneva Agreement. The USA had "violated" the Agreement when it tried to replace the withdrawing French forces and sent military personnel of its own, falsely called experts, to take part in the "fighting" in South Viet-Nam.

The Ceylon Prime Minister, Mrs. Sirimavo Bandaranaike, told the Conference on October 8 that conditions were not ripe for fresh action by the Colombo Powers to solve the Sino-Indian dispute. But they would continue contacts with each other so as to settle this problem peacefully.

She proposed that the Conference accept a resolution on denuclearization of Africa, the Indian Ocean and South Atlantic.

She also proposed that non-aligned countries codify the principles of peaceful co-existence and follow this up at the UN General Assembly with a corresponding draft resolution.

ways to safeguard peace and security not only for ourselves but for all.

"This Conference, which is taking place three years after the first meeting in Belgrade and which is developing the sign of vigorous growth of non-alignment, has the task not only to re-affirm the policy of non-alignment but also to develop it."

Crown Prince Hassan Al Reda of Libya declared his country's support for all liberation movements, asserting that "Libya has suffered a great deal from imperialism and its evils."

He requested that the Conference support the Palestine Liberation Committee recently formed with the aim of restoring Palestine Arabs to their former homes.

King Mahendra of Nepal extended Nepal's support for the fight against colonialism everywhere.

He claimed that the spirit generated at the first Non-aligned Conference in Belgrade in 1961 was "one of the factors in the improved international climate today."

President Makarios of Cyprus said that since Cyprus had become independent she had been subjected to pressure to drop her policy of non-alignment. But she had maintained her faith in non-alignment.

He said if what had been announced about the imminence of China exploding a nuclear bomb were true, it was a matter which caused concern. He agreed with the Indian Prime Minister, Mr. Lal Bahadur Shastri, that the Conference should address an appeal to China to refrain from conducting nuclear tests.

Homage To Mr. Nehru:

The Conference observed a minute's silence in memory of the late Indian Premier, Mr. Jawaharlal Nehru on October 7.

President Kwame Nkrumah of Ghana suggested the commemoration. He said: "The Conference missed the wise counsel of Mr. Nehru."

Mr. Lal Bahadur Shastri told the Conference that Mr. Nehru's "departure has left an aching void in the hearts of not only his own countrymen but also in those of all peace-loving peoples of the world."

President Johnson of USA in his message to the Conference, referred to the late President Kennedy's role in obtaining the Nuclear Test Ban Treaty and contribution to world peace and said: "Another great peace-maker, Mr. Jawaharlal Nehru, has also been taken from us. But his visions for a better world were never more alive than now."

Emperor Haile Selassie of Ethiopia paid tribute to Mr. Nehru and said that Mr. Nehru's death was an "inestimable loss to mankind."

Conference Ends:

The Conference ended at midnight on October 10, after approving its resolutions.

President Nasser thanked the delegates for their presence and congratulated them on the resolutions.

He said: "May the flags of peace based on justice be flown higher and higher, casting their shadow on the entire world and may peace and God's mercy be on you."

President Ahmed Ben Bella proposed the addition of a passage to the statement embodying the Conference's resolutions. The passage, which was approved by the Conference at the closing sitting, expressed the Conference's conviction that the formation of the Organization of African Unity constituted an important contribution towards the consolidation of peace in the world and towards the support of the policy of non-alignment and peace in the world.

Under the Algerian leader's proposal, the Conference also declared that the Organization of African Unity's activities should be co-ordinated for the protection of the mutual interests of the African countries within the frame-work of economic, cultural and social development and within the scope of international co-operation.

Resolutions:

Under the title "Programme for Peace and International Co-operation", the Conference published on October 11 its resolutions.

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The resolutions, in part, were as follows:

"The Conference undertook an analysis of the international situation with a view to making an effective contribution to the solution of the major problems which are of concern to mankind in view of their effects on peace and security in the world.

"To this end and on the basis of principles embodied in the Belgrade Declaration of September, 1961. The Heads of State or Government of the non-aligned countries proceeded in an amicable, frank and fraternal atmosphere to hold detailed discussions and an exchange of views on the present state of international relations and the predominant trends in the modern world.

"The Heads of State or Government of participating countries note with satisfaction that nearly half of the independent countries of the world have participated in this second non-aligned conference....

"The principles of non-alignment, thanks to the confidence they inspire in the world, are becoming an increasingly dynamic and powerful force for the promotion of the peace and welfare of mankind.

"The participating Heads of State or Government note with satisfaction that thanks to the combined efforts of the forces of freedom, peace and progress, this second Non-aligned Conference is being held at a time when the international situation has improved compared with that which existed between the two Power blocs at the time of the historic Belgrade Conference.

"The Heads of State or Government of the non-aligned countries are well aware, however, that despite the present improvement in international relations and notwithstanding the conclusion and signature of the Treaty of Moscow, sources of tension still exist in many parts of the world.

"This situation shows that the forces of imperialism are still powerful and that they do not hesitate to resort to the use of force to defend their interests and maintain their privileges. This policy, if not firmly resisted by the forces of freedom and peace, is likely to jeopardize the improvement in the international situation and the lessening of tension which has occurred, and to constitute a threat to world peace.... The Conference reaffirms that interference by economically developed foreign States in the internal affairs of newly independent or developing countries and the existence of territories which are still dependent constitute a standing threat to peace and security.

"The Heads of State or Government of the non-aligned countries, while appreciative of the efforts which resulted in the holding of the United Nations Conference on Trade and Development, and mindful of the results of that Conference, nevertheless note that much ground still remains to be covered to eliminate existing inequalities and relationships between industrialized and developing countries.

"....The Heads of State or Government have arrived.... at a common understanding of various problems with which the world is now faced and a common approach to them. Re-affirming the basic principles of the Declaration of Belgrade, they express their agreement upon the following points:

"Section 1: Concerted action for the liberation of countries still dependent, elimination of colonialism, neo-colonialism and imperialism;

"The participants in the Conference deplore that the declaration of United Nations on granting independence to colonial countries and peoples has not been implemented everywhere and call for unconditional, complete and final abolition of colonialism now.

"At present a particular cause for concern is the military or other assistance extended to certain countries to enable them to perpetuate by force colonialist and neo-colonialist situation....

"Exploitation by colonialist forces of difficulties and problems of recently liberated or developing countries, interference in the internal affairs of these States and colonialist attempts to maintain unequal relationships, particularly in the economic field, constitute serious dangers to these young countries.

"The Conference condemns all colonialist, neo-colonialist and imperialist policies applied in various part of the world.

"On the rapidly deteriorating situation in Congo, the participants:

"(1) Support all efforts being made by the Organization of African Unity to bring peace and harmony speedily to that country,

"(2) Urge the ad hoc commission of the OAU to shirk no effort.... to achieve national reconciliation in Congo,

"(3) Appeal to the Congolese Government and all combatants to cease hostilities immediately....

"(4) Urgently appeal to all foreign Powers at present interfering in the internal affairs of the Democratic Republic of Congo, particularly those engaged in military intervention in that country, to cease such interference....

"(5) Affirm full support for.... the OAU's ad hoc commissions....

"(6) Call upon the Government of the Democratic Republic of Congo to discontinue the recruitment of mercenaries immediately and expel all mercenaries of whatever origin who are already in Congo to facilitate an African solution.

"..... The process of liberation is irresistible and irreversible. Colonized peoples may legitimately resort to arms to secure the full exercise of their right of self-determination and independence if the colonial Powers persist in opposing their natural aspirations.

"Participants in the Conference undertake to work un-remittingly to eradicate all vestiges of colonialism, recognize nationalist movements of peoples which are struggling to free themselves from colonial domination.... and urgently call upon the colonial Powers to negotiate with their leaders.

"Portugal continues to hold in bondage by repression, persecution and force in Angola, Mozambique, so-called Portuguese Guinea and other Portuguese colonies in Africa and Asia millions of people....

"The Conference declares its determination to ensure that peoples of these territories accede immediately to independence without any conditions or reservations.

"The Conference condemns the Government of Portugal for its obstinate refusal to recognize the inalienable right of the peoples of those territories to self-determination and independence....

"The Conference:

"(1) Urges the participating countries to afford all necessary and material support —financial and military—to freedom fighters in the territories under Portuguese colonial rule;

"(2) Takes the view that support should be given to the revolutionary government of Angola in exile and nationalist movements struggling for the independence of Portuguese colonies....;

"(3) Calls upon all participating States to break off diplomatic consular relations with the Government of Portugal and take effective measures to sever all trade and economic relations with Portugal....

"The countries participating in the Conference condemn the policy of the racist minority regime in Southern Rhodesia.... urge all States not to recognize the independence of Southern Rhodesia if proclaimed under the rule of the racist minority and give favourable consideration to according recognition to an African nationalist Government-in-exile....

"The Conference calls upon the United Kingdom to convene immediately a constitutional conference.... for the purpose of preparing a new Constitution based on the one-man, one-vote principle....

"The Conference re-affirms the inalienable right of the people of South-West Africa to self-determination and independence and condemns the Government of South Africa for its persistent refusal to co-operate with United Nations in the implementation of pertinent resolutions of the General Assembly.

"The Conference recommends that United Nations should guarantee the territorial integrity of Swaziland, Basutoland and Bechuanaland and should take measures for their speedy accession to independence....

"Participants in the Conference call upon the French Government.... to enable French Somaliland to become free and independent....

"The Conference condemns imperialistic policy pursued in the Middle East and in conformity with the Charter of United Nations decides to:

"(1) Endorse the full restoration of the rights of the Arab people of Palestine to their homeland and their inalienable right to self-determination;

"(2) Declare their full support to the Arab people of Palestine in their struggle for liberation from colonialism and racism.

"The Conference condemns the continued refusal of the United Kingdom Government to implement the United Nations resolutions on Aden and the protectorates providing for the free exercise by peoples.... of their right to self-determination and calling for the liquidation of the British military base in Aden and the withdrawal of British troops from the territory.

"The process of liberation is irresistible and irreversible. Colonised peoples may legitimately resort to arms to secure the full exercise of their right to self-determination and independence if colonial Powers persist in opposing their natural aspirations. All international conflicts must be settled by peaceful means in such a manner that justice and legistimate rights are not impaired."

It recommended the UN General Assembly to adopt the declaration on the principles of peaceful co-existence.

Under the Section on respect for sovereignty of States and their territorial integrity, the Conference called upon all countries to respect the sovereignty, independence and territorial integrity of Cyprus, and refrain from threat or use of force or intervention.

It declared that Cyprus was entitled to "unrestricted sovereignty and independence" and her people must be enabled to determine freely the country's political future on the basis of the self-determination principle. The Conference also recommended the elimination of foreign bases in Cyprus.

It urged the conclusion of an agreement by the Great Powers on general, complete disarmament. They declared readiness to abstain from manufacturing, acquiring or experimenting with nuclear weapons and invited all countries to subscribe to a similar undertaking, and close ports and aerodromes to any ships and planes used by the Powers for dispositioning nuclear weapons.

The Conference hoped it would be possible to create denuclearized zones in Africa, Latin America, parts of Europe and in the oceans of the world by agreement of all States in such areas or bordering the oceans.

It urged the evacuation of Guantanamo base in Cuba and declared that the establishment of new bases in the Indian Ocean would constitute a menace to peace, security and independence in this region.

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It called for the "liquidation of the British military base in Aden" and backed "the struggle of the people of Aden and the protectorates."

It also made an accusation of "British colonialism" in Oman. It condemned the "manifestation of colonialism and neo-colonialism" in Latin America, calling for self-determination in that region.

It urged independence for British Guiana and regretted that Martinique, Guadaloupe and other Caribbean islands were still not self-governing.

It declared that peaceful co-existence between States with differing social and political systems "is both possible and necessary". States must abstain from all use of the threat of force against the territorial integrity and political independence of other States. "A situation brought about by the threat or use of force shall not be recognized."

The Tshombe Affair:

A Congolese special jet liner, carrying the country's controversial Premier, Mr. Moise Tshombe, was unable to land at Cairo airport on October 5 and had to seek landing facilities at Athens.

According to an airport source, the airport authorities radioed a message to the pilot of the aircraft that it could not be given landing rights if Mr. Tshombe was aboard and that in that case it should proceed to the next port. However, according to a Reuter report from Cairo, the Egyptian authorities denied that Mr. Tshombe's plane was turned away from Cairo airport. The report quoted "authoritative local sources" as saying that the plane had been diverted because an American private plane had radioed that it was in difficulties over Port Said and wanted to make an emergency landing at Cairo.

The aircraft, a Boeing, was bringing Mr. Tshombe to Cairo where he intended to lead his country's delegation to the Non-Aligned Conference despite a cable sent by Heads of the three of the sponsoring States—UAR, Yugoslavia and Ceylon—to President Kasavubu, making it clear that Mr. Tshombe would not be welcome at the Conference. The cable had requested Mr. Kasavubu to attend the Conference personally and not to send or bring Mr. Tshombe to avoid difficulties which could impede the normal work of the Conference.

The cable had been dispatched after a majority decision in the Political Committee of the Conference of Foreign Ministers on October 4 against Mr. Tshombe's participation.

Security guards held Mr. Tshombe in diplomatic quarantine in Cairo while leaders of the non-aligned nations met for the second day.

Police and security men ringed El Orouba palace, on the Cairo outskirts, where the Congolese Prime Minister was driven after a 45-minute wait at Cairo airport. They refused to allow Congolese diplomats in to see him, and guards told all comers that "the palace is in quarantine." Even the Congolese Charge d'Affaires was refused admittance, despite arguments with the police and sitting on the kerbside outside the palace in a fruitless wait.

The UAR Government told Mr. Tshombe on October 7 that he would not be allowed to leave Cairo until the staff of the UAR Embassy in Leopoldville were given safe conduct to leave Congo.

Egyptian and Algerian diplomats, whose Embassies had been surrounded by armed Congolese soldiers for 48 hours, were allowed to leave Leopoldvile on October 8.

They sailed from the Congolese Capital aboard two ferry boats bound for Brazzaville, Capital of the former French Congo, less than three miles away across the Congo River. All movement in and out of the two Embassies had earlier been halted to retaliate against the UAR's treatment of Mr. Tshombe in Cairo.

Mr. Tshombe, held a virtual prisoner in Cairo for the last two days, was earlier reported to have ordered his aides to free the staffs of the guarded UAR and Algerian Embassies in Leopoldville.

Mr. Tshombe arrived in Athens on October 9 from Cairo and told newsmen that his treatment by Egyptian authorities had been "inhuman".

He said he was "happy to be in a free country."

Asked if Egypt was a free country, he laughed and replied: "I don't know, but the treatment rendered by the Egyptian authorities was inhuman."

(*The Egyptian Gazette*, Cairo, *Cairo Radio*, *The Hindu*, Madras and *The Times of India*, Bombay)

[Prev. ref. 6154:CHI:B]

B. Mr. N. Khruschev Resigns From Soviet Premiership—New Appointments: The official Soviet news agency *Tass* announced on October 16 that Mr. Nikita Khruschev had stepped down as Russia's Prime Minister and Communist Party leader on grounds of old age and ill-health.

Mr. Leonid Brezhnev, former Soviet President and a senior member of the Party Secretariat, took over Mr. Khruschev's key role as the Party's First Secretary. Mr. Alexei Kosygin, First Deputy Prime Minister, succeeded him as Chairman of the Council of Ministers (Prime Minister).

Both had been closely associated with Mr. Khruschev during most of his 11 years as Russia's strong man.

Mr. Khruschev was present at the special meeting of the top members of the Party Central Committee which took the decisions.

The change in Soviet leadership followed a day of unconfirmed rumours that Mr. Khruschev was being ousted.

The Soviet Communist Party newspaper Pravda indicated on October 16 that the Party would continue to carry out policies of de-Stalinisation and economic improvements under its leadership.

The official announcement about the plenary meeting of the Central Committee said: "A plenary meeting of the Central Committee of the Soviet Communist Party was held on October 14.

"The plenary meeting of the Central Committee granted N. S. Khruschev's request to be relieved of his duties as the First Secretary of the Central Committee, member of the Presidium of the Central Committee and Chairman of the Council of Ministers of the Soviet Union in view of his advanced age and deterioration of his health.

"The plenary meeting of the CPSU Central Committee elected L. I. Brezhnev First Secretary of the CPSU Central Committee."

The appointment of Mr. Kosygin to the post of Prime Minister was made at a meeting of the Presidium of the Supreme Soviet.

The official announcement about this meeting said: "The Presidium of the Supreme Soviet of the Soviet Union met on October 15 with Comrade A. I. Mikoyan, the President of the Presidium of the Supreme Soviet of the Soviet Union, in the chair.

"The Presidium of the Supreme Soviet of the USSR discussed the question of Chairman of the Council of Ministers of the USSR.

"The Presidium of the Supreme Soviet of the USSR granted the request of Nikita Sergeyevich Khruschev on his relief from the duties of Chairman of the Council of Ministers of the USSR in view of his advanced age and deterioration of health.

"The Presidium of the Supreme Soviet of the USSR appointed Comrade Alexei Nikolayevich Kosygin as Chairman of the Council of Ministers of the USSR, releasing him from his duties of First Vice-Chairman of the Council of Ministers of the USSR.

"The decrees by the Presidium of the Supreme Soviet of the USSR on the relief of Comrade N. S. Khruschev from his duties as Chairman of the Council of Ministers of the USSR and on the appointment of Comrade A. N. Kosygin as Chairman of the Council of Ministers of the USSR were adopted unanimously by the members of the Presidium of the Supreme Soviet of the USSR.

"Members of the Presidium of the Supreme Soviet warmly congratulated Comrade A. N. Kosygin on his appointment to the post of Chairman of the Council of Ministers.

"Comrade A. N. Kosygin heartily thanked the Central Committee of the Communist Party of the Soviet Union and the Presidium of the Supreme Soviet of the Soviet Union for the confidence shown him and gave the assurance that he would do his utmost to discharge his duties."

Mr. Brezhnev, who is 57, is a commanding personality, and a powerful speaker. He had for some months been regarded as a hot favourite to succeed Mr. Khruschev—since July, in fact, when he gave up the largely ceremonial duties of President of the Soviet Union. That position, which he took over in 1960, is now held by Mr. A. Mikoyan. Mr. Brezhnev left it to concentrate on his important duties as Secretary of the Central Committee of the Soviet Communist Party.

He was born at Dneprodzerzhinsk, in the Ukraine, on December 19, 1906, the son of a steelworker. He began work at the age of 15. He studied land reclamation and irrigation in his spare time, and became a land surveyor.

In 1927 he lived and worked in the Urals and within three years became deputy head of the region's agricultural administration. He joined the Communist Party in his native town the following year.

The year of Stalin's great purge, 1937, was the turning point in Mr. Brezhnev's career. He was elected deputy mayor of Dneprodzerzhinsk in that year and took up full-time party work, becoming first secretary of the Dnepropetrovsk regional committee. He thus began his political life alongside Mr. Khruschev, who in 1939 had been sent from Moscow to Kiev, the Ukrainian capital, to run the republic's party organization.

The two men worked closely together during the War when Mr. Khruschev was a political commissar with the Soviet Army in the Ukraine and Mr. Brezhnev one of his assistants. Soon after the War, Mr. Brezhnev was promoted party overlord of the Moldavian Republic, and in 1952 he became a candidate member of the Communist Party Presidium.

After Stalin's death in 1953 he was dropped from the Presidium and returned to his wartime task as deputy head of the chief political administration of the armed forces. His fall from grace was only temporary, however, and in 1956 he again became a candidate member of the Presidium.

The following year proved crucial to his later career, for he came out in support of Mr. Khruschev in the struggle for power with the "anti-party group", which finally resulted in the expulsion from the party of Molotov, Malenkov, and others. Soon afterwards he became a full member of the Presidium.

Mr. Alexei Nikolayevich Kosygin, who succeeds Mr. Khruschev as titular head

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of the Soviet Government (but without the power that Mr. Khruschev was able to exert as party leader) is 60. Mature, quiet-spoken, and lacking much of the natural exuberance that his predecessor brought to the post, he is accustomed to wielding great administrative powers, although he has always recognized their limitations, and has been careful never to challenge the authority of those above him.

He became First Deputy Prime Minister in 1960, three years after he had become a Minister of the Soviet Union. Mr. Kosygin was one of Zhdanov's proteges, and it was possibly only because of his expertise in light industries that he survived the fall of his sponsor after the death of Stalin.

Born in Leningrad in 1904, the son of a worker, Kosygin joined the Red Army and fought in the civil war. He first joined the Communist Party in 1927, and began a special study of textile engineering. In this capacity he has played a leading role in the development of textile production and the growth of light industries in the Soviet Union.

In 1946 he was made a deputy chairman of the Soviet Council of Ministers, and Minister of Light Industry two years later. As deputy chairman of the Council he was the youngest member of the Politburo, predecessor of the Presidium.

He became a candidate member of the Presidium in 1952, and in 1956 a first deputy chairman of the State Economic Commission, with ministerial rank. In 1955 he visited Britain with a Russian trade delegation.

Charges Against Mr. N. Khruschev:

Pravda stated on October 17 that Mr. Khruschev had been replaced because of "hare-brained scheming", hasty decisions and "armchair methods".

Pravda made it clear the Kremlin's new leaders intend to press forward with plans for an international conference in December "of all Communist parties" to deal with topical problems of peace, Socialism and unity. But there was no mention of Russia's ideological quarrel with China. The conference was originally proposed by Mr. Khruschev—to be held next Summer—to discuss the Sino-Soviet dispute, but Peking's leaders had said they would boycott it.

It underlined that Soviet policy remained based on the "general line" worked out at post-Stalin Party Congresses.

It described the Soviet Communist Party as an "enemy of subjectivism and drifting in Communist construction."

"Hare-brained scheming, immature conclusions and hasty decisions and actions divorced from reality, bragging and phrase-mongering, commandism and unwillingness to take into account the achievements of science and practical experience are alien to it.

"The construction of Communism is a live, creative undertaking and it does not tolerate armchair methods, personal decisions and disregard for the practical experience of the masses."

The Tass version of the editorial did not make it clear whether Mr. Khruschev was mentioned by name. But Moscow observers interpreted the criticism as referring to the ex-Premier's tenure of office.

The editorial said: "In following its general course, the Party has been irreconcilably and consistently opposing and continues to oppose the ideology and practice of personality cult which is alien to Marxism-Leninism, alien to the very nature of our Socialist system."

The editorial was headlined "immutable Leninist general line of the CPSU."

It said the Communist Party was taking all measures to strengthen the defensive potential of the Soviet Union and to safeguard the security of the entire Socialist community.

The Party "regards it as its duty to do its utmost to safeguard the peaceful labour of the people, to avert a world thermo-nuclear war, to set a course towards a solution of international disputes through negotiation, to improve and develop relations with all countries in the interests of peace, to develop international co-operation in the sphere of the economy and science and technology."

On foreign policy, it said the Party's general line "is the struggle for peace and international security, the application of the principle of peaceful co-existence between States with a different social order advanced by Lenin."

Foreign Communists Re-assured:

On October 26, foreign communists were re-assured that Russia's new leaders wanted their relations with other Parties to be based on equality.

An editorial in the Government newspaper Izvestia, headed "Co-operation of Equals", laid great stress on the need for unity and solidarity in the Communist camp.

The assurances came as three leading members of the French party were reported to have held talks on October 26 with top Soviet party officials.

The French were the first of a number of Western party delegations visiting Moscow to seek explanations of why and how Mr Khruschev was replaced.

Communist opinion in Eastern Europe was reported to be angered and disturbed and was pressing for an answer, demanding to know the reasons for Mr. Khruschev's dismissal.

The Czechoslovak Central Committee issued a declaration expressing shock and surprise over his dismissal and praising his great merits for bringing about significant changes both inside the Soviet Union and within the communist world at large.

All these changes, the Czechoslovak communist leaders said, had been closely connected with his name, and his resignation had therefore caused in the minds of many people "deep thinking and apprehension".

Although Mr. W. Gomulka, of Poland, and Mr. J. Kadar, of Hungary, had been re-assuring themselves and their countrymen that there would be no changes in Soviet policy, their cautious public pronouncements gave more than a hint of their personal apprehension and of their disapproval of the way in which Mr. Khruschev was forced to relinquish his post.

Mr. Gomulka gave the Russians a broad hint that should Mr. Khruschev's dismissal be followed by an anti-Khruschev campaign, he would not acquiesce in it, nor would his party join in personal condemnation of Mr. Khruschev.

Never since the War had Soviet leaders been exposed to such a public outcry and outright criticism inside their own bloc and among their own followers. The Italian communists, always more outspoken, had publicly demanded that the new leaders in Moscow should reveal the truth.

East European leaders had, by implication, raised the same demand. An increasing number of them were pressing for a meeting of communist leaders, and even those who had earlier doubted the usefulness of a conference as envisaged by Mr. Khruschev, were saying that a meeting of communist leaders should be convened as urgently as possible.

President Johnson's Comment:

President Johnson said on October 16 that Mr. Khruschev's fall "may or may not be a sign of deeper turmoil or may be a sign of changes in policies to come."

He told a mass political rally at Madison Square Garden: "You will see in your papers the changes and uncertainties in this big world in which we live which give great weight to our need for a stable, sure, steady course on the basis of a tested and bipartisan foreign policy."

Mr. Johnson, after making his first reference to the changes in Soviet leadership, said: "We do not want to bury any one and we do not intend to be buried ourselves."

Mr. Anatoly Dobrynin, the Soviet Ambassador to USA assured President Johnson on October 16 that the new Soviet leaders would continue a policy of peaceful co-existence with the West.

Mr. Johnson on October 18 sent greetings to the new Soviet Premier, Mr. Alexei Kosygin.

He said: "I extend greetings to you on your designation as Chairman of the Council of Ministers of the Union of Soviet Socialist Republics. Our countries bear heavy responsibilities for the maintenance of world peace. It is my hope that our Governments will work constructively in attempting to resolve the urgent international problems facing us in the world."

Chinese Reaction:

A Tokyo despatch on October 17 said that the elimination of Mr. Khruschev from the leadership of the Soviet Union had brought about a prompt and noticeable change in the attitude of China towards Moscow.

The change was revealed in the message of greetings sent by the top Chinese Party and Government leaders to the new Soviet Communist Party First Secretary, Mr. Brezhnev, and the new Premier, Mr. Kosygin, which also contained a new call for rapprochement between the two countries and parties "on the basis of Marxism-Leninism and proletarian internationalism".

The message said: "We, on behalf of the Chinese people, the Communist Party of China and the Chinese Government extend to you our warm greetings."

The message expressed joy "at every progress made by the great Soviet Union, the Communist Party of the Soviet Union and the Soviet people on their road of advance" and the unity of "the Chinese and Soviet parties and our two countries on the basis of Marxism-Leninism and proletarian internationalism."

It concluded: "May the fraternal, unbreakable friendship between the Chinese and Soviet peoples continuously develop."

(*The Times*, London, *The New York Times*, *The Hindu*, Madras, *Tass* and *The Times of India*, Bombay)

[Prev. ref. 6036:AOA:G]

C. Anniversary Of Russian Revolution—Mr. L. Brezhnev's Policy Statement: The Soviet Union paraded new monster rockets through the Red Square of Moscow under the eyes of top Communist world leaders gathered in the Soviet Capital to celebrate the 47th anniversary of the Great October Revolution on November 7.

The Soviet military authorities wheeled five new types of rockets out of their secret armouries—one of them the biggest ever shown publicly in the Soviet Union.

Mr. Leonid Brezhnev, the new Soviet Communist Party Chief, who presided over the festivities, and Marshal Rodin

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Malinovsky, Soviet Defence Minister, speaking on the occasion, re-affirmed the Soviet Union's dedication to peaceful co-existence.

Mr. Brezhnev, in a major policy speech, maintained the Soviet line of peaceful co-existence and for holding a world conference of Communist Parties without any basic concessions to China.

He declared himself against the dissemination of nuclear weapons and reiterated the Soviet line that Soviet nuclear power was sufficient to protect all of the socialist camp countries.

He said that more realistic and thorough efforts would be made to solve economic and agricultural problems and to restore "the truly Leninist norms in the life of our party." The Party's "Central Committee and the Soviet Government deem it to be their duty to carry out certain steps to perfect economic management, doing this cautiously, without fuss or haste."

[Observers took this reference to "caution" and condemnation of "fuss and haste" as an indirect slam at Mr. Khruschev.]

More specifically, Mr. Brezhnev confirmed the abolition throughout USSR of "unwarranted restrictions" on the individual plots of land cultivated by collective farmers. [These restrictions had been imposed in Mr. Khruschev's time.]

He said USSR considered it necessary that all pending international problems should be settled step-by-step. "We are for disarmament, but we are against the creation of multilateral nuclear forces animated by a spirit of revenge. To the adventure-seekers, we say: 'Hands off Cuba'. For, this is a demand made not only by the Soviet people, but also by all honest folk on earth. We demand the return of Taiwan to its Motherland and the re-unification of the two Viet-Nams."

To the West, he offered peaceful co-existence which the Chinese reject, increased trade, and disarmament, including measures like the 1963 Moscow Test Ban Treaty which the Chinese, who now have their own A-bomb device, refused to sign.

To the Communist movement he offered more flexibility, declaring that no one party had the right to "impose experience" on other parties and countries.

[His remarks were taken as an open invitation to the Chinese to try to reach an agreed line with the Russians, although he made no major concessions to the Chinese on matters of principle.]

He said the party's slogan should be: "everything in the name of man, everything in the name of man, everything for the benefit of man," contrasting sharply with China's position that Communists should pay more attention to spreading violent revolution and less to the welfare of the Soviet people.

He said the Soviet Party believed "that in present conditions a world war is not inevitable," adding, "peace on earth can be ensured."

Russia, he said, wanted to "consolidate the cause of peace." The US Presidential election showed the majority of American people cherished the idea of peace. "The defeat of the American ultras is a good lesson for all the partisans of adventures and cold war."

Albania was the only Communist country which failed to send a top-ranking delegation. China was represented by her Prime Minister, Mr. Chou En-lai.

The five new additions to this year's display of Soviet military hardware comprised two groups of what appeared to be free-flight field artillery weapons, a high-altitude anti-aircraft weapon and two surface-to-surface rockets—one of them about 85 feet long and 10 to 12 feet in diameter.

A Tass description of the anti-aircraft missiles said they could "destroy any fast-flying targets in the air, no matter if they fly at high or low altitudes, regardless of the time of year, day or night, in rain, snow and fog." It said they also were proof against radio counter-measures.

Indian Messages:

The President of India, Dr. S. Radhakrishnan, and the Prime Minister, Mr. Lal Bahadur Shastri, sent greetings to Russia on the occasion of the anniversary of the Great October Revolution.

Dr. Radhakrishnan's message said:

"The Government and the people of India join me in conveying to Your Excellency and to the Government and people of the USSR our warm congratulations and greetings on the happy occasion of the anniversary of the Great October Revolution, as well as our sincere good wishes for your personal health and happiness and for the welfare and continued advancement of your people.

"I have brought back many pleasant memories of my recent visit to your great and friendly country and feel sure that the personal contacts thus established will greatly strengthen the bonds of friendship so happily existing between India and the USSR."

Mr. Shastri in his message said:

"On the great occasion of the 47th anniversary of the Great October Revolution, I have much pleasure in extending to Your Excellency the cordial felicitations of my colleagues in the Government of India, to which I add my own, together with our best wishes for your continued good health and for the progress and prosperity of the people of your country.

"I take this opportunity to re-iterate the hope that the friendly relations and close co-operation existing between our two countries will continue to strengthen in the cause of world peace and progress."

(*Tass, The Statesman*, Calcutta and *The Hindustan Times*, New Delhi)

[Prev. ref. 4307:CHI:A]

D. Mr. Lyndon B. Johnson Elected US President: President L. B. Johnson was swept back to power on November 4 for the next four years by a massive majority over his Republican opponent, 55-year-old Senator Barry Goldwater.

In routing the Senator for Arizona, President Johnson vastly improved upon the thumping 11,000,000-vote majority which Mr. Franklin Delano Roosevelt had secured over his rival, Mr. Alf Landon, in 1936.

Senator Goldwater carried only six States out of 50. They were the five States in the South—Alabama, Mississippi, South Carolina, Louisiana, Georgia and his home State, Arizona.

Mr. Johnson won the Presidency at 9 a.m. New York time on November 3 when, even as polling on the Western sea-board was still in progress, he had already captured the necessary minimum of 270 out of a total 438 electoral college votes. At that stage, Mr. Goldwater had only 25.

The final figures in the electoral college votes were: L. B. Johnson 486 and Barry Goldwater 52.

One of the most crushing blows for the Goldwaterites was the fall of California whose 40 electoral college votes Mr. Johnson won. Mr. Goldwater's strategy for victory by combining Southern segregationist votes with Western votes collapsed when one populous Western State after another joined the Eastern sea-board States to give Mr. Johnson a landslide victory.

The Johnson victory was as overwhelming as most of the pollsters had forecast. With the count nearly complete, Mr. Johnson's popular vote (42.1 million) far exceeded the previous record (35.5) million rolled up by Dwight Eisenhower against Adlai Stevenson in 1956. In plurality (15.6 million) and in percentage of the popular vote (61.3) he broke the records (11 million and 60.8 per cent) set by Franklin Roosevelt against Alfred Landon in 1936. (Presidents Roosevelt and Johnson are the only Democrats elected by majorities of the popular vote since the Civil War.) In electoral vote (486 to 52) the Johnson performance was surpassed only by the Roosevelt landslide (523-8) in 1936.

Mass Desertions:

The overall figures on the Goldwater vote also told a remarkable story.

Senator Goldwater got about 26 million votes, or 7.5 million fewer than Richard Nixon in his hairbreadth defeat four years ago. That indicated massive desertions by the Republicans.

In the 1936 elections, President Roosevelt had mustered 27,751,597 votes against his rival's 16,679,583 votes.

Fifty-six-year-old Mr. Johnson, the first Southerner to come to the White House in an election, also created a precedent by claiming victory before his opponent conceded defeat.

Mr. Johnson's great popular vote was interpreted as a vote for peace, sobriety and responsibility. Although Mr. Goldwater campaigned on the issue of socialism, many regard Mr. Johnson as a truer conservative than Mr. Goldwater, who was regarded as really an extreme Right-winger both in his domestic and foreign policies.

The Democratic Vice-Presidential candidate, the well-known liberal, Mr. Hubert H. Humphrey, was automatically elected with Mr. Johnson.

Congressional Elections:

Side by side with his Presidential victory, the Democrats romped home to a majority in Congress. They held the Senate and the House of Representatives.

In the House of Representatives, with all 435 seats contested, the Democrats scored a net gain of at least 39 to assure President Johnson of the biggest Democratic majority since the 333-102 margin at the high point of the Roosevelt New Deal in 1936.

The new line-up as compared with the old is:

	New	Old
Democrats	296	257
Republicans	139	178

In the main the Democratic victories represented gains for the moderate and liberal forces in the House. Where the Republicans gained—chiefly in the South—conservatives of that party simply replaced Democratic conservatives.

In the Senate, the Democrats improved on their top-heavy majority. They won 27 of the 35 races and led in one of the two still in doubt.

The following is the new line-up:

	New	Old
Democrats	68	66
Republicans	32	34

Among the more dramatic Senate races, former Attorney-General Robert F. Kennedy rode the Johnson tide to victory in New York over the incumbent Kenneth

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Keating. This was Mr. Kennedy's first bid for elective office, and he thus joined in the Senate his younger brother, Edward, who won re-election easily as expected in Massachusetts.

The Republicans won eight of the 25 gubernatorial races, for a net gain of one State house. This put the comparative line-up as follows:

	New	Old
Democrats	33	34
Republicans	17	16

The big Republican winner was Mr. George Romney, who captured a second term in Michigan and thrust himself into the front line of 1968 Presidential possibilities.

World Comment:

The news of President Johnson's victory was received in New Delhi with great satisfaction.

Official reaction to the re-election of the American President for a fresh four-year term was summed up in a brief statement by the Prime Minister, Mr. Lal Bahadur Shastri, that "the cause of peace, co-existence and disarmament would get added impetus".

The Indian President, Dr. S. Radhakrishnan and Mr. Shastri sent messages felicitating Mr. Johnson on his victory and expressing confidence that under his leadership the friendly relations between India and USA would grow stronger.

Dr. Radhakrishnan's message said: "The people of your great country have shown abounding faith and confidence in your dedicated and distinguished leadership. Please accept our warmest felicitations and good wishes. We in India look forward to close and friendly relations between our two countries and to working to promote co-operation and understanding between nations and to further the causes of world peace, progress and prosperity which we all hold dear."

Mr. Lal Bahadur's message said: "On behalf of the people and the Government of India I want to convey to you our warmest felicitations and good wishes on your election to the high office of the President of the USA. Your great and memorable victory demonstrates the massive support of the American people.

"The world today needs peace and international understanding. Upon these depends the future of the entire humanity. There is no doubt that under your leadership the USA will continue to make its weighty contributions towards these noble objectives. The close and friendly relations between our two countries will, I am confident, grow stronger in the years to come. May I take this opportunity to wish you all success in the great task that awaits you."

Moscow Radio said that American voters had chosen the "more moderate and sober policy".

The commentary, signed by Tass foreign affairs commentator, Mikhail Sagatelian, said the unusual feature of this year's elections was that the American people had to reply for the first time to the question whether a man who had openly rejected the policy of seeking to settle international problems by peaceful means should be admitted to the White House. The Republican candidate, Senator Barry Goldwater, had instead proposed to press the button of nuclear warfare.

"By the impressive vote in favour of Johnson, the American people have given a very clear reply to this question. It has shown which policy it has chosen and what acts it expects from its new President". Mr. Johnson's victory was truly "a great victory for the United States."

Pope Paul, in a telegram of congratulations, said: "We pray to God Almighty to grant Your Excellency strength in the direction of the grave responsibilities confided in you, and we invoke abundant blessings from the Lord on yourself and on the noble nation of the USA."

Asian leaders were among the first to react to Mr. Johnson's victory.

The Malaysian Prime Minister, Tengku Abdul Rehman told newsmen that it was "a very, very good thing."

He added: "I have met him and he is a very good chap. I believe his policy of peaceful co-existence is going to ensure peace in this world, so long as it is accepted by others".

The Japanese Prime Minister, Mr. Hayato Ikeda wished President Johnson a successful second term.

He said: "It is the earnest desire of the Japanese people to promote world peace, freedom and justice in wholehearted co-operation with the people of the United States".

The opposition Socialist and Democratic Socialist parties in their statements expressed the hope that he would follow the policy of peace.

President Sukarno of Indonesia in his message said: "May God Almighty guide and strengthen you in your task of leading your nation towards further progress and emancipation and towards peace and social justice in the world".

In Seoul, the South Korean President, Gen. Park Chung Hee expressed the hope that America would be "more respected and trusted under the strong leadership of Mr. Lyndon B. Johnson".

His statement urged the new administration to maintain its strong anti-Communist policy and dynamic strategy in the Far East and South-East Asia.

Chinese leaders criticized the views expressed by Mr. Leonid Brezhnev, First Secretary of the Soviet Communist Party, on the US Presidential election results.

In his address on the Soviet Revolution Day in Moscow, Mr. Brezhnev had said that the American people by electing Mr. Lyndon Johnson had shown their desire for peace and that the defeat of the American "ultras" contained a lesson for the advocates of adventurism.

But in Peking, according to the Kyodo News Agency, Mr. Liu Ning-yi, a member of the Chinese Communist Party Central Committee, told a rally celebrating the Bolshevik anniversary: "We cannot agree with this kind of talk."

The Agency quoted him as saying that both Mr. Johnson and Senator Barry Goldwater were birds of the same feather and the future policy of the Johnson administration with which Mr. Brezhnev offered to continue peaceful co-existence would inevitably turn out to be one of "out and out aggression."

(*The New York Times, The Times of India*, Bombay, *The Statesman*, Calcutta and *Tass*)

[Prev. ref. 5600:AOA:A]

E. USSR Launches Three Cosmonauts In One Space-ship: On October 12 at 10.30 A.M. (Moscow time) the Soviet Union, for the first time, orbited by means of a new powerful launch vehicle a piloted spaceship named *Voskhod (Sunrise)*, with three men on board. The spaceship was commanded by Colonel Vladimir Komarov, an engineer; the other two were Boris Yegorov, a doctor, and Konstantin Feoktistov, a scientist.

The aims of this historic flight were: to test the multi-seat piloted spaceship; check the capacity for work and interaction during space flight of a group of cosmonauts consisting of specialists in different fields of science and technology; to carry out scientific, physical and technical investigations in the conditions of a space flight; to continue the study of the effects of different factors of space flight on man's organism; and to carry out extended medico-biological research in the conditions of a long flight.

These studies were made with the help of the instruments on board the spacecraft with the direct participation of a scientific worker, a cosmonaut and a space doctor.

The satellite spaceship **Voskhod** had been put into an orbit close to the prescribed one. According to preliminary data, the period of revolution of the spaceship round the Earth was 90.1 minutes. Its perigee was 178 kilometres and apogee 409 kilometres. The inclination of the orbital plane to the plane of the Equator was about 65 degrees.

Two-way radio communication was maintained with the spaceship. The ship's crew reported that they withstood quite well the launch and the transition to weightlessness.

Reports from the spaceship were transmitted to Earth on frequencies 143.625; 17.365; and 18.035 megacycles. The spaceship also carried a transmitter "signal" functioning on the frequency 19.9944 megacycles. All systems on board the spaceship functioned normally.

As heard from a taped recorded broadcast by **Moscow Radio**, Mr. Khruschev congratulated the spacemen and wished them a safe landing. "Well done...carry out your tasks well for our Motherland." **Moscow Radio** broke the news to people by giving its "singsong" signal indicating the coming of an important announcement.

As it flew over Africa, the spaceship radioed greetings to African people "fighting for their freedom and independence."

Tass said the three cosmonauts had sent the following radiogram to the Communist Party Central Committee, the Soviet Government and the Premier, Mr. Khruschev:

"Hereby we report to the Central Committee of the Communist Party of the Soviet Union, the Soviet Government and to Nikita Sergeyevich Khruschev personally: The crew feels fine, the ship's systems are functioning normally, the flight is proceeding successfully. Many thanks to the Soviet people, to our own Party and Government for the trust extended to us."

During their second orbit the three astronauts sent the following message to the Tokyo Olympic athletes:

"Flying over Tokyo we convey ardent greetings to the youth of the world participating in the 18th Olympic Games which are called upon to play a big role in strengthening the co-operation and mutual understanding of sportsmen of all continents in the rapprochement of peoples and in consolidating the cause of peace".

The cosmonauts also sent a message to the American people as they flew over the United States on October 12.

The message said: "From aboard the spaceship **Voskhod**, we convey our best wishes to the industrious American people and wish the people of the United States of America peace and happiness."

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Space-ship Lands Safely:

The three Soviet cosmonauts landed safely on October 13 at a pre-assigned spot in USSR after completing 16 orbits in their historic flight.

A **Moscow Radio** commentator told the world of the safe landing of the space passenger ship and said that all the three members of the crew were feeling well. They had successfully completed a set programme of scientific exploration and safely come down to a pre-designated spot at 10-47 a.m. Moscow Time (1-17 p.m. IST).

Izvestia, the Government newspaper, revealed that the ship was brought down by a newly-evolved system, with the whole capsule lowered to the Earth by its own parachutes.

The new technique made it unnecessary for the spacemen to catapult out of the craft.

Izvestia quoted the ship's un-named designer as saying that advance planning provided for a "soft" landing with speed at time of impact reduced to zero or "very little."

It also disclosed that the crew had asked to stay in space for another day to make their studies "more precise." The request was turned down by the designer, who insisted that the flight programme must be adhered to.

A **Tass** correspondent in a dispatch from the flight control centre said Col. Komarov had been ordered during the 17th orbit to end the flight. The pilot reported the switching on of instruments and braking facilities.

The first to report to the ground the successful conclusion of the flight was *Pilot Mikhailov. "I am seeing an object entering dense clouds,"* he radioed to ground stations at 10-40 a.m.

Ground reports kept pouring in. In the pre-assigned landing area, numerous planes and helicopters were on patrol, ready to drop parachutists to meet the cosmonauts on the ground.

At 10-57 a.m., 10 minutes after landing, the pilots reported: "The object is visible on the ground, well visible, and cosmonauts, three, beside it. They are walking about, walking briskly. Congratulations to all, to all."

Although this announcement said in effect that only a 24-hour flight had been planned, a later announcement said that the flight was to test the stresses and strains on man during a long flight.

Tass said the cosmonauts had faced a "tense" session of scientific study in their instrument-packed capsule. During the third and fourth loops physiological studies were conducted according to the flight programme. The blood pressure of the cosmonauts was measured, lung ventilation was determined, and blood tests made. The cosmonauts' ability to work was also tested according to a specially developed system. While making the fourth loop of the Earth **Voskhod's** crew had their dinner.

During the sixth loop the ship's commander took his bearings by the stars. At the same time cosmonaut Feoktistov determined the ship's position by using means of astro-orientation. The experiment passed successfully. Cosmonaut-doctor Yegorov rested during the sixth loop.

During the seventh loop the commander of the ship and the scientist-cosmonaut continued their observations. They tested the manual system of orientation. The cosmonauts had their supper at the end of the seventh orbit.

The Soviet central television net-work transmitted four times on October 12 live pictures from aboard **Voskhod.**

World Comments:

The US Secretary of State, Mr. Dean Rusk, on October 12 complimented Russia on her latest space achievement, but warned that Americans must not let such undertakings "become a monopoly of those who might destroy our freedom".

He said the Soviet Union's accomplishment "is another very substantial achievement in space. I know all Americans join in the compliment.

"We must make freedom prevail—and triumphant—without a great war, if possible. For there won't be much freedom anywhere if most of the northern hemisphere is reduced to a cinder heap."

Pointing out that "a nuclear exchange is a possibility," he said: "We and our allies are determined to deter or defeat aggression in any form."

The UN Secretary-General, U Thant, sent Mr. N. Khruschev a telegram of congratulations on the launching.

He said: "I regard this as one more step forward in the exploration and conquest of outer space for the benefit of mankind."

President S. Radhakrishnan of India congratulated the Soviet leaders on the launching of *Voskhod.*

His message said: "Delighted to hear of the launching of your spaceship with three men on board. Another marked achievement. Congratulations to those on board and the Soviet leaders, President Mikoyan and Prime Minister Khruschev on this signal achievement".

British scientists were not wholly taken by surprise by the launching of *Voskhod* which they regard as "an embryonic space station".

Mr. Kenneth Gatland, Vice-President of the British Inter-planetary Society, said in London that those in touch with Soviet space technology were aware that over the past three years the Russians had been quietly testing new launching vehicles.

"There can be little doubt", he added, that "the **Voskhod** is the forerunner of a vehicle which will enable manned flight around the Moon and back to Earth within three years".

Previous Flights:

Astronauts in other previous Soviet orbital missions were Major Yuri Gagarin, Major Gherman Titov, Major Andrian Nikolayev and Col. Pavel Popovich.

Four Americans had so far orbited the Earth: Lt.-Col. John H. Glenn, Lt.-Commander Malcolm Scott Carpenter, Commander Walter M. Schirra and Major Gordon Cooper. In addition there were sub-orbital flights by Commander Alan B. Shepard (May 5, 1961) and Maj. Virgil Grissom (June 21, 1961).

The following is a time-table of manned orbital shots by USSR and America:

Major Gagarin: April 12, 1961, one orbit; 26,000 miles.

Major Titov: August 6, 1961—17 orbits; 7,35,000 miles.

Lt-Col. Glenn: February 20, 1961—three orbits; 81,000 miles.

Lt-Comm. Carpenter: May 24, 1962—three orbits; 81,250 miles.

Major Nikolayev: August 11, 1962—64 orbits; 2,010,000 miles.

Col. Popovich: August 12, 1962—48 orbits; 1,247,000 miles.

Commander Schirra: October 3, 1962, eight orbits; 1,70,000 miles.

Major Cooper: May 15, 1963—22 orbits; 5,95,000 miles.

Col. Bykovsky: June 14, 1963—81 orbits.

Lt. Tereshkova: June 16, 1964—48 orbits.

It was in May this year that Russia had told the World Space Science Congress at Florence that new problems must be solved before there were more ambitious manned space flights. The United States had said that it planned to begin two-men space-ship flights late in 1964 or in 1965. The reports presented by both the countries were interesting. The American report said that 56 satellites and 1,000 weather and research rockets had been launched by USA in 1963. Russia listed 21 satellite and 114 rocket launchings.

(*Tass* and *The Statesman*, Calcutta)

[Prev. ref. 5388:AOA:B]

F. UN General Assembly Session Postponed: The UN Secretary-General, U Thant, officially announced on November 4 the postponement of the UN General Assembly from November 10 to December 1.

Ninety-nine countries, including 41 original sponsors, agreed to the postponement move which was mainly aimed at providing the United States and the Soviet Union time, after the American Presidential elections, to negotiate over Article 19 of the UN Charter and avoid confrontation.

India, though not sponsoring the adjournment move, voted in favour.

Meanwhile, the Afro-Asian group decided by a consensus against any postponement of the Assembly's general debate which traditionally begins the day after the election of the President. The West Europeans were reported to have been asking for such a postponement on the ground that the NATO ministerial meetings were to be held in Paris in December.

The Afro-Asians, however, had decided that there was no need to depart from the tradition and further agreed that if possible, the general debate should be concluded in December itself.

[Article 19 provides that any country whose arrears exceed its assessments for two preceding years would lose the right to vote in the Assembly. It is the US claim that the Soviet Union, among others, has attracted the penalty under this Article by its refusal to pay its assessed contribution to the costs of the UN peacekeeping operations. The Soviet Union and nine other countries, mostly from Eastern Europe, are in this position, and according to the United States they had lost their vote from January this year and this should be enforced. If the United States contention were true, then France will also lose her vote from January, 1965 on the same grounds.]

(*The Indian Express*, Madras)

[Prev. ref. 5671:AOA:A]

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INDIA

SUMMARY: Mr. Y. B. Chavan's Visit To UK; Measures To Meet Chinese Threat; Army "Coup" Foiled In Bhutan: Governors' Conference.

A. British Military Aid—Mr. Y. B. Chavan's Visit To U.K.: A *communique* issued in London on November 20 at the end of the Defence Minister, Mr. Y. B. Chavan's nine-day visit to UK, said that Britain had agreed in principle to provide the necessary foreign exchange, loans and technical help for building an Oberon class submarine for the Indian Navy.

Oberon class submarines are among the most modern weapons of their type in service with the Royal Navy and the cost of building one in India is estimated at about Rs. 4.5 crores.

Until the submarine gets operational with the Indian Navy, which will take a minimum of three years, the British Government will provide one of its own submarines for a few months each year for anti-submarine training. In addition, Indian naval cadets may visit the UK for the same purpose.

Mr. Chavan, according to the communique, also signed an Agreement for a loan of £4.7 million which the British Government would make available to India over the next four years to help finance the re-building of the Mazagaon dockyard in Bombay and the construction of three Leander class frigates.

The loan may be repaid over a period of 12 years. The British commitment for the 10-year frigate project may eventually swell to £14 million.

The British Government was believed to have listened "most sympathetically" to India's request for three Daring class destroyers to replace the ageing ships of that type in the Indian fleet. Britain, however, has only seven Daring class destroyers. Whitehall, therefore, offered Mr. Chavan Weapon class destroyers instead from Britain's Mothball fleet. India, however, has no use for these ships of World War II vintage.

The British Government, according to the communique, pointed out that it was engaged in "an urgent review of its own defence policy" and gave the assurance that in the light of the overall review, the Indian requirements would be further considered.

Britain also agreed to help India in establishing a filling factory at Chanda and for the modernization of its ordnance establishments. Negotiations would be pursued for the purchase from Britain of Sea Hawk fighters for India's aircraft carrier and Hunter aircraft as well as the development of a light tank and of an Orpheus Mach-II engine for an improved version of HF-24 supersonic fighter.

The communique committed Britain's new Government "to support India as a Commonwealth partner against external threats." British Ministers also assured Mr. Chavan of their "desire to co-operate with the Indian authorities in solving problems relating to defence supplies."

The British Government "would continue to aid India, within limits of available resources, in its efforts to improve her defences."

Mr. Y. B. Chavan's Statement In Parliament:

In a statement in Parliament on November 26, Mr. Chavan listed the spheres in which the British Government had promised to help India's defence efforts.

He said his discussions in London had "disclosed a wide measure of agreement in regard to the size of the Chinese threat and the measures required to meet it."

Among the concrete achievements of his mission he mentioned the grant of a £4.7 million loan for the expansion of the Mazagon dockyard and the construction of three Leander class frigates there, loan for a period of two to three months in the year of a Royal Navy submarine for the next few years and provision of technical assistance in the field of defence production.

As regards India's intention to acquire a submarine of its own, he said Britain had "indicated its willingness to provide facilities to enable us to place an order for a modern submarine". However, he added that a final decision in this respect would be possible only after details of British "assistance" towards the construction of this submarine were settled.

He also gave details of the inconclusive discussions he had regarding India's request for three destroyers or frigates to replace some of the over-age ships in the Indian Navy.

The following is the text of his statement:

"I rise to make a statement on my visit to the United Kingdom during the period November 12 to 21.

"As the Members of the House are aware, I was to have visited the United Kingdom on my return journey from the US in June, 1964, but this visit could not take place as I returned to India direct on hearing of the sudden passing away of Mr. Nehru. It was then agreed with the British authorities that my visit to the United Kingdom should be postponed until after the general elections in that country. Subsequently, it was decided in consultation with the British authorities that I should visit the United Kingdom during the period November 12 to 21, 1964.

"The purpose of my visit to the United Kingdom was to: (a) explain to the British authorities the basis and content of the Indian Defence Plan for the period 1964-69; (b) seek financial and technical assistance from the British Government for the implementation of the Indian Defence Plan; and (c) more specifically seek their assistance for the modernization of the Indian Navy which had several over-age ships needing replacement.

"My discussions with the British Ministers were most cordial and disclosed a wide measure of agreement in regard to the size of the Chinese threat and the measures required to meet it. The British authorities expressed their keen desire to assist us in solving our problems relating to defence supplies.

"They are willing to provide technical assistance in the field of defence production to enable us to undertake in India the manufacture of several defence equipments of British origin.

"They have also indicated that they would consider sympathetically our request for aid towards the licence fee normally charged by the British Government in respect of manufacture, technical assistance etc., and as a first case in point have accepted our request in respect of the technical assistance fee for supplying equipment to the Chanda Filling Factory.

"On the general question of financial assistance and provision of credits for purchase in the United Kingdom of military hardware, production equipments and components for indigenous production, the British authorities indicated that they would continue to help India within the limits of their available resources.

"It has not been possible to reach an agreement on the scale of future assistance on this matter, since the British Ministers were currently engaged in a review of their defence and financial policies. I am confident that after these reviews are completed by the British Government, it will be possible to reach an agreement with them on this matter.

"I explained in considerable detail the urgent need of the Indian Navy for a minimum number of three destroyers or frigates for replacing some of the over-age ships in the Indian Navy and I requested that the British Government should consider making available to us on loan three destroyers from their operational reserve on the understanding that these destroyers would be returned to them if they were urgently required by the Royal Navy for meeting any emergency situation.

"There was considerable discussion in regard to the type of frigates which can be made available by the British Government and which will suit the Indian requirements and the conditions on which they should be made available.

"The British authorities pointed out that it would not be possible for them to release three frigates of the same class from their operational reserves. I have indicated that at least a minimum number of two frigates should be made available to India immediately. They have given an assurance that our request would be considered in the light of the review of their defence policy which they were currently engaged in.

"In the statement placed before this House on September 21, 1964, I had referred to the offer by the British Government of a loan for meeting the external costs, during the first four years, of the programme for the expansion of facilities in the Mazagon Dock and for the construction of three Leander class frigates in that yard.

"During my visit to the United Kingdom I was able to finalize the terms of this credit and to sign a Loan Agreement for the sum of £4.7 million. A copy of this Agreement is placed on the table of the House for the information of the Members of the House.

"I also discussed with the British authorities the extent of assistance that would be available for increasing the anti-submarine capability of the Indian Navy. They have indicated their willingness to provide facilities to enable us to place an order for a modern submarine on one of the British shipyards.

"However, a final decision can only be taken after details of the assistance that can be made available by the British au-

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thorities for the construction of this submarine have been settled. This is under discussion with the British authorities.

"In the meanwhile, they have agreed to provide us a Royal Navy Submarine for a period of two to three months each year for the next few years to train our Navy personnel in anti-submarine warfare.

"In addition to the Secretary of State for Commonwealth Relations and Secretary of State for Defence with whom I held detailed discussions, I called on Prime Minister Wilson and some other members of his Cabinet. During my stay in the United Kingdom and throughout my discussions with the British authorities, I was struck by the amount of goodwill they had for us.

"There is also a keen desire on their part to help us in building up our defences. I am quite confident that more concrete results will be forthcoming as a result of these discussions after the British Government had an opportunity to complete the review of their defence and financial policies."

(*The Times of India* and *The Hindustan Times*, New Delhi)

[Prev. ref. 6099:INI:A]

B. Measures To Meet Chinese Threat—Mr. Y. B. Chavan's Address To Army Commanders' Conference: The Defence Minister, Mr. Y. B. Chavan, inaugurated the biennial Army Commanders' Conference in New Delhi on November 30.

He said on the occasion that the Chinese had used the last two years to entrench themselves further across India's northern frontiers and they were now massed in much larger numbers than during October-November, 1962.

Militarily, the threat posed by China in 1962 still continued. Politically too, China continued to remain intransigent and showed no inclination to accept the Colombo proposals for an amicable settlement of the border dispute.

Mr. Chavan also referred to the recent explosion of a nuclear device by China and said that this new development needed to be evaluated carefully from the military point of view.

Turning to Pakistan, he said that armed intrusions continued across the cease-fire line in Jammu and Kashmir as well as the Tripura border. The abrupt postponement by Pakistan of the Indo-Pakistan Home Ministers' Conference and the virtual cancellation of the Conference that was to be held to discuss cease-fire problems were quite indicative of the present mood of the Pakistan Government.

He also spoke on India's five-year defence plan and said that it would involve a total outlay of Rs. 5,000 crores, with a foreign exchange component of Rs. 682 crores. "It is important to realise," he stressed, "that the major effort for the implementation of a defence plan of such a magnitude will be undertaken by the people of India." The foreign assistance which India sought was only in respect of the foreign exchange component and technical 'know-how.'

He said he was quite heartened to note during his visits to USA, USSR and UK that "our appreciation of the extent and nature of the Chinese threat and the steps which we are taking for our defence build-up are generally accepted by all the three countries."

After referring to the main features of defence aid from the three countries, he referred to the recent political changes in the Soviet Union and said that India had been assured at the highest level that the supplies promised by USSR would continue to flow according to the Agreements entered into by the two Governments.

He also mentioned the progress being made in the production of defence materials in the country and went on to refer to efforts made by the Border Roads Development Organization to improve road communications with different parts of northern borders.

(*The Times of India*, New Delhi)

[Prev. ref. 6099:INI:A]

C. Indian Trainer Jet Aircraft Manufactured: A modern trainer jet aircraft, designed and produced entirely with Indian resources, had its inaugural flight at Bangalore on December 12.

Built at Hindustan Aircraft Limited, now Bangalore branch of Hindustan Aeronautics Limited, the jet aircraft HJT-16 will offer admirable and basic intermediate training facilities for IAF pilots directly on a jet plane. They are at present being trained progressively on HT-2 Harvard and Vampire aircraft.

The Hindustan trainer jet fitted with the latest equipment of a modern fighter aircraft, except armaments, will by itself provide all the combined training facilities of the HT-2 Harvard and Vampire taking IAF officers and airmen through the final stage of piloting up to high-speed flight.

At present, the HJT-16 is powered by Viper II turbo-jet engine manufactured by Bristol Siddeley Engines Ltd. of UK. HAL is also working on a prototype of an engine which could be fitted in this aircraft.

The first batch of 24 aircraft required by IAF will be produced by the end of 1966.

(*The Hindu*, Madras)

[Prev. ref. 6101:INI:B]

D. Navy Takes Over Garrisoning Of Andaman And Nicobar Islands: It was made known in New Delhi on November 29 that as a result of a top-level decision by the Central Government, the Navy had taken over the garrisoning of Andaman and Nicobar Islands, hitherto the responsibility of the Army and the armed police.

This change-over was found necessary because of the need to keep a constant watch on the long and widely dispersed chain of islands, especially in view of the possibility of clandestine activity by Chinese submarines and other vessels.

A number of Andaman islands are completely or practically uninhabited. A lesson of World War II, especially in the Pacific, is that it can be suicidal to leave the uninhabited islands unwatched. A potential enemy can surreptitiously occupy them long before the outbreak of hostilities.

In order that the Navy could garrison the Andamans effectively and that the naval ships could be serviced and repaired without having to return to Visakhapatnam, Bombay or Calcutta, an advanced naval base was being developed at Port Blair.

Plans to build two wholly indigenous landing craft for use in the Andaman islands were in an advanced stage, and the construction of the vessels was likely to begin soon.

(*The Statesman*, New Delhi)

[Prev. ref. 5680:INI:M]

E. India Not To Manufacture Atom Bomb—Mr. Lal Bahadur Shastri's Statement In Lok Sabha: The Prime Minister, Mr. Lal Bahadur Shastri said in the Lok Sabha on November 24 that the Government's decision not to make the atom bomb was based on practical and realistic considerations—especially the disastrous consequences such a venture would have on the economy at its present age—and not merely on moral grounds.

Sharing the Members' concern at the threat posed by the Chinese nuclear blast, he said the Government's present stand should not be regarded as a permanent one. No Government could afford to adopt a static approach though individuals could do so.

But before the Government changed its position, he said, the question should be viewed carefully and calmly from every aspect. Parliament's supremacy on such matters was unquestionable. He appealed to the Members to keep the bomb issue above party politics.

His intervention in the foreign affairs debate was a reflection of the Government's concern at the strong criticism voiced in the House, even by a sizable number of Congressmen, against what the critics described as Government's "inactivity." He limited his observations to the economic non-feasibility of a bomb venture in India, in which he agreed wholly with Mr. M. R. Masani (Swat.)

He avoided any reference to the defence aspect of the atom bomb in the context of the Chinese blast, a consideration which led Mr. Masani, Mr. Frank Anthony and Acharya J. B. Kripalani to suggest a nuclear immunity arrangement with either or both of the nuclear giants—the United States and/or the Soviet Union.

In a pointed reference to the likelihood of China arming itself with conventional weapons with nuclear warheads, Mr. Shastri agreed it was a serious question which deserved the fullest consideration.

Reaction:

Mr. Lal Bahadur Shastri's speech in the Lok Sabha—his second major performance since he became Prime Minister—evoked widespread acclaim.

He spoke for no more than half-an-hour; at no stage was there any waning of interest in what he had to say. This was because many of Mr. Shastri's listeners—belonging to both sides of the House and including both the protagonists and antagonists of the Indian nuclear bomb—detected a slight but significant shift in the Prime Minister's stand.

At the A-ICC session at Guntur Mr. Shastri's rejection of the demand to manufacture an Indian bomb was not only clear but conspicuously categorical and sweeping.

In his subsequent public speeches, too, he had been taking the stand that India should not make the bomb under any circumstance, and that to make the bomb would be suicidal for India.

On November 24, he was equally steadfast in upholding the policy of not making the bomb on the ground that it would be beneficial to both India and mankind. But he noticeably shed the sweeping features of his earlier pronouncements.

He not only conceded Parliament's right to reverse this policy, but went on to admit that this policy or any other could not be everlasting. Individuals might, he said, but nations could not take a rigid and inflexible stand for all time to come.

He also said that there was no reason why, while abjuring the bomb, India should not acquire all the nuclear knowledge and 'know-how' which was developing in the world.

Furthermore, he conceded the urgent need to consider the problem—raised forcefully during the debate by Mr. Frank Anthony—of nuclear warheads for conventional weapons.

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With one or two exceptions all those who commented on the shift of emphasis in the Prime Minister's speech welcomed the fact that without giving up his basic stand, Mr. Shastri was responding to parliamentary and public criticism of taking inflexible and dogmatic postures on the threat posed by China's nuclear bomb.

Mr. Lal Bahadur Shastri On Mahatma Gandhi And The Bomb:

Again on November 29, Mr. Lal Bahadur Shastri opposed the plea that India should manufacture the atom bomb in view of the recent Chinese explosion.

Addressing a public meetng after unveiling a life-size bronze statue of Mahatma Gandhi in the Town Hall compound in Meerut, he said that "we should not forget the mesage of Gandhi in this respect."

If the message of Gandhi was truly followed by the world, the threat of a nuclear war could be eliminated.

He said that while India was against the manufacture and use of atomic weapons, the Government was fully aware of its responsibility regarding the security of the country. "I am fully aware of this responsibility and I want the people to leave this job completely to the Government. How can we support the demand for the destruction of nuclear weapons if we ourselves talk of manufacturing the atom bomb?"

India would continue to work for nuclear disarmament and organize world opinion against the manufacture of atomic weapons. Those who demanded that the country should manufacture the atom bomb forgot that it would entail very heavy expenditure and lead to disastrous results.

He asked the people not to be scared by the Chinese explosion. If the Chinese used atomic weapons that would lead to their own destruction.

(*The Hindustan Times* and *The Statesman*, New Delhi)

[Prev. ref. 6149:CHI:A]

F. Development Of Nuclear Arsenal By India—Dr. H. J. Bhabha's Opposition: In an interview in Bombay on November 17, the Chairman of the Atomic Energy Commission, Dr. Homi J. Bhabha, said he was against India being stampeded into developing a nuclear arsenal merely because China had detonated a nuclear device.

He declared he was in favour of a continuance of the country's long-established policy of using atomic energy for peaceful purposes and is of the opinion that the programme in this regard should be accelerated.

He dismissed the criticism that his UN Day broadcast over AIR on nuclear disarmament gave the impression that he supported nuclear weapons policy for India as totally misplaced. On the contrary, the burden of his argument was that the Big Powers under the aegis of United Nations must take concrete steps towards nuclear and general disarmament within a couple of years in view of the emerging prospect of a fairly rapid proliferation of nuclear weapons in the absence of any accepted international restraints.

While re-iterating his view on the Indian position, he emphasized the importance of doing away with certain misconceptions so that the right decision was taken in this country for the right reason.

India was far advanced in nuclear technology and was both technologically and economically capable of developing nuclear capacity. If the test of nuclear capability lay in the possession of plutonium or Uranium-235, then India, which was among the very few countries if not the only country outside the nuclear-club, and China qualified, Germany, Sweden and Japan had the necessary technological 'know-how' but did not hold plutonium or U-235. An Indian plutonium plant was commissioned at Trombay earlier this year.

The cost of nuclear weapons, he said, also needed to be properly understood. The US Atomic Energy Commission had officially released certain cost estimates for atomic explosions for peaceful blasting and excavation for water diversion, flood control, constructing harbours and canals. A 10-kiloton explosion (equivalent to 10,000 tons of TNT) would, according to this estimate, cost Rs. 17,50,000 and a two-megaton explosion (equivalent to two million tons of TNT) Rs. 30,00,000. The cost of producing and delivering such a concentrated load of explosive power would, therefore, be far cheaper than that in respect of a corresponding quantum of conventional explosive.

This same point was made in Dr. Bhabha's and Dr. Kothari's book entitled, **Nuclear Explosions and their Effects** published by the Government of India in 1956. It was there stated that "in terms of destructive power, a nuclear weapon is the cheapest thing the world has yet seen—cheaper than conventional weapons by a factor of hundreds, if not thousands."

Dr. Bhabha said that a great deal of research and development had already gone into India's Atomic Energy Establishment over the past decade and a larger programme was proposed during the Fourth Plan. The essential point then was not that India was technologically incapable of making nuclear weapons, or could not afford these in a purely economic sense, or could not deliver them, or had nowhere to test them but that it was determined not to produce these on larger political considerations.

This self-abnegation by a country with advanced nuclear capability must therefore be regarded as resting on a position of strength which deserved fuller recognition. If, for instance, the "nuclear Powers" were concievably to meet as an inner group to discuss nuclear disarmament, then India would quite clearly qualify to be at the negotiating table.

(*The Times of India*, Bombay)

[Prev. ref. 6148:CHI:A]

G. Army "Coup" Foiled In Bhutan: Reports reaching Gangtok on November 26 said that the King of Bhutan had smashed a plot to turn the army against him in the second serious challenge to his power in eight months.

The reports linked with the plot the name of the Prime Minister, Mr. Lhendup Dorji, then in London.

Within 24 hours of his return to the Capital from Switzerland, where he had gone for treatment, the King ordered the arrest of some alleged plotters, including two top army officers and four civilian officials.

The Secretary-General, Col. Penjo, the Deputy Commander of the Bhutan Army, and six other senior civilians fled the country shortly before the King returned.

The name of one arrested army officer was given as Col. Lam Dorji. He was in charge of the army after the Deputy Commander, Brig. U. Tangbi, fled.

The plot was alleged to have been hatched when the King left for Switzerland in October. He had issued instructions that the army should take the oath of allegiance to the country and the King. But in his absence the acting Prime Minister, Lhendup Dorji, ignoring his instructions, asked the army to take the oath of allegiance to the King, the country and the Prime Minister. It was stated that Mr. Dorji had persuaded some army officers to pledge that they would leave Bhutan should occasion arise for him to leave the country.

Meanwhile, a Calcutta report said that two of the fugitives from Bhutan were seen in Kalimpong. Some others were said to have reached Nepal. One of the fugitives, the Deputy Army Chief, Brig. Tangbi had been promoted and confirmed in his post five months earlier.

[In April, 1964, the King was faced with a similar threat to his power (see page 5798). When he was away for treatment, his Prime Minister, the late Mr. Jigme Dorji, was assassinated. He took swift action on his return and ordered the arrest of the conspirators. Brigadier Namgyal, suspected to have masterminded the conspiracy, was tried and executed.]

Arrests:

According to reports reaching Calcutta on November 26, a number of young officials had been arrested in Bhutan. Among them were the Deputy Secretary-General, Dawa Tshering, the Quarter-Master General, Agye Tshering, and Col. Lam Dorji, who remained in charge of the army when the Deputy Army Chief, Brig. Tangbi, fled Bhutan four days earlier. Two others were of Chinese origin but Bhutanese nationals.

Dawa Tshering, who had recently returned from London, where he had been a representative of Bhutan at the Colombo Plan Exhibition, had met the King in Calcutta and proceeded immediately to Bhutan. He was promoted to his present high rank when Mr. Lhendup Dorji, who was Bhutan's Secretary-General, became acting Prime Minister.

Conditions in Bhutan were reported to be calm if not normal, with the King in full command of the situation. But it was an open secret that the young ruler's life may be in danger as the full extent of the new crisis that had developed in Bhutan during his absence had yet to be disclosed.

From what was immediately known it partly had to do with the recent arrest and allegedly shabby treatment of a King's favourite. Who issued the orders and for what reason was not known. Fearing the consequences, all those concerned had fled. But there would appear to be considerations far more serious to cause so many officials to flee the country for fear of their lives. It was known, for instance, that they considered themselves liable to be charged with treason.

Unconfirmed reports said that Brig. Ugyen Tangbi with three others had entered Eastern Nepal, where they had been apprehended by the Nepalese authorities. What was known was that the King was anxious that Brig. Tangbi return to Bhutan, where apparently all charges against him would be dropped. It was considered unlikely that he would return of his own free will, although he had a reputation of being one of the King's most loyal officers.

Ever since the public execution of his predecessor, Brig Bahadur Namgyal, at whose trial he was chief prosecutor, Brig Tangbi was known to have been living under constant strain. Indeed, much of the uneasy fear that stalks Bhutan today could be traced to the intimidating public execution of those responsible for the assassination of the late Prime Minister, Mr. Jigme Dorji.

It was, besides, more than a little possible that what even then appeared to be coup against the Dorji family had gone on smouldering and was now working swiftly to fulfilment. The King, who despite his ill-health quashed a serious crisis

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then, may well settle this: he has his people's loyalty and affection to help him.

But the present and rather confused situation was not to be lightly dismissed. It was loaded with dangerous possibility, since where a domestic crisis of this kind could almost be ignored in a country of similar size anywhere else, Bhutan's strategic position made it vitally important to India. Large concentratons of Chinese troops had long been reported on Bhutan's northern border.

[Contrary to popular belief the Indo-Bhutan Treaty has no defence clause. On the contrary it has been made clear on more than one occasion that the Bhutanese Government does not desire the protection, or presence in Bhutan, of Indian troops. This has in no way damaged most friendly relations between the two countries. Indeed, a small cadre of Indian officers with their headquarters in the capital have been responsible for the training of the Bhutanese army and all arms and equipment have been supplied by India. During the 1962 invasion of neighbouring N-EFA by the Chinese, Bhutan's army not only readied itself to resist the Chinese but offered its meagre military resources to India.]

King Takes Over Government:

It was announced on November 27 that the King of Bhutan had taken over "full responsibility of the country's administration", a function that was temporarily entrusted to Mr. Lhendup Dorji.

The information was circulated to the Press in a Press release issued by what appeared to be a new Bhutanese Government *Information Department* in Calcutta.

The statement said that the King had placed his half-brother, Dasho Wangchuk, "in charge of the army in addition to his civil duties".

It claimed that the situation was "fully under control".

The following is the text of the statement issued by the Bhutan Information Department:

"The situation in Bhutan is fully under control. Inquiries that have been made with regard to two army and four civilian officers who left the country some days ago show that they did so under an exaggerated sense of fear of action to be taken against them on the King's return from Switzerland for dereliction of duty during his absence.

"It has not, however, at any time been the intention of the King to take summary or excessive action against his officers, and there was no occasion for them to flee the country, pending the King's return.

"Their sudden departure necessitated tightening of security measures along the frontier, including the checking of travellers leaving or entering Bhutan. The checking officers have however been instructed that the least possible inconvenience is caused to bona fide movement of traffic.

"The report that several arrests of high-level officers have taken place is not correct. The Deputy Secretary-General was questioned at a traffic checkpost in keeping with general security. He was in due course allowed to proceed to his headquarters, where he has resumed his duties."

Nepal's Foreign Minister, Mr. Kirtinidhi Bisht, said on arrival in Calcutta from Khatmandu on November 27 that he had no knowledge of the arrest of Bhutan's absconding Deputy Army Chief, Brig. Ugyen Tangbi, with other Bhutanese officials in Nepal. Till his departure from Nepal his Government had had no communication from the Bhutan Government about these officials.

Mr. Lhendup Dorji's Statement:

Mr. Lhendup Dorji said in London on November 28: "As far as I am aware, there has never been any question of a challenge to the King's authority or any wavering in loyalty to his person.

"I am at present on three months' leave in Europe and at the complete disposal of the King at any time."

The following is the text of Mr. Dorji's statement:

"I would like to clarify some points in the conflicting accounts appearing in the British Press on recent events in Bhutan. This is not the first time that news from inside Bhutan has reached the outside world in a garbled and misleading form. Anyone who knows the country and its rather rudimentary internal and external communications will appreciate how easily fact and rumour can become confused.

"I hold the office of Secretary-General for Planning and Development and, during the King's illness and absence from Bhutan, I was appointed acting Prime Minister. The King has now returned to Bhutan and this naturally involves a re-allocation of functions.

"As far as I am aware, there has never been any question of a challenge to the King's authority or any wavering in loyalty to his person.

"One newspaper refers to Bhutan as 'an Indian protectorate'. This is not the case. Bhutan remains an independent sovereign State. Her very close relationship and friendship with India and the fact that India lends powerful support to her development schemes have never been interpreted by Bhutan as implying any diminution of sovereignty. That India has always accepted this interpretation is the basis of the cordial understanding which links the two Governments.

(*The Statesman*, Calcutta, *The Times of India* and *The Hindustan Times*, New Delhi)

[Prev. ref. 5798:INI:B]

H. Appointment Of Indo-Naga Commission—Rev. Michael Scott's Appeal: In a statement in New Delhi on November 23, Rev. Michael Scott, a member of the Nagaland Peace Mission, pleaded for the appointment of an "Indo-Naga Commission" for a full and objective inquiry into "all that has happened" in Nagaland.

He said he had submitted a great deal of written material and considered opinions to the Prime Minister, Mr. Lal Bahadur Shastri in good faith as requested by many Naga people. "I hope that it may now be possible for a full and impartial Indo-Naga Commission of Inquiry to be appointed."

He said one of the reasons why the Naga conflict had not been solved all these years was "the failure of the Press and of politicians to insist on a full and objective inquiry into all that has happened there and what has gone wrong."

He denied that he had told the Press or any one else that Indians and Nagas were "fundamentally different" and they should be separated, or that the signing of the "Cease-fire" in Nagaland was an international agreement or that he was a foreign observer.

He said he had never thought of him-

Mr. J. P. Narayan's Statement:

In a statement in New Delhi on November 22, Mr. Jaya Prakash Narayan said it was far more important to have friendly rather than discontented and hostile Nagas along the Indian frontiers. This would deprive foreign Powers of possible opportunities of interference.

The manner in which the Naga problem was settled would have its impact on "the other border people and border kingdoms."

He also believed that a military solution of the Naga problem would involve "large-scale extermination of the Naga people," which on any account would be undesirable. "It is my view," he said, "that there must be fresh and courageous thinking" of the Naga question.

The following is the text of his statement:

"It was some months ago that I had suggested that an all-party parliamentary delegation should visit Nagaland in order to study the situation. But so far neither any delegation has gone nor any member on his own had found it necessary to visit that trouble spot of the country to see things for himself. And yet, everyone seems to be ready with impassioned words and censure for all and sundry.

"The excitement appears to be on three counts: (A) Certain alleged remarks of Rev. Michael Scott, (B) crossing over of Naga underground groups into Burma and their heading towards Pakistan, and (C) underground demand for a sovereign independent Nagaland. It should have been possible and certainly more helpful to deal with these matters with patience and understanding.

"The Rev. Michael Scott has already disowned the remarks attributed to him. I should add that he is a friend of India and is as anxious as anyone else to find a satisfactory solution of the Naga question.

"As for Naga groups going towards Pakistan, it is, indeed, a serious matter and not only the Foreign Secretary as leader of the Government of India delegation but also the Peace Mission has taken a serious view of the matter and will pursue it further. That Parliament should be concerned over it is natural.

"But as far as the Naga demand for a sovereign independent State is concerned, it should have caused no surprise, much less excitement. That demand has been before the country all these 17 years. That the underground Naga leaders should have opened political negotiations by re-iterating that demand should have caused no surprise in any well-informed quarters.

"The very purpose of instituting a cease-fire and the peace talks and allowing the Peace Mission to function in Nagaland was to find out if there was a way to build a bridge between the position of Naga hostiles and that of Government of India, namely, that Nagaland was part of the Union.

"The Peace Mission has been working on the assumption that it was possible to find such a way. It is easy to terminate the peace talks and renew the violent struggle; but before that is done it is necessary to take stock of the situation, weigh carefully the consequences that might follow and then take a final decison.

"I, therefore, plead for cool and far-sighted reasoning on this question.

"The experience of the past 17 years has proved that no one can defend the Naga hills and Nagaland borders better than the Nagas themselves. It is, therefore, essential in the interests of India, particularly in the interests of her defence, to satisfy the Nagas so that they would be relied upon to be on our side.

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Underground Nagas' Conditions for Peace:

Meanwhile, the Naga underground delegation to the peace talks has suggested five steps to facilitate the laying down of arms by underground Nagas.

The steps were set out in a letter written on November 12 by Mr. Zashie Huire, chief delegate of underground Nagas to the peace talks and addressed to the Nagaland Peace Mission. The steps are:

(1) The Indian armed forces should be withdrawn completly from Nagaland. Peace in Nagaland could be restored only after the withdrawal of the Indian armed forces. The "Federal Government of Nagaland" (underground) would not endorse the deployment of the Indian armed forces along Nagaland border before a political settlement was worked out.

(2) To assist the Peace Mission in supervising the task of complete withdrawal of the Indian armed forces, an impartial peace corps should be formed of friendly countries in addition to the present Nagaland Peace Mission members.

(3) After the withdrawal of the Indian forces, the Government of India should recognize formally that Nagaland was a sovereign independent nation and that this continued to be the Naga contention. Any further talks to resolve the issue should be based on this contention.

(4) After the complete withdrawal of the Indian forces and the formal recognition of the Nagas' contention that Nagaland was a sovereign independent State, the "Federal Government of Nagaland" would proceed to put its arms in the safe custody of the proposed peace corps under reasonable terms for the furtherance of the tasks of world peace, as suggested by the Peace Mission.

(5) To facilitate the speedy working of the proposed views, the "Federal Government of Nagaland" re-iterated the need for the presence of overseas observers at this crucial stage, as requested in their previous communications to the Peace Mission.

State Legislature's Opposition To Naga Demand For Independence:

Spokesmen of both the parties in the Nagaland State Legislature, namely, the ruling Naga Nationalist Party and the Opposition Democratic Party, have declared their opposition to the demand of the Naga hostiles for independence.

In separate statements in Kohima on November 21, they termed the demand unrealistic and appealed that peace talks should continue for an early amicable settlement.

A prominent member of the Naga Nationalist Party, who did not want to reveal his identity in view of the unsettled conditions prevailing in the State, and who was a member of the former Interim Body, constituted before the General Elections, said the hostiles' demand was impossible economically and impracticable politically.

He added: "The Nagas are Indians first and last and those who encourage this independence demand should know fully well that it would pave the way for Nagaland to be swallowed by Communist China."

Movement Of Naga Hostiles To East Pakistan:

Meanwhile, reports reaching Kohima on November 20 said that nearly 1,700 Naga hostiles were moving towards East Pakistan through thick jungle along Manipur's border with Burma.

The reports said that the Nagas had been seen moving in two columns, along the outer perimeter of the international frontier. They had crossed into Burma through dense forests near the border and were marching south with comparative ease as the Indian security forces could not operate in areas beyond the three-mile buffer.

Informed sources said this was one of the largest batches of hostiles going to East Pakistan, where a school was reported to have been opened for training them in guerrilla warfare.

The Chief Commissioner of Manipur declared with immediate effect Churachandpur and Tengnowpal sub-divisions of Manipur bordering Burma disturbed areas for three months.

An order published in a Gazette Extraordinary said that the sub-divisions were "in such a disturbed and dangerous condition that use of armed forces in aid of civil power was necessary."

It as earlier order, the Chief Commissioner had declared Ukhrul sub-division to be a disturbed area.

Official sources said that taking advantage of the cease-fire in Nagaland, the hostiles had recruited villagers and had taken them to Burma from where they had walked over to East Pakistan.

Armed hostiles were also visiting villages in various parts of Nagaland and extorting money from the people in violation of the Truce Agreement.

Increased stockpiling of food and other supplies had been noticed of late. At Chazuba village, 10 miles from Kohima, the hostiles forcibly collected Rs. 2,000 in cash and kind. Timber contractors of Dimapur were reported to have been threatened and asked to contribute Rs. 15 per tree to the hostiles' fund.

In recent weeks, more and more Naga hostiles wearing olive green uniforms and displaying arms were moving in the villages. They were apparently trying to impress on the people that they were well-equipped. The hostiles had also organized practice firing of rifles and light machine-guns at Gawki, about 20 miles from Kohima.

(*The Hindustan Times* and *The Times of India*, New Delhi)

[Prev. ref. 6188: INI: J]

I. **Governors' Conference:** Opening the annual two-day Conference of Governors in New Delhi on November 24 the President, Dr. S. Radhakrishnan expressed concern at the mass influx of refugees from East Bengal, the return of large numbers of people of Indian origin from neighbouring countries and the "sharp increases" in prices.

He made only a brief reference to external affairs. "Our relations with China and Pakistan are still unsatisfactory and we should do our best to improve them".

Reviewing the situation in the States, he said that dissensions within the ruling party in UP had "unhappily continued" and there had been "serious acts of indiscipline" by students in Orissa.

He devoted a good part of his address to the food problem and the rising prices. The wholesale price index had risen by 15.4 per cent since the beginning of the current financial year and consumer prices had also shown a similar increase. "Such sharp increases in the price level within a short period of time cannot but cause hardships, particularly to fixed income groups."

The past year had seen "considerable political activity" in several States. Among these he listed the change of governments in Kashmir, Punjab, Kerala and Goa.

He referred to Sheikh Abdullah's release and the withdrawal of the charges against him. This, he said, had been done as a measure of conciliation and for creating a better political atmosphere in the State. "I regret, however, that there has been very little improvement in the situation."

He also took note of the steps taken by the Central Government to implement the recommendations of the Santhanam Committee on corruption in the Central Services, including the appointment of a Vigilance Commissioner.

While farm output was low, industrial production during the current year was likely to maintain and perhaps improve the rate of growth achieved in 1963-64.

He made a reference to the death of Mr. Nehru and on behalf of all the Governors present assured the Prime Minister, Mr. Lal Bahadur Shastri of "our full co-operation in the immense tasks that he has assumed as Prime Minister".

All the State Governors except those of Madras and West Bengal were present.

Review Of National Developments:

The highlight of the proceedings of the Conference was a review of national and international developments by the Prime Minister, Mr. Lal Bahadur Shastri.

Mr. Lal Bahadur Sastri admitted that the situation in Kashmir had not turned out as anticipated. In particular, Sheikh Abdullah's activities had caused concern.

On Nagaland, while pointing out that people got worked up unnecessarily on issues like Mr. Jaya Prakash Narayan's statement supporting independence for the Nagas, he stated flatly that there was no question of such a demand being entertained in any form.

The morning session of the conference was devoted almost exclusively to the consideration of the economic situation. The two main speakers were Mr. Asoka Mehta, Deputy Chairman of the Planning Commission, and the Central Finance Minister, Mr. T. T. Krishnamachari.

In the afternoon, the Conference discussed the food situation. The Central Food Minister, Mr. C. Subramaniam, introduced the subject with a review which incorporated the decisions taken by the Government in consultation with the States Chief Ministers.

The theme of Mr. Asoka Mehta's 20-minute survey of the economic situation was that the outlook was not entirely gloomy. While the country had done poorly in agriculture and consumer goods, important strides had been taken in transport, communications, power and capital goods. The production shortfalls in agriculture and consumer goods were inter-linked: the latter suffered also because production of cotton, oilseeds and some other agricultural items failed to come up to expectations. Two major shortfalls were noticed on the agricultural front, namely, in irrigation and the supply of fertilizers. Both aggregated roughly to around two-thirds of what had been planned.

Mr. T. T. Krishnamachari pointed out that recent increases in the field of prices had re-inforced the Government's determination to eliminate deficit-financing completely from the Fourth Plan.

His main theme, however, was the future food policy. Both Australia and Japan had adopted State trading in foodgrain. This was the step which India too would have to adopt.

Conference Ends:

The Conference ended on November 25 after a plea for an effective role by Governors had been made by Mr. A. V. Pataskar (Governor of Madhya Pradesh) and had been followed by brief references by others.

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This led Mr. Lal Bahadur Shastri to jspeak to them in assuring words and describe how vital the Government of India considered their role in keeping the Centre posted with the goings-on in States.

The last day's sitting was devoted to a political survey, after the Central Home Minister, Mr. G. L. Nanda, had given his assessment. Though he said he considered the law and order position satisfactory, he listed two "disturbing factors"—revival of communal forces and the apparent ascendancy of pro-Chinese Communists and their bid to capture the party forum.

He discerned an attempt to exploit the supposed grievances of minorities for unhealthy ends and narrated how some good-intentioned people had been enticed by communal leaders. In this he saw faint signs of the re-building of the Muslim League.

The Madhya Pradesh Governor, Mr. H. V. Pataskar, reported that the dacoity menace was on the wane but the incidence of kidnapping had gone up.

Mr. G. L. Nanda gave details of the drive against corruption and stressed that earnest efforts in this regard would improve the image of India abroad.

Dr. Sampurnanand said he had fears about the country getting a bad name through exaggerated talk of corruption and cited a BBC broadcast saying that one out of every 45 Indians was corrupt.

Mr. Nanda did not accept this view, nor did he see any reason for the apprehension that officials would be demoralized. The problem, he pleaded, must be faced and solved.

(*The Times of India* and *The Hindustan Times*, New Delhi)

[Prev. ref. 5548:INI:O]

J. Kashmir's Special Status In Union—Government Not To Abrogate Article 370 Of Constitution: A despatch on December 1, 1964 said that after re-examining the constitutional and political aspects of the matter, the Central Government had decided not to agree to the abrogation of Article 370 of the Constitution at this stage.

Article 370, which governs Kashmir's special status in the Indian Union, was debated in the Lok Sabha where an Opposition member had moved for its repeal. The resolution received much support in the House.

This was not the first time that the issue had been raised, but, following the debate in the Lok Sabha, the Government studied its implications afresh and had come to the conclusion that the time was not yet ripe for the abrogation of the controversial provision.

The Jammu and Kashmir Premier, Mr. G .M. Sadiq and the Home Minister, Mr. D. P. Dhar, who visited New Delhi, had prolonged discussions on this subject with the Prime Minister, Mr. Lal Bahadur Shastri and the Home Minister Mr. G. L. Nanda. There was complete unanimity of view on this issue between the State and the Centre.

During the week's study, the Government's legal experts had expressed the opinion that the way Article 370 was phrased, its abrogation would involve considerable constitutional difficulties.

Under the Constitution, Article 370 can "cease to be operative" provided the "Constituent Assembly of the State" makes a recommendation to that effect to the President. The State Constituent Assembly, it was pointed out, no longer existed and before dissolving itself it did not transfer this power to its successor, the State Legislative Assembly.

This difficulty was not insurmountable inasmuch as Parliament could delete the Article through an amendment of the Constitution. However, recourse to this method might cause resentment in the State.

Legal obstacles apart, the Centre felt that abrogation of the Article at this stage would create for it and the State Government certain avoidable political difficulties. Anti-Indian elements in Pakistan and Kashmir were likely to seize upon the abrogation as an opportunity for launching a propaganda offensive against India and the State Ministry which may lead to unhappy political repercussions.

The process of the State's integration with the rest of the country was proceeding steadily and "abrupt" measures such as the abrogation of Article 370 were not necessary immediately. During the past five months, the Centre's jurisdiction had been extended to Jammu and Kashmir in respect of several new subjects. Mr. Sadiq, who himself strongly favours the State's speedy integration was credited with the view that under the existing circumstances it might be better to "erode" Article 370 than to abrogate it.

Mr. G. L. Nanda's Statement In Lok Sabha:

The Central Home Minister, Mr. G. L. Nanda, announced in the Lok Sabha on December 4 that the Centre would soon be competent to proclaim Presidential rule in Jammu and Kashmir in case of an emergency.

He also announced the Government's decision to apply to the State Articles 356 and 357 of the Constitution which set out the mechanism for this step and to give Parliament the power to make laws for the State during a break-down of the Constitutional machinery.

Central jurisdiction was also to be extended to the State in regard to four more items. These included organization of the High Court, regulation of the affairs of trading corporations and price controls.

In addition, provisions relating to elections were planned to be applied to the State. A Bill changing the nomenclature of "Sadr-e-Riyasat" to "Governor" was now before a Select Committee of the State Legislature.

Mr. Nanda assured the members that the Government shared their concern and sense of urgency for fuller integration of Kashmir. Then followed a mild hint—"I hope I will not be misunderstood if I ask for a different approach." Having thus mollified the sentiments of the House he said: "Mr. Prakash Vir Shastri's Bill is defective, it is wrong, it will have to be set aside. It defeats its own purpose."

His argument was two-fold. Article 370 did not stand in the way of the State's integration. On the contrary, it could be used to accelerate this process. Its repeal would cause a void in the administrative relationship between the Centre and the State. The Article, he explained, regulated and affirmed progressive application of the Constitution; it did not shut it out.

He added: "It is not a wall. It is a tunnel. A good deal of traffic has passed already, more will pass now." At the most, it was a movable partition.

Secondly, he argued, the repeal of Article 370 would not mean an automatic abrogation of the various "qualifications and restrictions" on other constitutional provisions. He assured that, with time, more steps would be taken to extend Central jurisdiction. In fact, some of these were urgently called for because of the demand in the State for benefits under Central laws. He, however, considered it inexpedient to give any "hasty assurance" in regard to a Presidential Order on specific points as demanded by Mr. N. C. Chatterjee.

According to Mr. Nanda, Article 370 had been unnecessarily made much of in raising doubts about Kashmir's position. This was his frank opinion, keeping in view "the national interest alone" and not out of fear of somebody or because of any weak-kneed policy. "Every move has to be carefully considered so as to fit it into a comprehensive strategy."

Mr. Prakash Vir Shastri's Bill for the repeal of Article 370, which gives Kashmir a special status, had received considerable support. The Bill was, however, negatived—23 votes for, with 157 against. Members from Jammu and Kashmir abstained from voting.

Mr. G. M. Sadiq's View:

The Jammu and Kashmir Premier, Mr. G. M. Sadiq told newsmen in Jammu on December 12 that abrogation of Article 370 according special status to Kashmir was beyond the jurisdiction of the State Government. "It will be presumptuous on my part to ask Parliament to do so".

He said the question of repealing the Article was essentially a constitutional rather than a political issue and "I feel some time or the other, the Government of India will have to refer it to jurists for examination".

(*The Hindustan Times* and *The Statesman*, New Delhi)

[Prev. ref. 5820:PAK:C]

K. Indo-Pakistan Home Ministers' Conference Postponed: The Pakistan Home Minister, Mr. Habibullah Khan, told newsmen in Karachi on November 19 that the Indo-Pakistan Home Ministers' Conference would not be held before the Presidential election in March, 1965.

The Conference was to have begun in Rawalpindi on November 23 but was postponed at Pakistan's request.

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5799:INI:G]

L. World Conference For Peace And International Co-operation: The World Conference for Peace and International Co-operation, which concluded its five-day session in New Delhi on November 18, issued an appeal to all Governments not engaged in the atomic race and willing to join with them to meet without delay and demand a total ban on all atomic arms and weapons of mass destruction.

This conference of all Governments, the appeal said, should also demand an immediate end to the manufacture of atomic weapons and to all forms of testing of these arms; the destruction of existing stocks and to study, in conjunction with the peoples' measures and actions necessary to achieve these aims.

The World Peace Conference, attended by delegates from 40 countries and 12 international organizations, expressed its "deep appreciation" to the statement by the Prime Minister of India in his address to the Conference according the full support of his Government for peaceful co-existence, disarmament and international co-operation, its determination not to manufacture nuclear weapons and its intention to pursue the policy and, where possible, extended the area of non-alignment as an instrument for world peace.

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On disarmament the Conference called for an end to the arms race and for immediate practical steps towards the goal of complete and general disarmament under effective international control.

It "deplored" the test explosions, which had emanated from or were planned by France and China, and earnestly urged them and any other country that might be planning or contemplating nuclear tests to desist from such projects.

The United States proposal for the establishment of a multilateral nuclear force within NATO was described as an "extremely dangerous move" and the conference called on various peace organizations in the NATO countries for a united demonstration in Paris at the December (1964) session of the NATO Council.

The Conference also demanded the creation of nuclear-free zones as a means of diminishing tension in critical areas.

It expressed its belief in the observance of five principles for the alleviation of world tensions. These principles were: (1) respect for the sovereignty of all States, big or small, and the security of their territory; (2) respect for international law and international obligations; (3) settlement of all problems among neighbouring countries—including border problems, through peaceful negotiations; (4) abstention from the use of force in international relations; and (5) peaceful co-existence as laid down in Bandung and re-affirmed in Belgrade and Cairo Conferences of non-aligned States.

It expressed its full support for the programme of peace and international co-operation adopted by the Cairo Conference and said: "This declaration underlines the fact that non-aligned countries are contributing in a very decisive manner to the struggle against war and imperialism, colonialism and neo-colonialism. The programme is a detailed and concrete programme of fact."

(*The Hindustan Times*, New Delhi)

[Prev. ref. 5394:AOA:I]

M. **Kuwait Premier's Visit:** The Crown Prince and Prime Minister of Kuwait, Sheikh Sabah al Salim al Sabah, was given a warm welcome when he arrived in New Delhi on November 17 on a 13-day State visit.

The Prime Minister, Mr. Lal Bahadur Shastri, who received him at Palam airport, told the visiting dignitary: "We greatly cherish our relationship with Kuwait which has existed for many centuries".

The Crown Prince expressed confidence that "with the leaders of India we shall foster our co-operation and cement the friendly relationship existing between our two countries and peoples".

State Dinner:

At a State dinner on November 17 in honour of the Crown Prince of Kuwait, Mr. Lal Bahadur Shastri expressed the hope that India and Kuwait would participate in joint ventures fruitful for both the countries.

Discussions were now going on in regard to Indo-Kuwaiti industrial collaboration. "I do hope that these discussions will succeed."

Mr. Shastri hoped that the trade relations between Kuwait and India would further expand. He thanked Kuwait for lending support to India at the time of the Chinese aggression.

Sheikh Sabah al Salim al Sabah said in reply that India and his country had deep affiliations from the past. The friendliness, affection and understanding built through these years formed the "basis of the present spontaneous similarity of approach" of the two countries to basic international problems.

Civic Reception:

At a civic reception given to Sheikh Sabah al Salim al Sabah in New Delhi on November 18, Mr. Lal Bahadur Shastri said India and Kuwait would hold talks in a day or two to decide on a principle that would guide the collaboration of the two countries on some major projects.

He said once the principle was evolved details of projects would be worked out later in New Delhi and in Kuwait.

He said that prosperous Kuwait was ever willing to help developing countries and had, indeed, assisted several Arab States. When he had suggested collaboration on projects, both in India and Kuwait, the Crown Prince had reacted favourably. Such collaboration, could be both at the State and private levels.

He recalled Kuwait's support for India when it was attacked by China and also referred to the Sheikhdom's "clear opinion" on the Chinese atomic blast. It was time, he said, that all countries which did not possess nuclear weapons should raise their voice against atomic tests and armament.

The Crown Prince, replying to an address of welcome, said the human values for which Mahatma Gandhi and Mr. Nehru had stood were the basis of Kuwait's declared policy at home and in the international field.

He said Kuwait was a small country, but it upheld the principles of peace with justice, friendship with understanding and prosperity with benevolence.

He also announced the donation of Rs. 1,00,000 to the Nehru Memorial Fund.

Reception By Jamait-ul-Ulema-i-Hind:

On November 18, the Jamait-ul-Ulema-i-Hind held a reception in honour of Sheikh Sabah al Salim al Sabah.

Speaking on the occasion, the Kuwait Prime Minister urged the Indian Muslims to serve their country and religion as true followers of Islam.

A donation of Rs. 50,000 was announced for the Jamait-ul-Ulema-i-Hind on behalf of the Kuwait Prime Minister for the promotion of its religious and educational activities in the country.

On November 19, Sheikh Sabah al Salim al Sabah left New Delhi on a tour of the country.

He left India for Kuwait on November 30.

(*The Times of India* and *The Hindustan Times*, New Delhi)

[Prev. ref. 5846:INI:G]

N. **Mr. M. C. Chagla On Language Policy:** The Central Education Minister, Mr. M. C. Chagla, defended in the Lok Sabha on December 11, 1964 the Government's language policy and declared that he would not "ram Hindi down the throats of the people of South India."

He appealed to the House and especially to the protagonists of Hindi who had accused him of going back on the language policy, not to do anything which might undermine national unity. "Let us go slow and take the South and other parts of India with us. I will not be a party to forcing Hindi on the South, West Bengal or any other part of the country."

Taking strong exception to the charges against him, Mr. Chagla said that he had not made even an iota of change in the Government's language policy which had been approved by Parliament. There was no question of his initiating any new policy.

The Government was agreed that regional languages should ultimately become the media of instruction in universities, but the transition from English to regional languages should be "careful, well-thought-out and after full preparation."

He warned against attempts to destroy the English language which acted as a link between different parts of the country. "We must work for a day when Hindi—our national language, becomes the link language. But till that day English must continue. Let us pursue a policy which will not harm national unity."

He characterised as a "complete lie" the allegation that he was not supporting the propagation of Hindi. He listed the measures taken to spread Hindi in non-Hindi speaking areas. He quoted extensively the reports of various Education Commissions and other expert bodies which said that English should continue as long as Hindi and the regional languages were not sufficiently developed to replace it. They had also said that English should be retained as it was the only means of preventing India's isolation from the world. If fissiparous tendencies were not to develop, there was strong need for the country to have a common language. The Kunzru Committee in its report in 1957 had stated that the switch-over from English to Indian languages should not be hasty and should be preceded by adequate preparation. The Radhakrishnan Commission was of the view that it would neither be desirable nor feasible to create a void by abandoning the language now in use.

He added that the Centre's policy had received full support from the conference of Chief Ministers in 1961. The conference had passed a resolution saying that unless there was an all-India language, teachers and students would not be able to immigrate from one university to another. The cause of education would suffer for want of a common linguistic link. Change-over to Hindi and regional languages would be effective when such languages were developed adequately for purposes of modern education. Till that happened, English would continue.

(*The Times of India*, New Delhi)

[Prev. ref. 5229:INI:A]

O. **Government's Food Policy In Kerala—Censure Motion In Lok Sabha Defeated:** The Lok Sabha defeated on November 17 by 180 votes to 42 an Opposition adjournment motion seeking to censure the Government for the food shortage in Kerala.

During the debate, members from Kerala gave vent to their feelings at the conditions created by the rice shortage in the State. The members took the Government to task for its failure to avert the crisis.

The manner in which the Central Food and Agriculture Minister, Mr. C. Subramaniam, came forward at the end "to share the feelings of anguish and the sense of shame at the way in which the Kerala situation had developed", however, blunted the Opposition attack somewhat. The result was that the reply of the Communist sponsor of the motion, Mr. H. N. Mukerjee, lost much of its sting.

Earlier, Mr. Subramaniam had said that there was no case for an adjournment motion, but the cue was not evidently taken by his party members. The usual promptitude with which Congress members vote down an Opposition move was lacking when the Speaker, Mr. Hukam

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Singh, wanted to know if the House favoured a discussion on Mr. H. N. Mukerjee's motion.

Explaining the Government's approach later, Mr. Subramaniam gave the assurance that movement of rice and wheat to Kerala during the last two weeks of November and in December had been planned properly to avoid a repetition of what had happened.

He briefly reviewed the measures adopted since he took over as Food Minister in June. After the discontinuation of procurement levies in Andhra and Madras, rice prices had shown a downward trend. He had hoped that the trade would co-operate and prices would not go beyond the then existing levels. After a few weeks, however, prices began to rise again. Then it was decided to fix prices for producers, retailers and wholesalers. In the Southern Zone they were fixed in such a way that rice from Andhra and Tanjore would move into Kerala. Traders seemed to be satisfied with the prices fixed but this was short-lived because they were accustomed not to reasonable margins of profit but to speculative profits. So conditions became difficult again.

At that time price control in Kerala was unfortunately relaxed, Merchants were able to operate outside the fixed price levels. This led to large-scale movement of rice into the State. The Governments of Andhra and Madras were alarmed that their position would become difficult. Their fears were genuine. The result was the imposition of informal restrictions on the movement of rice from these two States. He then met the Chief Ministers of the southern States and all of them came to the conclusion that Madras and Andhra should take the responsibility for moving sufficient stocks to Kerala.

Mr. Subramaniam said that the next step he took was to discuss with the Kerala authorities the enforcement of controls on distribution. The machinery for this purpose was being set up. It was estimated that 80,000 tons of foodgrains would have to be sent to the State every month on the basis of 12 ounces per adult per day for two-thirds of the population (the rest being producers). Later, however, it was felt that it would not be possible to get enough stocks from Andhra and Madras to give even half this ration. This position was made clear to the Governor of Kerala. It was also made clear to him that informal rationing would have to be introduced only gradually. By the time ration cards had been issued, the State Government decided to bring the whole population under rationing. This created a new situation. So it was felt that instead of 80,000 tons the State would require 120,000 tons a month. Half of this would be rice and half wheat.

He said it was about this time that he left for Manila. (This had been severely criticised by some Opposition members). He regretted this and said that he went because plans for movement of food to Kerala and for informal rationing had been finalised.

At one stage during his speech, the Swatantra leader, Mr. N. G. Ranga, demanded that the Minister should resign. Mr. Subramaniam said at the end of the speech that it would be very easy for him to take this step because it would mean a relief. But it would also mean shying away from duty. He would not prefer to do it. "I mean to face the situation and, if possible, succeed."

(*The Times of India*, New Delhi)

[Prev. ref. 6088:INI:A]

P. National Food Policy Approved By State Chief Ministers: After nearly five months of intermittent discussions, the State Chief Ministers gave their unanimous consent on November 18 to a national food policy, which was later approved by the Congress Working Committee.

Under the new policy—essentially a compromise between conflicting regional interests—the procurement target for rice for the Central pool in 1965 is to be raised to over two million tonnes, a buffer stock of 500,000 to one million tonnes of rice is to be built up and, perhaps for the first time, all coarse grains will be brought under a national system of food distribution on a State-to-State basis.

The long-drawn-out controversy over statutory rationing in big cities was also ended. Calcutta—at the insistence of the West Bengal Chief Minister, Mr. P. C. Sen—will have statutory rationing. Bombay, Kanpur and Ahmedabad will continue with the present system of informal rationing.

The cities of Madras, Hyderabad and Bangalore may have, if the concerned States so desire, a new system of "regulated distribution" of foodgrains which, according to reliable sources, is merely a compromise in terminology with the opponents of statutory rationing. Pending the introduction of the new system, these cities too may continue with informal rationing.

The States have been requested to extend informal rationing to other cities also.

The new policy was also understood to have resolved the reported differences at the highest level in Government over the quantum of rice imports during the coming year. Tentatively it was proposed to import during 1965 about 250,000 tonnes of rice under PL 480 from USA. Another 250,000 tonnes may be imported, if necessary, on payment of Rs. 15 crores in foreign exchange.

It was decided that each State, whether surplus or deficit, should launch a procurement drive to mop up the marketable surplus of rice and coarse grains and meet its internal needs.

The surplus States would, besides, procure in all over two million tonnes of rice for the Central pool from which, besides building a buffer stock, the needs of the deficit States would be met.

The contributions of the surplus States to the pool would be: Andhra Pradesh 800,000 tonnes, Madhya Pradesh 400,000 tonnes, Orissa 300,000 tonnes, Madras 200,000 tonnes and Punjab 250,000 tonnes. UP would make a small contribution.

Procurement in Madhya Pradesh and Orissa would be made by the Centre, while in Andhra the task would be left to the State Government.

Every State producing coarse grains, whether surplus or deficit, would be required to contribute 25 per cent of it for export to other States on State-to-Sate account.

Inter-State movement of gram would be free all over the country after March, 1965. Till then it would be on a State-to-State basis under restricted quotas. The interim arrangement had been made in deference to the pressing requests of Mr. M. L. Sukhadia, the Rajasthan Chief Minister.

Movement of all pulses and edible oils would be free all over the country.

A decision on the policy to be followed about wheat will be taken in March, 1965 just before the next rabi harvest.

To meet the fears of the deficit States and also to check trade malpractices, it was decided that all State-to-State movement would not be only on Government account. Unlike last year, private millers would have no hand in it. All procurement and exporting for the deficit States would be done by official agencies.

The Congress Working Committee discussed the Chief Ministers' proposals at two sittings. The first meeting, heard a long statement from the Central Food and Agriculture Minister, Mr. C. Subramaniam, on the discussions of the Chief Ministers.

Official Assessments Of Food Production: The latest official assessments anticipate that the over-all increase in food production in the first four years of the Third Five-Year Plan will be around 155,24,000 tonnes against the Plan target of 239,56,000 tonnes.

Only three States—Punjab, Andhra Pradesh and Madras—are expected to fulfil the Plan target in respect of increased food production.

When the first four years of the Plan are completed in 1965, these States would have achieved more than 75 per cent of the target. While Punjab is likely to top the list, having achieved 88 per cent of the target, Assam and Bihar, with less than 50 per cent achievement, are likely to be at the bottom.

Gujerat, Madhya Pradesh, UP and West Bengal are expected to achieve a little more than 50 per cent of the Plan target at the end of the year, while the remaining five States would have fulfilled between 60 and 70 per cent.

The tardy pace of progress in Assam, Bihar, Gujerat, Madhya Pradesh, UP and West Bengal is attributed to the snags in the full implementation of minor irrigation works and fertilizer distribution programmes.

In Gujerat, although the targets for minor irrigation, soil conservation and supply of improved seeds and green manuring are likely to be achieved, the programmes for dry farming, land reclamation and distribution of chemical fertilizers have not made much headway.

The annual rate of growth of agriculture is the lowest in West Bengal—less than one per cent. Against the Third Plan target of 14,49,000 tonnes of additional food production, the production achieved at the end of the first four years of the Plan will be about 8,25,000 tonnes.

In UP, food production declined steadily during the first three years of the Plan. Although the trend now seems to have been arrested there will be a very large shortfall in the Third Plan production target.

Additional food production in Bihar during the first four years of the Plan is likely to be 9,76,000 tonnes as against the Plan target of 20,27,000 tonnes. On the basis of the present estimates, the achievement during the Plan period is likely to be 14,02,000 tonnes.

In Madhya Pradesh, additional production during the first four years of the Plan is likely to be 9,62,000 tonnes as against the Plan target of 16,68,000 tonnes.

(*The Statesman* and *The Hindustan Times*, New Delhi)

[Prev. ref. 6151:INI:G]

Q. Food Production And Population Growth—FAO Expert's Forecast: The Director of the Statistics Division of FAO, Dr. P. V. Sukhatme, told a seminar on food and health in Bombay on November 25 that at the present rate of population growth, India would have to double its food output by 1980 and increase food yields four-fold by the turn of the century.

He placed India's current food deficit in terms of economic grain equivalent at 47 million tons. The deficit was made up of 10 million tons in cereals and pulses, 9 million tons of fruits and vegetables, 10 million tons of milk, 2 million tons in

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other animal products and a little over one million tons of fats and oils.

The task before the country was not only to wipe out the deficit, but also to provide for additional population. The annual increase of India's population was of the order of 10 million. This implied that India would have to raise her annual food availability by 4½ million tons, in terms of economic grain equivalent, merely to satisfy the needs of additional population.

Should the population grow to 680 million by 1980, as visualized by UN, India would need to provide 110 million tons to feed the additional population. In other words, India would have to double her total food supplies in order to achieve minimum goal of nutrition by 1980. The food supplies that would be needed by the year 2000 would be four-fold.

In reality the picture was likely to be darker because the indications were that population might be growing faster than under the present assumption. Secondly, the nutritional goal assumed was too modest and unlikely to bring about any appreciable reduction in the incidence of malnutrition.

Dr. Sukhatme said, given the necessary inputs and incentives, there should be no insuperable difficulty in increasing India's output to the required extent well before 1980. The attainment of the milk target was likely to present a problem, but here again experimental evidence left little room for doubt that milk yields could be doubled, or even trebled, through better feeding and management and long-range programme of improvement through animal breeding.

But how was India to feed her enormous cattle population, much of which was either undernourished or malnourished, or both? It was doubtful whether the food supplies needed could be raised internally without drastic measures such as the removal of excess cattle.

Should India's performance over the next Plan period show that it would be futile to achieve the short-term goal of nutrition even by 1980, it would be necessary to intensify the movement towards smaller family size and to initiate a policy towards the removal of excess cattle.

India's current birth rate of about 40 per thousand had to be reduced by half. A reduction of this order was hardly feasible, especially among rural people, the majority of whom were illiterate. India was thus left with the only hope of improving the levels of nutrition of India's people and that was to realize the agricultural potential as quickly as possible.

(*The Times of India*, Bombay)

[Prev. ref. 5973:AOA:B]

R. **Food Corporation Bill Passed:** The Lok Sabha passed on November 25 the Food Corporation Bill, seeking to establish the Food Corporation of India to take up State trading in grain and other food-stuffs on an appreciable scale.

The Corporation will have an equity capital of Rs. 100 crores, with powers to borrow on Central Government guarantee. It will function as an autonomous organization, working on commercial lines but within the frame-work of an overall Government policy.

The Food Minister, Mr. C. Subramaniam, said in reply to the debate in the third reading stage that the Corporation would function as the "real friend" of the farmer.

He re-iterated that the basic policy of the Government was to ensure remunerative prices for farmers.

He rejected Mr. Prakash Vir Shastri's suggestion that food prices should be allowed to fall by the interplay of free market operations. This would only mean that in a bumper crop year prices would drop so low that the farmer's return was less. In other words, the farmer's incentive to produce more would be killed.

He denied Mr. Shastri's charge that he (Mr. Subramaniam) had shown special favour to Madras, Mysore and Andhra Pradesh in the matter of grain allotments.

In a statement giving "the Objects and Reasons" of the Corporation, Mr. Subramaniam described it as "the first organized attempt to take up State trading in foodstuffs on an appreciable scale."

The Corporation will also build up buffer stocks. It will deal primarily in the purchase, storage, movement, distribution and sale of grain. Provision has also been made in the Bill enabling the Corporation to deal in other foodstuffs if considered necessary by the Government.

The Corporation is expected to secure for itself a "strategic and commanding position" in the country's grain trade.

It provides that the management of the Corporation shall vest in a board of directors. In discharging its functions, the board of directors "shall act on business principles having regard to public interest and shall be guided by such instructions on questions of policy as may be given to it by the Central Government."

The board of directors will consist of a chairman, a managing director, three directors representing the Central Ministries of Food, Finance and Co-operation, Managing Drector of the Central Warehousing Corporation and six other directors.

The Government may also appoint one or more advisory committees to advise the Corporation.

The Bill was passed by the Rajya Sabha on December 2.

(*The Statesman*, New Delhi)

[Prev. ref. 6091:INI:B]

S. **Dr. B. R. Sen On Food Crisis:** The Director-General of FAO, Dr. B. R. Sen, told a news conference in Bombay on November 30 that the present trend of thinking that the food crisis in India was of temporary character and that, once a good harvest was in, the corner would be turned, was based on a too optimistic and complacent an assumption.

The crisis, he said, lay deep in India's growing economy. It needed long-term treatment and a continued and well-thought out long-term policy, both for food production and distribution.

He suggested the setting up of a high-level Agricultural Commission for a very comprehensive and detailed probe of Indian agriculture in all its inter-related aspects and at various levels—village, block, district and State.

He said there had been no comprehensive inquiry into Indian agriculture since the Linlithgow Commission in 1924-28.

The terms of reference of such a commission should be.

(1) Authoritative review of the statistics of food production and consumption;

(2) Quantitative assessment of major factors responsible for the recorded increase in food production;

(3) Present state of under-nutrition and malnourishment among the population;

(4) Food needs for 1970, 1980, 1990 and 2000, taking into account minimum nutritional requirements and the population growth on the basis of present demographic trends; and

(5) Assessment of the effectiveness of present measures to solve the food problem.

(*The Times of India*, Bombay)

[Prev. ref. 6151:INI:G]

T. **Purchase Of Rice From UAR:** India signed in Cairo on November 19 an Agreement for the immediate purchase of 71,000 tons of rice from UAR.

(*The Egyptian Gazette*, Cairo)

(Prev. ref.

U. **World Food Programme Aid:** Under two Agreements with India signed on November 3, the World Food Programme of UN would assist a scheme to provide double-toned milk to low-income groups in Delhi, and a project for improved feeding of dairy cows in Andhra Pradesh.

The cost of aid to the Delhi scheme is estimated at $309,400 and of assistance to the Andhra project is $256,000.

The World Food Programme was established by United Nations and the Food and Agriculture Organization in 1961 and came into operation on January 1, 1963. WFP provides aid to three types of projects: using food as an aid to economic and social development; assisting in pre-school and school feeding; and meeting emergency food needs. Approximately $100 million in food, service and cash are being distributed through UN channels over a three-year period to developing areas to meet the above needs. Projects in India for which WFP assistance, in agreement with the Government, is now being given include increasing milk production in Anand; intensive egg and poultry production and marketing in Babugarh.

(*UN Newsletter*)

[Prev. ref. 5710:AOA:C]

V. **Diplomatic Appointments:** It was officially announced in New Delhi on November 28 that Mr. Samarendranath Sen, India's Ambassador at Algiers, had been appointed Ambassador to the Lebanon.

Mr. Abid Hasan Safrani, Ambassador to Senegal, has concurrently been appointed Ambassador to Upper Volta with residence at Dakar (Senegal).

Mr. Vishnuprasad Chunilal Trivedi, Ambassador-designate of India to Switzerland, has concurrently been appointed India's Minister to the Vatican with residence at Berne (Switzerland).

(*The Hindustan Times*, New Delhi)

[Prev. ref. 6166:INI:H]

W. **Three Loan Agreements With USA:** The Governments of India and USA signed in New Delhi on November 30 three Agreements providing for US loans totalling $60.3 million (Rs. 28.7 crores) to promote the development of industry, power generation and transport in India.

The first loan provides for $50 million to be used by the Government of India to finance the import of a broad variety of commodities required to maintain existing facilities and expand both agricultural and industrial production.

The second loan amounts to $7.2 million and will meet the cost of acquiring 25 broad-gauge diesel locomotives by the Indian Railways.

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The third loan, amounting to $3.1 million will be used to procure and install an 89,100-kw generator at the Sharavathi hydro-eectric project in Mysore.

All three credits were extended by the US Agency for International Development. They are repayable in dollars over a 40-year period, with no repayments called for during the 10-year grace period.

(*The Statesman*, New Delhi)

[Prev. ref. 6116:INI:E]

X. West German Loans To Industrial Corporation: The West German Bank for Development has granted a loan of DM10 million to the Industrial Credit and Investment Corporation of India and DM5 million to the Small-scale Industries Corporation.

Agreements for both were signed in New Delhi on November 25.

The West German Bank had already given loans of DM80 million to Indian corporations.

(*The Statesman*, New Delhi)

[Prev. ref. 6054:INI:C]

Y. Canadian Aid Programme. India will receive goods and services worth $39 million from Canada under its 1964-65 aid programme.

Of this, $22 million will be in the form of grants, $10 million in soft loans and $7 million in food.

(*The Statesman*, New Delhi)

[Prev. ref. 5907:INI:C]

Z. Trade With USSR—Letters Exchanged: A 50 per cent increase in Indo-Soviet trade during 1965, as compared with the current year was agreed to in Letters exchanged between the representatives of the two countries in New Delhi on November 18.

At talks held with Indian officials, the Russian delegation agreed that trade during 1965 should be of the value of about Rs. 125 crores in each direction.

This meant, incidentally, that the trade targets agreed to under the earlier long-term Agreement would be reached a year ahead of schedule.

About 40 per cent of the total exports to Russia during 1965 will be of manufactured goods, particularly engineering products.

(*The Statesman*, New Delhi)

[Prev. ref. 5631:INI:D]

A(I) Development Of Asnapani Coal Mine—Agreement With British National Coal Board: The Government of India has reached agreement with the British National Coal Board on the terms of collaboration for developing the Asnapani coal-mine in east Bokaro (Bihar).

The agreement covers the administrative set-up of the project, utilization of indigenous equipment, training of Indian technicians and facilities for British personnel.

The British Board was represented in the talks with Indian Government officials by its Chairman, Lord Robens, and Mr. M. V. Sheppard, Director-General of Production.

(*The Statesman*, New Delhi)

[Prev. ref. 5860:INI:L]

B(I). Central Allocation For Mining Industry: The Central Commerce Minister, Mr. Manubhai Shah announced in Panjim on November 21 that the Central Government had allocated Rs. 2 crores foreign exchange yearly for Goa's mining industry to enable it to import equipment, components and spares.

He said Goa had "iron-ore in abundance, entrepreneurs with vision and an ocean close by"—three factors which should help them convert "red gold into yellow gold."

India was now exporting 12 million tonnes of ore and it should not be difficult to achieve the Fourth Five-Year Plan target of 25 to 30 million tonnes by 1970-71. A recent survey had shown that India had about 110,000 million tonnes of high grade ore deposits.

While announcing the foreign exchange allocation, he urged local mine-owners to make the best use of the available indigenous equipment.

(*The Times of India*, Bombay)

[Prev. ref. 5474:INI:K]

C(I). Iron-ore Plant Commissioned In Goa: A Rs. 2-crore plant for upgrading exportable iron-ore was commissioned on November 21 at Pale, 40 miles from Panjim (Goa), by the Central Commerce Minister, Mr. Manubhai Shah.

The ceremony marked the mechanization of the Pale mining area in Goa, operated manually till then. The mechanization is expected to raise the annual ore output of the mine from 300,000 tons to more than 500,000 tons.

The mechanical plant at Pale mines is capable of processing 250 tons of crude ore into high grade exportable ore per hour. The crude ore mined in Goa has an iron content of about 55 per cent.

Some 70 iron-ore mines are being exploited in Goa by various private licensees. Most of them are manually operated.

The iron-ore deposits of Goa have been unofficially estimated at 500 million tons. A detailed mapping of the region by the Geological Survey of India is now under way. Last year's exports of iron-ore from Goa were around 6.7 million tons.

Mr. Shah also laid the foundation-stone of a plant to convert iron-ore fines into pellets for the export market. The pelletization plant, which will cost around Rs. 4 crores, is expected to go into production early in 1966.

The pelletization plant, the first to be set up in South-East Asia, will produce 1,700 tons of iron-ore pellets per day or about 550,000 tons a year.

(*The Times of India*, Bombay)

[Prev. ref. 5775:INI:Q]

D(I). Coal Seams In Ramgarh Discovered: Twenty-two coal seams, some of superior quality, have been located by the Indian Bureau of Mines in the Ramgarh coalfield in Bihar.

The seams have been located after detailed explorations by intensive drilling in four notified blocks comprising an area of 70.84 square km.

The location of these seams is considered important in view of their proximity to the proposed site of the Bokaro Steel Plant. Besides, the exploitation of the seams will help achieve the production targets of coking coal during the Third and Fourth Plan periods.

The Bureau has, for the first time, established systematic co-relation of 16 of the 22 coal seams. Of the 22 workable coal seams, particularly four seams have attracted special attention for their superior quality, coking property and appreciable thickness. These seams have moderate to strong coking properties.

On the basis of investigations, proved reserves of 270.351 million tonnes of coal have been estimated, of which 82,223 million tonnes are quarriable and the rest can be exploited by underground mining. Of the total reserve of coal, 70,574 million tonnes are of good quality and the remaining 199,777 million tonnes are of inferior grade.

(*The Times of India*, Bombay)

[Prev. ref. 5860:INI:L]

E(I). Korba Aluminium Project—Agreement On Procedure Signed With Hungary: An Agreement setting out the procedure for preparing a project report on the proposed aluminium project at Korba in Madhya Pradesh was signed in New Delhi on November 17 by representatives of the Government of India and the Hungarian Government.

The project report will be prepared in two stages. The first part of the report, which will include the economic assessment of the resources, will be presented in 10 months. On the basis of this report the Government of India will take a final decision on the scope and capacity of the project.

The final report will be presented within 18 months from the date the Agreement on the project report becomes effective.

The National Industrial Development Corporation will act as the technical consultancy bureau for the Government of India and the executing agency for the project.

The Korba project will have a capacity to manufacture 1,20,000 tonnes of alumina and 30,000 tonnes of aluminium metal per annum.

The Hungarian Government has already offered credit to cover the foreign exchange component of the project.

(*The Times of India*, New Delhi)

[Prev. ref. 5582:INI:H]

F(I). Progress Of Indian Oil Corporation: The Chairman of the Indian Oil Corporation, Mr. P. A. Gopalkrishnan, said in Bombay on November 21 that the Corporation was likely to become the largest oil company in the country in another six or seven years.

Addressing the Corporation's annual general meeting, he said they had increased the tankage and also built many new depots. The Corporation could now handle a sale of more than two million kilo litres. During 1963-64, it sold 1.17 million kilo litres of oil products as against 0.62 million in the previous year, while it sold 26,488 tons of petroleum coke as against 11,498 tons. The operational cost per kilo litre had come down from Rs. 30.16 to Rs. 29.21.

The report and accounts of the Corporation for the year ended March 31, 1964 showed that its sales increased from Rs. 21.35 crores to Rs. 52.43 crores. After providing Rs. 19,52,000 (Rs. 31,31,000) for depreciation, Rs. 21,20,000 (Rs. 2,80,000) for taxation and Rs. 55,85,000 (Rs. 15,01,000) for interest charges, the net profit was Rs. 83,57,000 (Rs. 59,60,000). The net profit worked out to 17 per cent of the paid-up capital of Rs. 3.22 crores in 1962-63.

The Corporation had done some preliminary work on the marketing of special products such as insecticides and rubber spray oils. It was considering the setting up of a laboratory for testing petroleum

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products. The intention was to make the laboratory a centre for research designed to improve the existing products and introduce new ones.

(*The Times of India*, Bombay)

[Prev. ref. 5632:INI:K]

G(I). **New Chief Justice Of Madras High Court:** It was announced in New Delhi on November 21 that the President had transferred Mr. Justice P. Chandra Reddy, Chief Justice of the Andhra High Court, as Chief Justice of the Madras High Court.

He took the place of Mr. Justice Ramachandra Iyer who had been permitted to retire.

Next day (November 22), Mr. Justice Chandra Reddy was sworn-in as acting Governor of Madras in place Mr. Jayachama Rajendra Wadiyar who went abroad for three months.

(*The Hindu*, Madras)

H(I). **Re-shuffle Of Madhya Pradesh Cabinet:** The Madhya Pradesh Chief Minister, Mr. D. P. Mishra, effected in Bhopal on November 30 a major re-shuffle in the portfolios of his Cabinet colleagues.

Education was given to Mr. N. R. Dixit, who was holding Commerce and Industry which now goes to Dr. S. D. Sharma, till now Education Minister. Tourism which was part of Industries, was taken over by the Chief Minister himself as also Archaeology which was part of Education. The Languages Department, till now held by Dr. Sharma, was given to Mr. N. S. Shukla, Minister for Finance.

Rani Padmavati Devi, who was Minister for Social Welfare, became Minister for Local Self-Government (urban). Social Welfare went to Mr. G. N. Singh who was in charge of Local Government.

The Chief Minister himself took over the Panchayat Department which had been separated from Local Self-Government.

Mr. Mishra said that the re-shuffle had been made keeping in view the experience gained during the 14-month working of the Ministry.

He also decided that each Minister of State should be attached to a senior Cabinet member and should, in addition to his portfolio, look after part of his senior's work. The Irrigation Minister, Mr. R. P. Sharma, would be attached to Mr. N. R. Dikshit. The Jails Minister, Mr. Ved Ram, would be attached to the Food and Civil Supplies Minister, Mr. Gautam Sharma. The Power Minister, Mr. Sajjan Singh Vishnar, would be attached to the Chief Minister and would look after Panchayats. The Public Works Minister, Mr. Parmanandbhai Patel, would be attached to the Rehabilitation Minister, Raja Naresh Chandra Singh. The Health Minister, Dr. Ramacharan Rai would be attached to the Commerce and Industries Minister, Mr. S. D. Sharma. The Revenue Minister, Mr. K. B. L. Sharma is to look after natural resources. The Labour Minister, Mr. Shyam Sunder Patidaw, would be attached to the Development Minister, Mr. Mishrilal Ganguwal, and look after Economics and Statistics.

(*The Statesman*, New Delhi)

[Prev. ref. 5690:INI:K]

I(I). **Supreme Court Verdict On Legislature-Judiciary Conflict—UP Legal Committee's Report:** The Legal Committee of the UP Vidhan Sabha, which was appointed by the Speaker, Mr. Madan Mohan Verma, to study the implications of the Supreme Court's opinion on the legislature-judiciary conflict (see page 6215), declared on November 27 that the opinion was derogatory to the prestige and dignity of Parliament and the State Legislatures.

This opinion would not only make the smooth functioning of the House impossible but also reduce parliamentary democracy to a mere mockery. The Committee called upon the State Legislatures and Parliament to sit together and clear the mist that had been created by the Supreme Court's opinion so that the smooth functioning of these bodies might be ensured without any hindrance, obstruction and interference from outside.

It decided to contact the Speaker of the Lok Sabha, Mr. Hukam Singh, and Speakers of various State Legislatures and call an all-India convention of legislators to discuss the issue.

[The Supreme Court while giving its verdict in the Presidential reference on the tussle between the UP Vidhan Sabha and th Allahabad High Court had opined that Mr. Justice Sehgal and Mr. Justice Beg of the Lucknow Bench of the Allahabad High Court had not committed contempt of the Vidhan Sabha by admitting a writ petition filed by Mr. Keshav Singh, a Socialist worker of Gorakhpur, who was sentenced to seven days' imprisonment by the Vidhan Sabha for a breach of privilege and that the judiciary was competent to examine the privileges of legislatures.]

Reacting sharply to the pronouncement of the Supreme Court, the Legal Committee stated that the opinion "betrays a subtle attempt on the part of the judiciary to expand its jurisdiction and usurp those powers which were intended to be given exclusively to Houses of Parliament and State Legislatures. The interpretation given by the Supreme Court is not in accordance with the letter and spirit of the Constitution and does not reflect the real intentions of the framers of the Constitution. As such, the opinion is not binding on any one.

It added: "Article 194(3) and Article 105(3) were so explicit and clear that there could be no room for any other interpretation except that Parliament and State Legislatures enjoyed the same powers, privileges and immunities that were enjoyed by the British House of Commons at the time of the commencement of the Constitution.

"The most important and essential ingredient of the privileges of the House of Commons is its power to commit anyone for its contempt by a general warrant without being subject to judicial review."

(*National Herald*, Lucknow)

[Prev. ref. 6215:INI:A]

J(I). **Exposition Of Holy Relics St. Francis Xavier:** The holy relics of St. Francis Xavier were exposed for public veneration on November 24 in Velha Goa by the Papal Internuncio, Mgr. James Robert Knox, at a solemn ceremony in the basilica of Bom Jesus.

By nightfall more than 7,000 people were estimated to have visited the shrine.

(*The Times of India*, Bombay)

K(I). **All-India Radio To Acquire High Power Transmitters:** Central Minister for Information and Broadcasting, Mrs. Indira Gandhi, announced in the Lok Sabha on December 14, 1964 that the Government had decided to acquire a "super high-power" medium-wave transmitter as well as two short-wave transmitters of 250-kw capacity each.

Replying to a special debate started by Mrs. Renuka Ray, she listed a series of reasons, technical and political, for reversing the earlier Government decision to drop the proposal for a high-power (1,000 kw) medium-wave transmitter and acquire two small short-wave transmitters only.

Mrs. Gandhi declared that the new transmitters would be used not merely for the "negative" purpose of counteracting Chinese and Pakistani propaganda but positively to "project India and its policies."

There were expression of dissatifaction when she disclosed that it would take about two years to acquire and set up the new transmitters—the super-powerful transmitter at Calcutta and the short-wave ones in Delhi.

Thereupon, she promised to try to accelerate the establishment of these transmitters, but added that it might not be possible to reduce the period below 18 months. She added that the transmitters would be acquired from rupee payment countries.

She said the decision taken in October, 1964 not to go in for a "super high-power" transmitter had been reversed because experts considered such a transmitter preferable to short-wave one "for the limited purpose of efficient broadcasts to countries like Tibet, Sikkim and Bhutan in the north, and Burma, Thailand, Malaysia and part of Indo-China in the south-east." The decision taken in October, 1964 to acquire three short-wave transmitters—two of 250 kw power and one of 10 kw—still stood.

These transmitters, which were to have been acquired in lieu of the super high-power medium-wave transmitter, would be installed in Delhi and would be used to cover Pakistan, Afghanistan, Saudi Arabia, and the North-East Africa as well as China, the Soviet Union and several African countries.

(*The Statesman*, New Delhi)

[Prev. ref. 5406:INI:J]

L(I). **Working Of Ministry Of Information And Broadcasting—Inquiry Committee Appointed:** Central Government has set up a 10-member Committee to evaluate the work being done by various units of the Ministry of Information and Broadcasting.

Mr. Asok Chandra is Chairman of the Committee.

The Committee will, if necesary, avail of the Services of experts in different fields of mass communication as consultants.

The other members are Mr. Nath Pai, MP, Mr. M. S. Gurupadaswamy, MP, Dr. L. M. Singhvi, MP; Mrs. Kamala Chaudhri, MP; Mr. V. C. Shukla, MP; Mr. Sasan Zaheer; Mr. Asok Mitra; Mr. M. Chalapathi Rau and Dr. Hazari Prasad Dwivedi.

Miss Mehra Masani, Director of Programmes, Directorate-General, All-India Radio, will be secretary to the Committee.

The terms of reference of the Committee are:

(1) To determine and define the role of the Ministry of Information and Broadcasting in terms of the Government's responsibility and functioning in mass communications;

(2) To examine and evaluate the operations of various media units of the Ministry;

(3) To examine and assess in general terms the current and projected activities of the other Governmental agencies engaged in mass communications;

(4) To indicate the extent to which these operations, policies, etc., in each of the units meet the standards of an efficiently functioning unit in terms of the present objectives of the unit, and the objectives of such a unit as determined in terms of the Government's responsibility and functioning in mass communications;

(5) To recommend appropriate changes, where necessary, to be made in various media units;

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(6) To determine the desirability and feasibility of instituting a system of co-ordinating all Government activities in mass communications and specify what form such co-ordination should take; and

(7) To draft a specific practicable programme of mass communications, with detailed reference to the media, facilities, personnel, funds and time required for implementation of the programme.

(*The Times of India*, New Delhi)

[Prev. ref. 5953:INI:C]

ASIA OUTSIDE ASIA

A. "Mariner III" Mission To Mars Fails: The first American bid to send a *Mariner III* space-craft on a 8½-month picture-taking journey near the planet Mars was declared "a complete failure" on November 6.

The Project Manager, Mr. Jack James, said: "I'm afraid it is a complete loss. There's no hope now."

Officials of the National Aeronautics and Space Administration (NASA) told a news conference they believed that the trouble came about five minutes after launching.

They said a 300-lb dome-shaped heat shroud, designed to protect the payload from overheating in the first minutes of flight through the Earth's atmosphere, apparently came partly off the craft. The hanging shroud caused several ascending problems.

(*The New York Times*)

[Prev. ref. 5192:AOA:F]

B. Weather Satellite "Nimbus" Stops Working: It was reported on September 23 that the American weather-satellite *Nimbus*, which was launched in August to take photographs of the Earth and cloud formations, had stopped working.

American scientists said this was due to the failure of its solar power system. In its brief life, Nimbus took more than 27,000 photographs, including evidence of volcanic activity in the Antarctic.

(*The New York Times*)

[Prev. ref. 6085:AOA:D]

C. Soviet Trade With Middle East In 1962 And 1963: The following trade statistics available on September 4, 1964 show the Soviet Union's trade with Middle East countries in 1962 and 1963 in millions of roubles:

Country	Total Trade		Export		Import	
	1962	1963	1962	1963	1962	1963
Total for all countries	12,137.4	12,898.0	6,327.2	6,545.2	5,809.9	6,352.8
Afghanistan	58.3	58.0	35.5	40.4	22.8	17.6
Iraq	50.2	43.8	46.8	39.1	3.4	4.7
Iran	29.3	37.4	14.5	21.4	14.8	16.0
Lebanon	7.5	5.1	3.9	4.1	3.6	1.0
Syria	10.9	24.6	4.7	11.8	6.2	12.8
Turkey	8.8	14.2	3.9	7.8	4.9	6.4
Yemen	3.5	4.5	2.1	3.0	1.4	1.5
Algeria	0.8	5.2	0.7	4.6	0.1	0.6
Ethiopia	1.9	2.8	0.8	1.0	1.1	1.8
Libya	1.9	3.0	1.7	2.3	0.2	0.7
Morocco	10.5	17.9	5.1	8.8	5.4	9.1
Sudan	19.0	27.7	9.4	12.2	9.6	15.5
Tunisia	3.7	6.2	1.7	3.7	2.0	2.5
United Arab Republic	158.7	232.9	93.0	121.7	65.7	111.2
Total	365.0	483.3	223.8	281.9	141.2	201.4

UAR is the Soviet Union's most important trading partner in the Middle East. The other noticeable feature in these trade figures is the extremely small figure of Iraqi exports to the Soviet Union compared with imports which places her in the position of having the largest imbalance of trade with the Soviet Union. Otherwise there is a remarkable balance of trade between the Soviet Union and the Middle East as well as with individual countries, and Soviet trade with the region continues to expand.

(*Middle East Economic Digest*, London)

[Prev. ref. 6085:AOA:B]

D. Nobel Prizes For 1964: It was officially announced on October 14 that the 1964 Nobel Peace Prize had been awarded to Rev. Martin Luther King, the American Negro leader.

Dr. King was the second Negro leader to win the Prize in four years. The 1960 award was given to Chief Albert Luthuli, the South African nationalist leader.

Dr. King, born in Atlanta, Georgia, at 35 was believed to be the youngest winner of the Peace Prize. His latest book, "Why We Can't Wait", dealing with the Negro's struggle for civil rights in America, was published in London in September, 1964.

The Prize will amount to 273,000 Swedish kronor ($53,123) this year.

Dr. King took his doctor's degree in theology at the University of Boston and served later as a Baptist minister. In 1955 he was chosen to lead the Negro boycott of the Montgomery (Alabama) buses. Since then he has served as a Negro leader.

The Caroline Institute in Stockholm on October 15 decided to award the Nobel Prize for Medicine in 1964 jointly to two German-born scientists—Professor Konrad Bloch and Professor Theodor Lynen.

The award was for their discoveries concerning the mechanism and regulation of cholesterol and fatty acid metabolism. The amount of the Prize they share is £18,820.

Professor Bloch (52) went to USA in 1936 and was later naturalized. In 1954 he became the first Professor of Biochemistry at Harvard University. Previously in 1950 he was Assistant Professor and later Ordinary Professor of Biochemistry at the University of Chicogo.

Professor Lynen, born in Munich in 1911, is Director of the Biochemical Institute to the University of Munich and Director of the Max Planck Institute for Biochemistry, which has produced three Nobel Prize winners. The winner of the Chemistry Prize in 1928, Professor Hernrich Wieland, is his father-in-law.

Mr. Jean-Paul Sartre said in Paris on October 22 that he was refusing the award of the Nobel Prize for Literature.

It had been assumed in Paris that Mr. Sartre was going to refuse the Prize, and there had been considerable speculation on his motives.

Mr. Sartre has written novels, plays, essays and philosophical works; he has edited magazines; he even founded a political party—the Reassemblement Democratique Revolutionnaire—a Marxist party opposed to the communists.

He outlined his views on existentialism in L'Etre et Le Neant, published in 1943, and later incorporated them in his novels. Best known among these are La Nausee, and the still unfinished tetralogy Chemins de la Liberte.

An American and two Russians were jointly awarded the Nobel Prize for Physics for work leading to the development of high intensity light beams usable for purposes ranging from drilling to surgery.

They were Prof. Charles Townes, of the Massachusetts Institute of Technology, who received half of the 273,000 kronor (about £19,000) and Prof. Nikolai Basov and Aleksander Proshorov, of Moscow's Lebdev Physics Institute, who shared the other half.

The three men won the Prize for "fundamental work in the field of quantum electronics, which has led to the construction of oscillators and amplifiers based on the Maserlaser principle".

The Maser principle allows for light waves to be focused into a narrow, high intensity beam which can be applied for purposes ranging from drilling to surgery.

The Swedish Royal Academy of Science said Prof. Townes, born in South Carolina in 1915, was a professor of physics at Columbia University in New York when with his collaborators he reported his first results on Maser in 1951 and on the applications to visible light in 1958.

Prof. Basov, born in 1922, joined the Lebedev Institute in 1948, and Prof. Proshorov became associated with the Institute two years earlier.

The Academy said: "Together these two, independent of Prof. Townes, developed their ideas about Maser action, which were then reported at a conference in Moscow in January, 1953—research work which was subsequently expanded in a number of Russian publications in the following years."

Miss Dorothy Crowfoot-Hodgkin of Oxford University (UK) was awarded the Prize for Chemistry for her "determinations by X-ray techniques of the structures of important bio-chemical substances".

(*The Statesman*, Calcutta and *The Times*, London)

[Prev. ref. 5625:AOA:M]

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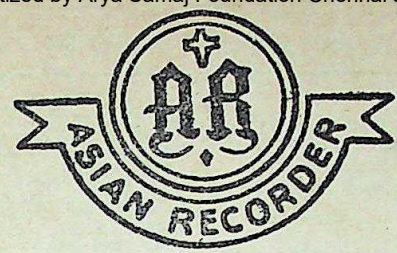
Supplement



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January 1—April 1, 1964

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It has been compiled on the Dictionary Method and arranged alphabetically with certain form-headings under different countries.

The Security Council debate on Kashmir is dealt with under India, Pakistan and UN. The Arab "Summit" Conference on Jordan waters issue features under A as well as Israel and the participating Arab countries. The Malaysia issue appears under Malaysia, Indonesia and Philippines.

The abbreviations for countries as well as the usual form-headings are given in the explanatory note on how to use the INDEX pasted on the inside of the back-cover of the binder under the heading INDEX EXPLAINED.

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SECOND QUARTERLY INDEX

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This is the SECOND QUARTERLY INDEX of ASIAN RECORDER for 1964 covering the period April 2 to June 30, 1964 (issues No. 14 to 26 of Vol. X).

It has been compiled on the Dictionary Method and arranged alphabetically with certain form-headings under different countries.

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THIRD QUARTERLY INDEX

July 1—September 29, 1964

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This is the THIRD QUARTERLY INDEX of ASIAN RECORDER for 1964 covering the period July 1 to September 29, 1964 (issues No. 27 to 39 of Vol. X).

It has been compiled on the Dictionary Method and arranged alphabetically with certain form-headings under different countries.

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